

CITY OF ASHTABULA

ASHTABULA COUNTY

Audit Report

For the Year Ended December 31, 2017





Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of Ashtabula, Ashtabula County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2017 through December 31, 2017. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

September 12, 2018

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City of Ashtabula
Ashtabula County
For the Year Ended December 31, 2017

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

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Ashtabula, Ashtabula County, (the City) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 28, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a 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 corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

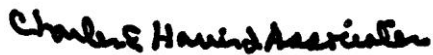
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Charles E. Harris & Associates, Inc.
June 28, 2018

City of Ashtabula, Ohio



Comprehensive Annual Financial Report

For The Year Ended
December 31, 2017

Prepared by the Finance Department

INTRODUCTORY SECTION

City of Ashtabula, Ohio

Comprehensive Annual Financial Report

For The Year Ended December 31, 2017

Prepared by:
The Finance Department

City of Ashtabula, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2017
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CITY OF ASHTABULA
FINANCE DEPARTMENT

MUNICIPAL BUILDING
4717 MAIN AVENUE
ASHTABULA, OHIO 44004

DANA PINKERT
FINANCE DIRECTOR



PHONE: 440.992.7197
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dpinkert@ashtabulacity.com

June 28, 2018

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

The City of Ashtabula's (the City) Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2017 is hereby submitted for review. This report, prepared by the Finance Department, enables the City to comply with Ohio Administrative Code Section 117-02-03(B), which requires reporting on GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38 which requires the cities reporting on a GAAP basis to file an annual report with the Auditor of State within 150 days of year end. It represents the City of Ashtabula's operations and provides a clear, comprehensive, and materially accurate overview of the City's financial position at December 31, 2017.

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

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

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

In accordance with Ohio law, regular audits are required to be performed on all financial related operations of the City. These audits may be done by either the State Auditor's Office or, if the State Auditor permits, an independent public accounting firm. Charles E. Harris and Associates has issued an unqualified ("clean") opinion on the City of Ashtabula's financial statements for the year ended December 31, 2017. State Auditor accountant's report is located at the front of the financial section of this report.

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

Profile of the City

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

The City of Ashtabula encompasses 7.6 square miles and 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 97,807 with the City of Ashtabula population estimated at 18,311.

Form of Government

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Income Tax Department is responsible for the collection of municipal income tax with approximately 4,000 resident returns, 1,000 business net profits returns and the collection from 1,200 withholding accounts from businesses within the City. The department offers free preparation in house service for the municipal income tax returns. The department is under the general direction of the City Finance Director.

Accounting Systems and Budgetary Control

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

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

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

The City Manager, who is also the Purchasing Agent by City Charter, approves all purchase order requisitions and the Finance Director certifies the availability of the funds. Upon such approval and certification, the purchase order is issued and distributed. Once the goods or services and the invoice are received, department head must sign a request for payment as verification that all goods or services were received and are in acceptable condition prior to payment for such is issued. Monthly detail and summary reports are distributed to each department head in order to review the status of the budget accounts for which he/she is responsible.

Economic Conditions and Outlook

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

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

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

The City of Ashtabula also has one of the finest harbors on the Great Lakes. In terms of tonnage shipped in and out, Ashtabula is one of the largest coal and iron ore ports on the Great Lakes. The majority of the cargo handled in the Port of Ashtabula is made up of coal, iron ore, sand and gravel, stone, and limestone. The entire harbor is dredged and canalized to the highest Great Lakes' standards, enabling the docks to serve vessels of any size. The Port of Ashtabula is also served by road and rail.

The Port of Ashtabula is one of the area's most valuable assets. Visitors will find many opportunities for outdoor recreation. There is a long list of fishing charters available in the Port of Ashtabula, and there are eleven marinas and yacht clubs along the waterfront. The marinas provide seasonal and overnight dockage, boat launching ramps, winter storage, picnic facilities, and camping.

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

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

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

Tourism continues to increase in the City however; the chief industries of the City and surrounding territory are still 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 and glass is about 30 times stronger than normal plastic. MFG Body Company was the original molder of the Corvette (in 1953), but today automotive is only one part of its business. Chromaflo Technologies Corporation, the largest independent global colorant provider to the Coatings and Thermoset Plastics markets and Community Care Ambulance house headquarters in the City.

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

City residents purchase water service from the Aqua Ohio Water Company. The daily average water pumpage is more than 4,500,000 gallons. The FirstEnergy/Illuminating Company provides electricity. The newest electrical generating facility available to FirstEnergy is the Perry Nuclear Power Plant, which is located approximately twenty-five miles from Ashtabula. Natural gas is supplied by the Dominion East Ohio Gas Company, which has over eight hundred miles of gas lines in the City. Windstream Western Reserve and Greatwave Communications provide local telephone service, and residents can choose between Time Warner, Direct TV and/or Dish Network for cable or satellite television services.

Major Initiatives

During the year, the City expensed more than \$800,000 for vehicles in 2017; which included a lease purchase agreement for a fire truck in the amount of \$492,011 that will be put in service in the last quarter of 2018 and two garbage trucks for \$171,649 each.

The City received the first year of collections in the amount of \$299,000 from the voter approved Park Levy. It is a five year levy and the monies will be used to improve and maintain City parks.

The Finance, Accounting and Billing software and hardware project to upgrade outdated software and interface with other City departments is underway. The transition will be complete in 2018.

The Safe Routes to Schools project which included the installation of new sidewalks on two City streets was completed in 2017. The \$492,654 project was funded by the Ohio Department of Transportation. The City invested \$383,749 in additional street improvements in 2017.

The Final Settling Tank Rehabilitation City's Wastewater Treatment Plant was completed in 2017 while Electrical Improvements, Ultra Violet Light Disinfection and the Primary Tank Rehabilitation projects all continued in 2017. The City will fund eight million dollars in improvements, with loans through the Ohio Water Development Authority. Improvements to the collection system continued with the start of Phase II of the Sanitary Sewer Overflow Elimination project. The Ohio Public Works Commission funded 70 percent of the project through grants and interest free loans with the City having an initial local match of 30 percent or \$78,000.

The Fire Department answered 677 fire alarms in 2017, performed 46 fire investigations and provided mutual aid to surrounding communities. The Fire Division is full partner in the City's EMS system, responding to 916 ambulance calls, transporting 743 patients and collecting \$153,000.

The Sanitation Department services 7,000 households and 160 commercial accounts per week. Pick-up is mandatory for all residents, and businesses have the option of City pick-up or private hauler. The City contracted with Waste Management and expended \$432,750 in landfill fees for the rubbish collected by our trucks and the rubbish collected at our transfer station. In addition to landfill fees, the City expensed \$52,100 for recyclable material pick-ups.

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

Future Projects

Construction will start on the Ohio Department of Transportation US Route 20 improvement in 2018. The City's share of the US Route 20 project is \$302,000 and will be funded with the State Infrastructure Bank Loan. Phase III of the Sanitary Sewer Overflow Elimination and the Digester Rehabilitation will also get underway in 2018.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Ashtabula, Ohio, for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2016. This was the City of Ashtabula's thirtieth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The preparation of this report depends on the contributions of all City departments and many dedicated employees. Our gratitude of those primarily responsible for its completion is extended to all contributors, especially the employees in the Finance Department who have spent their time and energy on various parts of the project; specifically, the Accounting Assistant and Assistant Finance Director who assumed new responsibilities for such and the Local Government Services section of Auditor of State's office for their assistance in the organization and final review of our 2017 Comprehensive Annual Financial Report.

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

Respectfully submitted,

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

Dana D. Pinkert
Finance Director

City of Ashtabula, Ohio
List of Principal Officials

Elected City Officials

City Council

John Rosckovics President
Christopher J. McClure..... Vice President
Kim Harley -Foglio..... Ward I
August A. Pugliese Ward II
Vacant Ward III
Michael D. Speelman..... Ward IV
Jane Haines Ward V

City Manager

James M Timonere

City Solicitor

Michael Franklin

Municipal Court Judge

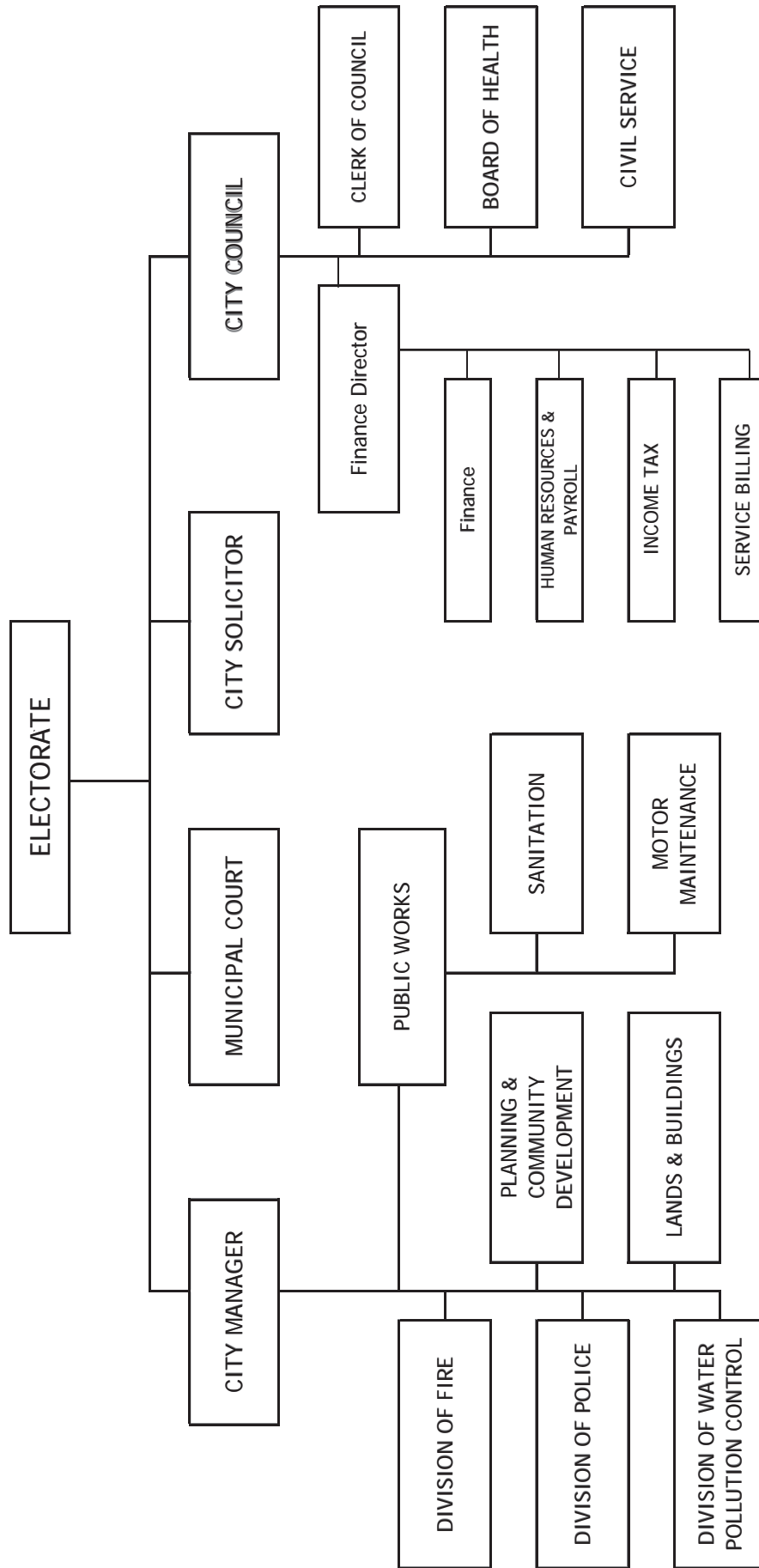
Laura Digiacomio

Appointed City Officials

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

CITY OF ASHTABULA, OHIO ORGANIZATIONAL CHART

December 31, 2017





Government Finance Officers Association

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

Presented to

**City of Ashtabula
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morill

Executive Director/CEO

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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

To the City Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Ashtabula, Ashtabula County, Ohio (the City), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 remaining aggregate fund information of the City of Ashtabula, Ashtabula County, Ohio, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General, Community Development Block Grant, Street Maintenance and Repair and Police Levy funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's discussion and analysis and schedules of net pension liabilities and pension contributions listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who 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 assurance.

Other Information

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

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2018, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Charles E. Harris & Associates, Inc.
June 28, 2018

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City of Ashtabula, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
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, 2017. 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

- The assets and deferred outflows of the City of Ashtabula, Ohio exceeded its liabilities and deferred inflows at December 31, 2017 by \$32,267,197 (net position). Of this amount, the unrestricted balance is a deficit of \$8,964,438.
- The City's total net position decreased by \$1.92 million during the year. Governmental activities total net position decreased by \$1.96 million and the business-type activities, total net position increased by \$48,160.
- As of the close of the fiscal year, the City of Ashtabula's governmental funds reported combined ending fund balances of \$3,174,156, a decrease from the prior year which is attributed to expenditures exceeding revenues in the current year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$680,548 or 7.78 percent of total general fund expenditures.
- The City of Ashtabula's total debt outstanding increased by \$2,492,165 (8.25 percent) in 2017; new OWDA debt issued in the business-type activities in the amount of \$1.79 million for improvements at the wastewater treatment plant.

Using this Annual Financial Report

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

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

Reporting the City of Ashtabula as a Whole

Statement of Net Position and the Statement of Activities

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and ask the question, "Is the City as a whole better off or worse off as a result of the year's activities during 2017?" The Statement of Net

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Position and the Statement of Activities answers this question. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by the private sector companies; taking into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

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

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

- ◆ **Governmental Activities** - Most of the City's services are reported here including police, fire, administration, and all other departments with the exception of water pollution control/wastewater and sanitation.
- ◆ **Business-Type Activities** - The City's business-type activities are water pollution control (wastewater treatment) and sanitation. The City charges fees to recoup the cost of the entire operations of business-type activities as well as all capital expenses associated with water pollution control.
- ◆ **Component Unit** - The City includes the Ashtabula Port Authority in its report. Although legally separate, this component unit is important because it is fiscally dependent on the City.

Reporting the City of Ashtabula's Most Significant Funds

Fund Financial Statements

The analysis of the City's major funds begins on page 11. Fund financial reports provide detailed information about the City's major funds. Based on restrictions on the use of monies, the City has established many funds which account for the multitude of services provided to our residents. However, these fund financial statements focus on the City's most significant funds. In the case of the City of Ashtabula, major funds are the general, community development block grant, street maintenance and repair, police levy, and permanent improvement funds.

Governmental Funds Most of the City's activities are reported in the governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future on services provided to our residents. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

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

The City of Ashtabula as a Whole

Recall that the Statement of Net Position looks at the City as a whole. Table 1 provides a summary of the City's net position for 2017 compared to 2016.

(Table 1)
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Assets						
Current and Other Assets	\$9,567,668	\$9,779,306	\$4,142,473	\$3,238,869	\$13,710,141	\$13,018,175
Capital Assets	31,819,675	31,816,647	19,330,856	18,335,374	51,150,531	50,152,021
<i>Total Assets</i>	41,387,343	41,595,953	23,473,329	21,574,243	64,860,672	63,170,196
Deferred Outflows of Resources						
Pension	3,457,659	3,798,879	1,096,142	957,589	4,553,801	4,756,468
Liabilities						
Current and Other Liabilities	1,067,209	647,736	488,456	554,885	1,555,665	1,202,621
Long-Term Liabilities:						
Due Within One Year	1,167,963	1,407,407	207,258	196,012	1,375,221	1,603,419
Due In More Than One Year:						
Net Pension Liability	14,619,372	14,134,597	2,780,680	2,428,243	17,400,052	16,562,840
Other Amounts Due In More Than One Year	6,857,348	6,408,254	7,065,749	5,493,783	13,923,097	11,902,037
<i>Total Liabilities</i>	23,711,892	22,597,994	10,542,143	8,672,923	34,254,035	31,270,917
Deferred Inflows of Resources						
Property Taxes	2,307,147	2,288,657	0	0	2,307,147	2,288,657
Pension	418,917	133,333	167,177	46,918	586,094	180,251
<i>Total Deferred Inflows of Resources</i>	2,726,064	2,421,990	167,177	46,918	2,893,241	2,468,908
Net Position						
Net Investment in Capital Assets	26,009,181	26,242,611	12,256,683	12,825,905	38,265,864	39,068,516
Restricted for:						
Capital Projects	1,171,340	2,064,719	0	0	1,171,340	2,064,719
Debt Service	61,462	49,326	0	0	61,462	49,326
Community Development	0	158,477	0	0	0	158,477
Street Maintenance and Repair	0	574,691	0	0	0	574,691
Public Safety	0	489,315	0	0	0	489,315
Municipal Court	0	58,041	0	0	0	58,041
Other Purposes	1,732,969	168,231	0	0	1,732,969	168,231
Unrestricted (Deficit)	(10,567,906)	(9,430,563)	1,603,468	986,086	(8,964,438)	(8,444,477)
<i>Total Net Position</i>	\$18,407,046	\$20,374,848	\$13,860,151	\$13,811,991	\$32,267,197	\$34,186,839

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The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2017 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—An Amendment of GASB Statement 27." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

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

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

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

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

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

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

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Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2017, the net positions of the City's governmental and business-type activities were \$18,407,046 and \$13,860,151, respectively.

Capital assets, reported on the government-wide statements, represent the largest portion of the City's assets. At year-end, capital assets represented 78.86 percent of total City assets. Capital assets include land, construction in progress, buildings and improvements, furniture, fixtures and equipment, licensed vehicles and infrastructure.

The majority of the City's net position is reflected by its investment in capital assets, less any related debt used to acquire those assets. These capital assets are utilized by the City to provide services to its citizens and are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

\$1,732,969 is the portion of the City's total net position that represents resources that are subject to external restrictions for how they may be used. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to its citizens and creditors.

The unrestricted deficit results from having insufficient assets set aside for long-term obligations such as pension liability, compensated absences and post-employment liabilities. The City finances such obligations on a year-to-year basis as they come due and also has ongoing capital projects that are debt-financed.

Net position for governmental activities decreased in 2017 while the net position for business-type activities increased. The following table gives readers further detail by comparing the changes in net position for 2017 and 2016.

(Table 2)

Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues						
Program Revenues						
Charges for Services	\$1,899,542	\$1,813,447	\$5,810,017	\$5,418,331	\$7,709,559	\$7,231,778
Operating Grants, Contributions and Interest	1,326,978	1,587,496	0	0	1,326,978	1,587,496
Capital Grants and Contributions	353,575	87,304	118,893	54,028	472,468	141,332
Total Program Revenues	3,580,095	3,488,247	5,928,910	5,472,359	9,509,005	8,960,606
General Revenues						
Property Taxes	2,203,254	1,765,577	0	0	2,203,254	1,765,577
Income Taxes	6,963,098	6,369,895	0	0	6,963,098	6,369,895
Grants and Entitlements	811,616	808,303	0	0	811,616	808,303
Hotel Taxes	370	0	0	0	370	0
Investment Earnings	3,580	538	0	0	3,580	538
Franchise Taxes	269,859	225,803	0	0	269,859	225,803
Other	77,636	87,282	2,844	5,279	80,480	92,561
Total General Revenues	10,329,413	9,257,398	2,844	5,279	10,332,257	9,262,677
Total Revenues	\$13,909,508	\$12,745,645	\$5,931,754	\$5,477,638	\$19,841,262	\$18,223,283

(continued)

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

(Table 2)

Change in Net Position (continued)

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Program Expenses						
General Government						
Legislative and Executive	\$2,135,112	\$2,073,507	\$0	\$0	\$2,135,112	\$2,073,507
Judicial System	1,254,676	1,133,813	0	0	1,254,676	1,133,813
Security of Persons and Property						
Police	4,707,610	4,630,686	0	0	4,707,610	4,630,686
Fire	3,054,167	2,678,611	0	0	3,054,167	2,678,611
Public Health Services	408,976	380,260	0	0	408,976	380,260
Street Maintenance and Repairs	2,790,436	2,376,580	0	0	2,790,436	2,376,580
Housing and Community						
Development	1,095,221	772,464	0	0	1,095,221	772,464
Sanitation Services	5,016	6,485	0	0	5,016	6,485
Leisure Time Activities	289,845	55,362	0	0	289,845	55,362
Interest and Fiscal Charges	136,251	3,650	0	0	136,251	3,650
Sanitation			1,805,365	2,088,252	1,805,365	2,088,252
Wastewater Treatment	0	0	4,078,229	2,416,530	4,078,229	2,416,530
<i>Total Expenses</i>	<u>15,877,310</u>	<u>14,111,418</u>	<u>5,883,594</u>	<u>4,504,782</u>	<u>21,760,904</u>	<u>18,616,200</u>
<i>Increase (Decrease) in Net Position</i>						
<i>Before Transfers</i>	(1,967,802)	(1,365,773)	48,160	972,856	(1,919,642)	(392,917)
Transfers	0	(45,718)	0	45,718	0	0
<i>Change in Net Position</i>	(1,967,802)	(1,411,491)	48,160	1,018,574	(1,919,642)	(392,917)
<i>Net Position Beginning of Year</i>	<u>20,374,848</u>	<u>21,786,339</u>	<u>13,811,991</u>	<u>12,793,417</u>	<u>34,186,839</u>	<u>34,579,756</u>
<i>Net Position End of Year</i>	<u>\$18,407,046</u>	<u>\$20,374,848</u>	<u>\$13,860,151</u>	<u>\$13,811,991</u>	<u>\$32,267,197</u>	<u>\$34,186,839</u>

Governmental Activities

The City's dependence on general revenues is significant since program revenues are not sufficient to cover total governmental expenses.

General revenues totaled \$10,329,413, and amounted to 74.26 percent of total governmental revenues. These revenues primarily consist of property tax and income tax revenues of \$2,203,254, and \$6,963,098, respectively. City income tax is the biggest contributor at 67.4 percent of the general revenues, 50.06 percent of total revenues and approximately 43.86 percent of governmental expenses. Income taxes received increased by \$593,203 during 2017 due to an increase in collections for estimated taxes. Property taxes received increased by \$437,677 due to the first full year of collections from the Park Levy.

The county, state, and federal governments contributed \$1,326,978 of operating grants and contributions to the City. There was an increase from 2016 of \$266,271 in capital grants and contributions. Of the total operating grants and contributions, \$140,489 subsidized security of persons and property; \$876,883 subsidized transportation programs; \$227,236 subsidized housing and community development programs and \$20,965 subsidized public health programs.

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Business-Type Activities

The City's business-type activities include the wastewater treatment and sanitation. The wastewater program receives no support from tax revenues. The wastewater treatment plant treats sewage from the City of Ashtabula and surrounding townships. The facility generated revenues of \$3,994,378 and had expenses of \$4,028,993 during 2017. Expenses increased in 2017 due to increased expenditures for the water treatment plant. The City continues looking at ways to improve cash flow by reducing costs of operation. The City doesn't have the option of discontinuing sewer service for nonpayment; the water is provided by a privately owned company. Delinquent sewer bills are certified to the County Auditor for assessment as part of the property tax bill. The City has been able to keep sewer rates low and does not foresee a rate increase to fund the improvements; however, the City did extend an existing debt service charge.

The Sanitation Department receives charges for services revenue from residential rubbish pickup, commercial containers and from individuals dumping at the transfer station. In 2017, revenues from such services were \$1,818,483 while department expenses were \$1,804,846. The cost of landfill and pick-up fees was in excess of \$432,000 for 2017; recycling is encouraged as an effort to keep such landfill costs low. Delinquent trash bills are certified to the County Auditor for assessment on the property tax bill. Build up of trash creates a health hazard and blight to the neighborhoods therefore the residential trash collection service is not discontinued for lack of payment.

The City's Funds

As of December 31, 2017, the City's governmental funds reported a combined fund balance of \$3,174,156. Of that amount, \$678,914 represents unassigned fund balance, and \$113,026 is nonspendable because it has already been allocated to materials and supplies, prepaids and unclaimed monies. The remaining \$2,382,216 fund balance is reported as restricted, committed or assigned to indicate that it is not available for new spending because it has already been restricted, committed or assigned to a specified purpose or it cannot be used to liquidate future liabilities because it will not be in a spendable form in the next year. Information about the City's major governmental funds begins on page 18. These funds are accounted for using the modified accrual basis of accounting.

The City's major governmental funds are the general fund, three special revenue funds - community development block grant, street maintenance and repair and police levy, as well as the permanent improvement capital projects fund. The general fund realized an increase in fund balance during the year with revenues exceeding expenditures by \$210,575 in 2017. This is due to an increase in collections of estimated taxes.

The community development block grant fund saw an increase in fund balance of \$104,391 in 2017, primarily due to the receipt of a local contribution designated for park improvements. Grant money was used to demolish 48 homes throughout the City. The street maintenance and repair fund saw an increase in fund balance due to an increase in gas tax receipts for the year. The police levy fund decreased as the expenditures outpaced the revenues received during the year. The permanent improvement capital projects fund decreased by \$962,891 due to increases in expenditures paid on capital projects.

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General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund. During 2017, the City amended its general fund budget several times, none significant. All recommendations for a budget change come from the City Finance Director to the Finance and Ordinance committee of Council for review before going to the whole council for ordinance enactment on the change. The City does allow intra-fund budget changes that modify line items within the legislated level of appropriations. With the general fund supporting many of our major activities such as our police and fire departments as well as most legislative and executive activities, the general fund is monitored closely looking for possible revenue shortfalls or over spending by individual departments.

Capital Assets and Debt Administration

Capital Assets

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

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$1,977,331	\$1,977,331	\$86,863	\$86,863	\$2,064,194	\$2,064,194
Construction in Progress	807,995	2,318,410	5,286,060	4,007,715	6,094,055	6,326,125
Buildings and Improvements	4,668,903	4,313,325	3,273,270	3,601,945	7,942,173	7,915,270
Furniture, Fixtures and Equipment	459,572	574,943	559,094	659,201	1,018,666	1,234,144
Vehicles	1,273,679	1,384,182	371,893	74,799	1,645,572	1,458,981
Infrastructure						
Bridges	14,403,987	12,864,974	0	0	14,403,987	12,864,974
Roads	5,580,458	5,732,075	0	0	5,580,458	5,732,075
Storm Sewers	1,254,552	1,252,654	0	0	1,254,552	1,252,654
Traffic Lights	1,393,198	1,398,753	0	0	1,393,198	1,398,753
Sanitary Sewers	0	0	9,753,676	9,904,851	9,753,676	9,904,851
Total	\$31,819,675	\$31,816,647	\$19,330,856	\$18,335,374	\$51,150,531	\$50,152,021

The City of Ashtabula aggressively seeks grant dollars and leverages dollars designated for permanent improvements for matching funds.

Projects for 2017 included continued Walnut Beach improvements, engineering on the US Route 20 improvements and street lighting upgrades, as well as 3.45 miles of street improvements. The City also purchased a fire truck through a lease purchase agreement in 2017.

The increase in business-type activities capital assets occurred in construction in process, buildings and improvements for capital, furniture, fixtures and equipment and vehicles, was primarily due to the wastewater treatment plant improvement projects. As part of the City's plan to renovate and upgrade the entire plant within ten years, monies were expended for improvements and equipment. The City also purchased two sanitation trucks 2017. See Note 15 for additional information about the City's capital assets.

City of Ashtabula, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

Long-term Obligations

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

(Table 4)

Outstanding Long-term Obligations at Year End

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
SIB Bonds	\$3,755,000	\$4,010,000	\$0	\$0	\$3,755,000	\$4,010,000
SIB Loans	1,169,658	1,172,842	0	0	1,169,658	1,172,842
OPWC Loans	119,489	78,525	582,914	627,373	702,403	705,898
OWDA Loans	0	0	6,300,857	4,679,870	6,300,857	4,679,870
Notes Payable	0	0	0	137,909	0	137,909
Capital Leases Payable	636,519	312,669	10,416	16,427	646,935	329,096
Claims Payable	176,577	177,990	0	0	176,577	177,990
Compensated Absences	2,168,068	2,063,635	378,820	366,125	2,546,888	2,429,760
Net Pension Liability	14,619,372	14,134,597	2,780,680	2,428,243	17,400,052	16,562,840
Total	\$22,644,683	\$21,950,258	\$10,053,687	\$8,255,947	\$32,698,370	\$30,206,205

During 2017, the City borrowed \$56,241 from the State Infrastructure Bank (SIB). The purpose of the SIB Bonds and Loans are to provide the funding necessary for the City's share for design engineering, right away acquisition and transactions costs for the US Route 20 improvement project. The bonds and loans will be repaid over a period of 10 years at an interest rate of 3 percent and will be repaid from the debt service fund.

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

The City borrowed an additional \$1.79 million from OWDA to finance the WWTP improvements in 2017. When the projects are complete, the total debt will be \$8.4 million. The amount due to the Ohio Public Works Commission and the Ohio Water Development Authority for business-type activities are paid by sewer revenues collected from the users as part of their normal sewer bill.

The City's overall legal debt margin was \$16,681,883 at December 31, 2017. See Notes 16 and 18 for additional information about the City's long-term debt.

Current Related Financial Activities

The City of Ashtabula is committed to maintaining the highest standards of services to the Citizens of Ashtabula and is proactive when planning expenses in order to stay within the City's revenues. As the preceding information shows, the City is heavily reliant on income and property taxpayers. The general fund revenue is usually constant but did realize increased income tax collections because of local income tax reform laws.

City of Ashtabula, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

While the Local Government Fund revenue sharing amounts received have become static and more projectable for budgeting purposes, the negative effect of the State's decision to make reductions is ongoing. The enterprise funds have generally experienced a positive cash flow as the result of consistent billing thereby creating a regular schedule of revenues.

The City continued a conservative spending pattern in 2017 however; overall expenditures increased due to capital spending and increased debt service payments. Only capital items that management and City Council determined necessary, or had off-setting grant revenues were appropriated. A close watch of current economic conditions is ongoing to determine if increased revenues, or further reductions in expenditures, are necessary in order to maintain fiscal stability.

While the City's general fund unencumbered balance at year end 2017 was substantial at more than \$700,000, the true effect of the State of Ohio's local income tax reform specifically, implementing net operating loss carryovers, is unknown. The challenge of trying to find revenue streams to make-up the loss of local government funds remains constant. State funding issues are constantly monitored to determine the impact on the City and all of the City's financial abilities will be needed to meet the challenges of the future. Management is committed to working with all stakeholders to craft solutions that will most effectively use the available resources to continue to provide excellent services to the residents of the City.

Contacting the City's Finance Department

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

City Of Ashtabula, Ohio
Statement of Net Position
December 31, 2017

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
Assets				
Equity in Pooled Cash and Cash Equivalents	\$3,429,470	\$1,410,086	\$4,839,556	\$0
Cash and Cash Equivalents in Segregated Accounts	68,155	0	68,155	184,303
Cash and Cash Equivalents with Fiscal Agent	122,036	0	122,036	0
Accounts Receivable	647,643	2,727,260	3,374,903	0
Accrued Interest	0	0	0	513
Intergovernmental Receivable	979,444	0	979,444	0
Materials and Supplies Inventory	28,779	5,127	33,906	0
Prepaid Items	245,396	0	245,396	0
Due from Component Unit	20,005	0	20,005	0
Property Taxes Receivable	2,689,057	0	2,689,057	0
Income Taxes Receivable	1,316,713	0	1,316,713	0
Hotel Taxes Receivable	370	0	370	0
Special Assessments Receivable	20,600	0	20,600	0
Nondepreciable Capital Assets	2,785,326	5,372,923	8,158,249	1,717,541
Depreciable Capital Assets	29,034,349	13,957,933	42,992,282	191,813
<i>Total Assets</i>	<u>41,387,343</u>	<u>23,473,329</u>	<u>64,860,672</u>	<u>2,094,170</u>
Deferred Outflows of Resources				
Pension	3,457,659	1,096,142	4,553,801	0
Liabilities				
Accounts Payable	21,757	35,215	56,972	0
Contracts Payable	146,385	24,495	170,880	0
Accrued Wages	254,218	70,606	324,824	0
Intergovernmental Payable	68,093	37,999	106,092	110,000
Retainage Payable	0	179,986	179,986	0
Matured Compensated Absences Payable	17,786	0	17,786	0
Accrued Interest Payable	19,831	2,246	22,077	0
Claims Payable	417,048	0	417,048	0
Notes Payable	122,091	137,909	260,000	0
Due to Primary Government	0	0	0	20,005
Long-Term Liabilities:				
Due Within One Year	1,167,963	207,258	1,375,221	72,922
Due In More Than One Year:				
Net Pension Liability (See Note 21)	14,619,372	2,780,680	17,400,052	0
Other Amounts Due In More Than One Year	6,857,348	7,065,749	13,923,097	97,803
<i>Total Liabilities</i>	<u>23,711,892</u>	<u>10,542,143</u>	<u>34,254,035</u>	<u>300,730</u>
Deferred Inflows of Resources				
Property Taxes	2,307,147	0	2,307,147	0
Pension	418,917	167,177	586,094	0
<i>Total Deferred Inflows of Revenue</i>	<u>2,726,064</u>	<u>167,177</u>	<u>2,893,241</u>	<u>0</u>
Net Position				
Net Investment in Capital Assets	26,009,181	12,256,683	38,265,864	1,718,624
Restricted for:				
Capital Projects	1,171,340	0	1,171,340	0
Debt Service	61,462	0	61,462	0
Community Development	182,868	0	182,868	0
Street Maintenance and Repair	555,152	0	555,152	0
Public Safety	360,798	0	360,798	0
Municipal Court	94,852	0	94,852	0
Other Purposes	539,299	0	539,299	0
Unrestricted (Deficit)	<u>(10,567,906)</u>	<u>1,603,468</u>	<u>(8,964,438)</u>	<u>74,816</u>
<i>Total Net Position</i>	<u>\$18,407,046</u>	<u>\$13,860,151</u>	<u>\$32,267,197</u>	<u>\$1,793,440</u>

See accompanying notes to the basic financial statements

City of Ashtabula, Ohio
Statement of Activities
For the Year Ended December 31, 2017

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions and Interest	Capital Grants and Contributions
Governmental Activities				
General Government:				
Legislative and Executive	\$2,135,112	\$219,302	\$0	\$0
Judicial System	1,254,676	308,206	16,251	0
Security of Persons and Property:				
Police	4,707,610	386,144	105,733	0
Fire	3,054,167	273,207	34,756	0
Public Health Services	408,976	77,441	20,965	0
Street Maintenance and Repairs	2,790,436	432,562	876,883	353,575
Housing and Community Development	1,095,221	202,098	227,236	0
Sanitation Services	5,016	582	0	0
Leisure Time Activities	289,845	0	45,154	0
Interest and Fiscal Charges	136,251	0	0	0
<i>Total Governmental Activities</i>	<u>15,877,310</u>	<u>1,899,542</u>	<u>1,326,978</u>	<u>353,575</u>
Business-Type Activities				
Sanitation	1,805,365	1,818,480	0	24,107
Wastewater Treatment	4,078,229	3,991,537	0	94,786
<i>Total Business-Type Activities</i>	<u>5,883,594</u>	<u>5,810,017</u>	<u>0</u>	<u>118,893</u>
<i>Total Primary Government</i>	<u>\$21,760,904</u>	<u>\$7,709,559</u>	<u>\$1,326,978</u>	<u>\$472,468</u>
Component Unit				
Ashtabula Port Authority	<u>\$49,557</u>	<u>\$41,572</u>	<u>\$44,798</u>	<u>\$0</u>

General Revenues

Property Taxes Levied for:
 General Purposes
 Capital Outlay
 Other Purposes
Income Taxes Levied for:
 General Purposes
 Capital Outlay
Hotel Taxes
Grants and Entitlements not Restricted to Specific Programs
Investment Earnings
Franchise Taxes
Other

Total General Revenues

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Unit
(\$1,915,810)	\$0	(\$1,915,810)	\$0
(930,219)	0	(930,219)	0
(4,215,733)	0	(4,215,733)	0
(2,746,204)	0	(2,746,204)	0
(310,570)	0	(310,570)	0
(1,127,416)	0	(1,127,416)	0
(665,887)	0	(665,887)	0
(4,434)	0	(4,434)	0
(244,691)	0	(244,691)	0
(136,251)	0	(136,251)	0
(12,297,215)	0	(12,297,215)	0
0	37,222	37,222	0
0	8,094	8,094	0
0	45,316	45,316	0
(\$12,297,215)	\$45,316	(\$12,251,899)	\$0
0	0	0	36,813
746,685	0	746,685	0
317,087	0	317,087	0
1,139,482	0	1,139,482	0
6,269,177	0	6,269,177	0
693,921	0	693,921	0
370	0	370	0
811,616	0	811,616	0
3,580	0	3,580	96
269,859	0	269,859	0
77,636	2,844	80,480	0
10,329,413	2,844	10,332,257	96
(1,967,802)	48,160	(1,919,642)	36,909
20,374,848	13,811,991	34,186,839	1,756,531
\$18,407,046	\$13,860,151	\$32,267,197	\$1,793,440

City of Ashtabula, Ohio

Balance Sheet

Governmental Funds

December 31, 2017

	General	Community Development Block Grant	Street Maintenance and Repair	Police Levy	Permanent Improvement
Assets					
Equity in Pooled Cash and Cash Equivalents	\$721,522	\$162,863	\$197,325	\$83,275	\$838,128
Cash and Cash Equivalents					
In Segregated Accounts	50,670	0	0	0	0
Receivables:					
Property Taxes	959,856	0	0	533,527	408,741
Income Taxes	1,185,042	0	0	0	131,671
Hotel Taxes	370	0	0	0	0
Accounts	131,210	0	60,992	0	0
Special Assessments	0	0	0	0	0
Intergovernmental Receivable	439,897	0	369,570	13,629	24,113
Materials and Supplies Inventory	3,661	0	22,035	0	0
Prepaid Items	54,146	0	3,030	0	0
Due from Component Unit	0	20,005	0	0	0
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	27,071	0	0	0	0
Total Assets	\$3,573,445	\$182,868	\$652,952	\$630,431	\$1,402,653
Liabilities					
Accounts Payable	\$10,399	\$0	\$10,041	\$0	\$1,317
Contracts Payable	0	0	0	0	145,135
Accrued Wages	201,369	0	27,922	15,033	0
Intergovernmental Payable	27,012	0	5,222	1,187	0
Due to Component Unit	0	0	0	0	0
Interfund Payable	125,000	0	0	0	0
Matured Compensated Absences Payable	17,786	0	0	0	0
Accrued Interest Payable	1,988	0	0	0	0
Notes Payable	122,091	0	0	0	0
Total Liabilities	505,645	0	43,185	16,220	146,452
Deferred Inflows of Resources					
Property Tax	826,474	0	0	457,938	352,040
Unavailable Revenue	1,254,109	0	307,372	89,218	160,528
Total Deferred Inflows of Resources	2,080,583	0	307,372	547,156	512,568
Fund Balances					
Nonspendable	84,878	0	25,065	0	0
Restricted	0	182,868	277,330	67,055	743,633
Committed	0	0	0	0	0
Assigned	221,791	0	0	0	0
Unassigned (Deficit)	680,548	0	0	0	0
Total Fund Balances	987,217	182,868	302,395	67,055	743,633
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$3,573,445	\$182,868	\$652,952	\$630,431	\$1,402,653

See accompanying notes to the basic financial statements

City of Ashtabula, Ohio
*Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2017*

Other Governmental Funds	Total Governmental Funds	Total Governmental Funds Balances	\$3,174,156
		<i>Amounts reported for governmental activities in the statement of net position are different because</i>	
\$881,047	\$2,884,160	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	31,819,675
17,485	68,155		
786,933	2,689,057	Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
0	1,316,713	Delinquent Property Taxes	381,910
0	370	Municipal Income Taxes	797,143
455,441	647,643	Hotel Taxes	28
20,600	20,600	Intergovernmental	664,974
125,395	972,604	Special Assessments	20,600
3,083	28,779	Charges for Services	534,152
0	57,176	Fees, Licences and Permits	9,440
0	20,005	Franchise Taxes	89,470
		Total	2,497,717
0	27,071	In the statement of activities, interest is accrued on outstanding debt, whereas in the governmental funds, an interest expenditure is reported when due.	(17,843)
\$2,289,984	\$8,732,333		
\$0	\$21,757	Two internal service funds are used by management to charge the costs of insurance and workers' compensation to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position:	
0	145,135	Net Position	362,705
9,894	254,218	Claims Payable	176,577
31,917	65,338		
0	0	Total	539,282
0	125,000		
0	17,786	Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
0	1,988	SIB Bonds	(3,755,000)
0	122,091	SIB Loan	(1,169,658)
41,811	753,313	OPWC Loan	(119,489)
		Claims Payable	(176,577)
670,695	2,307,147	Capital Lease	(636,519)
686,490	2,497,717	Compensated Absences	(2,168,068)
1,357,185	4,804,864	Total	(8,025,311)
		The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in the governmental funds:	
3,083	113,026	Deferred Outflows - Pension	3,457,659
659,272	1,930,158	Net Pension Liability	(14,619,372)
230,267	230,267	Deferred Inflows - Pension	(418,917)
0	221,791		
(1,634)	678,914	Total	(11,580,630)
890,988	3,174,156		
\$2,289,984	\$8,732,333	<i>Net Position of Governmental Activities</i>	\$18,407,046

City of Ashtabula, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2017

	General	Community Development Block Grant	Street Maintenance and Repair	Police Levy	Permanent Improvement
Revenues					
Property Taxes	\$823,508	\$0	\$0	\$466,269	\$349,760
Municipal Income Tax	6,374,511	0	0	0	705,625
Hotel Taxes	342	0	0	0	0
Charges for Services	369,930	0	100	0	0
Licenses and Permits	45,525	0	0	0	0
Fines and Forfeitures	522,075	0	0	0	0
Intergovernmental	821,519	82,156	776,525	25,816	411,983
Special Assessments	0	0	0	0	0
Interest	1,077	0	69	0	0
Rentals	137,377	0	0	0	0
Franchise Taxes	250,509	0	0	0	0
Contributions and Donations	0	176,920	0	0	0
Other	29,396	5,888	0	2,907	39,445
<i>Total Revenues</i>	<u>9,375,769</u>	<u>264,964</u>	<u>776,694</u>	<u>494,992</u>	<u>1,506,813</u>
Expenditures					
Current:					
General Government:					
Legislative and Executive	1,901,099	0	0	0	0
Judicial System	1,000,276	0	0	0	0
Security of Persons and Property:					
Police	3,118,412	0	0	569,939	0
Fire	2,321,958	0	0	0	0
Public Health Services	290,646	0	0	0	0
Street Maintenance and Repairs	105,513	0	716,963	0	0
Housing and Community Development	0	160,573	0	0	0
Sanitation Services	5,060	0	0	0	0
Leisure Time Activities	0	0	0	0	0
Capital Outlay	0	0	0	0	2,432,175
Debt Service:					
Principal Retirement	0	0	0	0	482,586
Interest and Fiscal Charges	2,260	0	0	0	153,941
<i>Total Expenditures</i>	<u>8,745,224</u>	<u>160,573</u>	<u>716,963</u>	<u>569,939</u>	<u>3,068,702</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>630,545</u>	<u>104,391</u>	<u>59,731</u>	<u>(74,947)</u>	<u>(1,561,889)</u>
Other Financing Sources (Uses)					
State Infrastructure Bank Loan Issued	0	0	0	0	56,241
OPWC Loans Issued	0	0	0	0	50,746
Inception of Capital Lease	0	0	0	0	492,011
Transfers In	0	0	0	0	0
Transfers Out	(419,970)	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(419,970)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>598,998</u>
<i>Net Change in Fund Balances</i>	210,575	104,391	59,731	(74,947)	(962,891)
<i>Fund Balances Beginning of Year</i>	<u>776,642</u>	<u>78,477</u>	<u>242,664</u>	<u>142,002</u>	<u>1,706,524</u>
<i>Fund Balances End of Year</i>	<u>\$987,217</u>	<u>\$182,868</u>	<u>\$302,395</u>	<u>\$67,055</u>	<u>\$743,633</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, 2017*

Other Governmental Funds	Total Governmental Funds		
		Net Change in Fund Balances - Total Governmental Funds	(\$434,145)
		<i>Amounts reported for governmental activities in the statement of activities are different because</i>	
\$717,008	\$2,356,545	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	7,080,136	Capital Outlay	1,890,103
0	342	Depreciation	(1,887,075)
315,525	685,555	Total	3,028
216,087	261,612	Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:	
219,603	741,678	Property Taxes	(153,291)
345,049	2,463,048	Municipal Income Tax	(117,038)
9,984	9,984	Intergovernmental	(155,799)
0	1,146	Special Assessments	(11,036)
0	137,377	Charges for Services	98,854
0	250,509	Fees, Licenses and Permits	(5,360)
8,000	184,920	Hotel Taxes	28
0	77,636	Franchise Taxes	228
1,831,256	14,250,488	Total	(343,414)
291	1,901,390	Repayment of bonds, OPWC loan and capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	492,368
69,035	1,069,311	Accrued interest is reported as an expenditure when due in the governmental funds, but is accrued on outstanding debt on the statement of net position.	19,950
429,871	4,118,222	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.	(104,433)
380,656	2,702,614	Other financing sources in the governmental funds that increase long-term liabilities in the statement of net position are not reported as revenues in the statement of activities:	
78,138	368,784	SIB Loan Issued	(56,241)
449,506	1,271,982	OPWC Loans Issued	(50,746)
300,799	461,372	Capital Lease Issued	(492,011)
0	5,060	Total	(598,998)
261,476	261,476	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.	109,421
42,676	2,474,851	Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	1,064,206
9,782	492,368	Except for amounts reported as deferred inflows/outflows, changes in net pension liability are reported as pension expense in the statement of activities.	(2,175,785)
0	156,201		
2,022,230	15,283,631	<i>Change in Net Position of Governmental Activities</i>	<u>(\$1,967,802)</u>
(190,974)	(1,033,143)		
0	56,241		
0	50,746		
0	492,011		
423,281	423,281		
(3,311)	(423,281)		
419,970	598,998		
228,996	(434,145)		
661,992	3,608,301		
\$890,988	\$3,174,156		

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, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$825,850	\$825,850	\$823,508	(\$2,342)
Municipal Income Tax	5,835,000	6,110,000	6,423,333	313,333
Charges for Services	362,800	362,800	388,456	25,656
Licenses and Permits	54,845	54,895	46,225	(8,670)
Fines and Forfeitures	517,000	517,000	503,580	(13,420)
Intergovernmental	800,100	800,100	798,481	(1,619)
Interest	300	300	1,077	777
Rentals	133,000	133,000	137,377	4,377
Franchise Fees	256,000	256,000	250,509	(5,491)
Other	14,000	43,986	29,396	(14,590)
<i>Total Revenues</i>	<u>8,798,895</u>	<u>9,103,931</u>	<u>9,401,942</u>	<u>298,011</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive	1,927,379	2,005,364	1,952,094	53,270
Judicial System	963,721	994,574	974,353	20,221
Security of Persons and Property:				
Police	2,891,012	3,159,925	3,155,097	4,828
Fire	2,258,186	2,325,808	2,313,191	12,617
Public Health Services	300,947	306,656	290,960	15,696
Street Maintenance and Repairs	93,019	105,853	105,513	340
Sanitation Services	5,601	5,601	5,060	541
Debt Service:				
Principal Retirement	194,091	195,916	194,091	1,825
Interest and Fiscal Charges	7,029	2,440	2,440	0
<i>Total Expenditures</i>	<u>8,640,985</u>	<u>9,102,137</u>	<u>8,992,799</u>	<u>109,338</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>157,910</u>	<u>1,794</u>	<u>409,143</u>	<u>407,349</u>
Other Financing Sources (Uses)				
Proceeds of Notes	122,091	122,091	122,091	0
Advances In	0	0	18,701	18,701
Advances Out	(25,000)	(25,000)	(25,000)	0
Transfers Out	(401,632)	(426,632)	(419,970)	6,662
<i>Total Other Financing Sources (Uses)</i>	<u>(304,541)</u>	<u>(329,541)</u>	<u>(304,178)</u>	<u>25,363</u>
<i>Net Change in Fund Balance</i>	(146,631)	(327,747)	104,965	432,712
<i>Fund Balance Beginning of Year</i>	554,683	554,683	554,683	0
Prior Year Encumbrances Appropriated	43,270	43,270	43,270	0
<i>Fund Balance End of Year</i>	<u>\$451,322</u>	<u>\$270,206</u>	<u>\$702,918</u>	<u>\$432,712</u>

See accompanying notes to the basic financial statements

City of Ashtabula, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Community Development Block Grant Fund
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$101,500	\$101,500	\$92,392	(\$9,108)
Contributions and Donations	141,000	282,000	176,920	(105,080)
Other	0	0	5,888	5,888
<i>Total Revenues</i>	242,500	383,500	275,200	(108,300)
Expenditures				
Current:				
Housing and Community Development	155,616	200,616	166,091	34,525
<i>Net Change in Fund Balance</i>	86,884	182,884	109,109	(73,775)
<i>Fund Balance Beginning of Year</i>	18,138	18,138	18,138	0
Prior Year Encumbrances Appropriated	35,616	35,616	35,616	0
<i>Fund Balance End of Year</i>	<u>\$140,638</u>	<u>\$236,638</u>	<u>\$162,863</u>	<u>(\$73,775)</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$0	\$0	\$100	\$100
Intergovernmental	755,000	755,000	770,774	15,774
Interest	0	0	69	69
<i>Total Revenues</i>	755,000	755,000	770,943	15,943
Expenditures				
Current:				
Street Maintenance and Repairs:				
Public Works	826,507	828,759	692,619	136,140
<i>Excess of Revenues Over (Under) Expenditures</i>	(71,507)	(73,759)	78,324	152,083
Other Financing Sources (Uses)				
Transfers In	46,777	6,777	0	(6,777)
<i>Net Change in Fund Balance</i>	(24,730)	(66,982)	78,324	145,306
<i>Fund Balance Beginning of Year</i>	91,242	91,242	91,242	0
Prior Year Encumbrances Appropriated	24,729	24,729	24,729	0
<i>Fund Balance End of Year</i>	\$91,241	\$48,989	\$194,295	\$145,306

See accompanying notes to the basic financial statements

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Levy Fund
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property and Other Taxes	\$466,000	\$466,000	\$466,269	\$269
Intergovernmental	\$25,003	\$25,003	\$27,259	\$2,256
Other	0	0	2,907	2,907
<i>Total Revenues</i>	491,003	491,003	496,435	5,432
Expenditures				
Current:				
Security of Persons and Property:				
Police	560,765	567,937	567,641	296
<i>Net Change in Fund Balance</i>	(69,762)	(76,934)	(71,206)	5,728
<i>Fund Balance Beginning of Year</i>	154,481	154,481	154,481	0
<i>Fund Balance End of Year</i>	<u>\$84,719</u>	<u>\$77,547</u>	<u>\$83,275</u>	<u>\$5,728</u>

City of Ashtabula, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2017

	Business-Type Activities			Governmental Activities - Internal Service Funds
	Enterprise Funds			
	Sanitation	Wastewater Treatment	Total	
Assets				
<i>Current Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$223,723	\$1,186,363	\$1,410,086	\$518,239
Cash and Cash Equivalents				
with Fiscal Agent	0	0	0	122,036
Accounts Receivable	807,322	1,919,938	2,727,260	0
Interfund Receivable	0	0	0	125,000
Materials and Supplies Inventory	158	4,969	5,127	0
Prepaid Items	0	0	0	188,220
Intergovernmental Receivable	0	0	0	6,840
<i>Total Current Assets</i>	<u>1,031,203</u>	<u>3,111,270</u>	<u>4,142,473</u>	<u>960,335</u>
<i>Noncurrent Assets:</i>				
<i>Capital Assets:</i>				
Capital Assets, Nondepreciable	29,100	5,343,823	5,372,923	0
Capital Assets, Depreciable, Net	813,684	13,144,249	13,957,933	0
<i>Total Noncurrent Assets</i>	<u>842,784</u>	<u>18,488,072</u>	<u>19,330,856</u>	<u>0</u>
<i>Total Assets</i>	<u>1,873,987</u>	<u>21,599,342</u>	<u>23,473,329</u>	<u>960,335</u>
Deferred Outflows of Resources				
Pension	513,177	582,965	1,096,142	0
Liabilities				
<i>Current Liabilities:</i>				
Accounts Payable	11,724	23,491	35,215	0
Contracts Payable	0	24,495	24,495	1,250
Accrued Wages	28,875	41,731	70,606	0
Intergovernmental Payable	5,264	32,735	37,999	2,755
Retainage Payable	0	179,986	179,986	0
Accrued Interest Payable	494	1,752	2,246	0
Notes Payable	30,335	107,574	137,909	0
Compensated Absences Payable	63,506	93,135	156,641	0
Claims Payable	0	0	0	468,625
Capital Leases Payable	0	6,158	6,158	0
Loans Payable	0	44,459	44,459	0
<i>Total Current Liabilities</i>	<u>140,198</u>	<u>555,516</u>	<u>695,714</u>	<u>472,630</u>
<i>Long-Term Liabilities (net of current portion):</i>				
Compensated Absences Payable	87,934	134,245	222,179	0
Claims Payable	0	0	0	125,000
Capital Leases Payable	0	4,258	4,258	0
Loans Payable	0	6,839,312	6,839,312	0
Net Pension Liability	1,283,391	1,497,289	2,780,680	0
<i>Total Long-Term Liabilities</i>	<u>1,371,325</u>	<u>8,475,104</u>	<u>9,846,429</u>	<u>125,000</u>
<i>Total Liabilities</i>	<u>1,511,523</u>	<u>9,030,620</u>	<u>10,542,143</u>	<u>597,630</u>
Deferred Inflows of Resources				
Pension	26,043	141,134	167,177	0
Net Position				
Net Investment in Capital Assets	842,784	11,413,899	12,256,683	0
Unrestricted	6,814	1,596,654	1,603,468	362,705
<i>Total Net Position</i>	<u>\$849,598</u>	<u>\$13,010,553</u>	<u>\$13,860,151</u>	<u>\$362,705</u>

See accompanying notes to the basic financial statements

City of Ashtabula, Ohio
*Statement of Revenues, Expenses
and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2017*

	Business-Type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
	Sanitation	Wastewater		
		Treatment	Total	
Operating Revenues				
Charges for Services	\$1,818,480	\$3,984,537	\$5,803,017	\$2,397,969
Tap-In Fees	0	7,000	7,000	0
Miscellaneous	3	2,841	2,844	0
<i>Total Revenues</i>	<u>1,818,483</u>	<u>3,994,378</u>	<u>5,812,861</u>	<u>2,397,969</u>
Operating Expenses				
Personal Services	1,307,184	1,662,637	2,969,821	0
Contractual Services	228,569	1,565,868	1,794,437	492,547
Materials and Supplies	89,030	218,376	307,406	0
Depreciation	180,063	582,112	762,175	0
Claims	0	0	0	1,798,435
<i>Total Operating Expenses</i>	<u>1,804,846</u>	<u>4,028,993</u>	<u>5,833,839</u>	<u>2,290,982</u>
<i>Operating Income (Loss)</i>	<u>13,637</u>	<u>(34,615)</u>	<u>(20,978)</u>	<u>106,987</u>
Non Operating Revenues (Expenses)				
Interest	0	0	0	2,434
Interest and Fiscal Charges	(519)	(49,236)	(49,755)	0
<i>Total Non Operating Revenue (Expenses)</i>	<u>(519)</u>	<u>(49,236)</u>	<u>(49,755)</u>	<u>2,434</u>
<i>Income (Loss) Before Capital Contributions</i>	13,118	(83,851)	(70,733)	109,421
Capital Contributions	24,107	94,786	118,893	0
<i>Change in Net Position</i>	37,225	10,935	48,160	109,421
<i>Net Position Beginning of Year</i>	<u>812,373</u>	<u>12,999,618</u>	<u>13,811,991</u>	<u>253,284</u>
<i>Net Position End of Year</i>	<u>\$849,598</u>	<u>\$13,010,553</u>	<u>\$13,860,151</u>	<u>\$362,705</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, 2017

	Business-Type Activities			Governmental Activities - Internal Service Funds
	Enterprise Funds			
	Sanitation	Wastewater Treatment	Total	
<i>Increase (Decrease) In Cash and Cash Equivalents</i>				
Cash Flows from Operating Activities				
Cash Received from Customers	\$1,849,260	\$3,852,312	\$5,701,572	\$0
Cash Received from Tap-In Fees	0	7,000	7,000	0
Cash Received from Other Funds	0	0	0	2,406,182
Cash Payments Received from Other Operating Sources	3	2,841	2,844	0
Cash Payments for Employee Services and Benefits	(1,123,695)	(1,489,595)	(2,613,290)	0
Cash Payments to Suppliers for Goods and Services	(325,585)	(1,766,514)	(2,092,099)	(506,700)
Cash Payments for Claims	0	0	0	(1,587,772)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>399,983</u>	<u>606,044</u>	<u>1,006,027</u>	<u>311,710</u>
Cash Flows from Noncapital Financing Activities				
Advances In	0	0	0	25,000
Cash Flows from Capital and Related Financing Activities				
Capital Grants	24,107	94,786	118,893	0
Proceeds of Notes	30,335	107,574	137,909	0
Proceeds of OWDA Loan	0	1,797,976	1,797,976	0
Principal Paid on OWDA Loans	0	(176,989)	(176,989)	0
Principal Paid OPWC Loans	0	(44,459)	(44,459)	0
Principal Paid on Notes	(48,335)	(167,574)	(215,909)	0
Principal Paid on Capital Lease	0	(6,011)	(6,011)	0
Interest Paid on OWDA Loan	0	(57,040)	(57,040)	0
Interest Paid on Notes	(565)	(4,170)	(4,735)	0
Interest Paid on Capital Lease	0	(453)	(453)	0
Payments for Capital Acquisitions	(363,504)	(1,394,153)	(1,757,657)	0
<i>Net Cash Provided by (Used for) Capital and Related Financing Activities</i>	<u>(357,962)</u>	<u>149,487</u>	<u>(208,475)</u>	<u>0</u>
Cash Flows from Investing Activities				
Interest on Investments	0	0	0	2,434
<i>Net Increase (Decrease) In Cash and Cash Equivalents</i>	42,021	755,531	797,552	339,144
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>181,702</u>	<u>430,832</u>	<u>612,534</u>	<u>301,131</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$223,723</u></u>	<u><u>\$1,186,363</u></u>	<u><u>\$1,410,086</u></u>	<u><u>\$640,275</u></u>

(continued)

City of Ashtabula, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2017

	Business-Type Activities			Governmental Activities - Internal Service Funds
	Enterprise Funds			
	Sanitation	Wastewater Treatment	Total	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
<i>Operating Income (Loss)</i>	\$13,637	(\$34,615)	(\$20,978)	\$106,987
Adjustments:				
Depreciation	180,063	582,112	762,175	0
(Increase)/ Decrease in Assets:				
Accounts Receivable	30,780	(132,225)	(101,445)	0
Intergovernmental Receivable	0	0	0	8,213
Materials and Supplies Inventory	(34)	(4,573)	(4,607)	0
Prepaid Items	0	0	0	(188,220)
Decrease in Deferred Outflows of Resources - Pension	172,936	207,754	380,690	0
Increase/ (Decrease) in Liabilities:				
Accounts Payable	(7,868)	(14,172)	(22,040)	(675)
Contracts Payable	(84)	5,866	5,782	1,250
Accrued Wages	207	7,974	8,181	0
Compensated Absences Payable	7,336	5,359	12,695	0
Intergovernmental Payable	(15)	19,320	19,305	(14,728)
Retainage Payable	0	12,816	12,816	0
Claims Payable	0	0	0	398,883
Net Pension Liability	28,729	33,518	62,247	0
Decrease in Deferred Inflows of Resources - Pension	(25,704)	(83,090)	(108,794)	0
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$399,983</u>	<u>\$606,044</u>	<u>\$1,006,027</u>	<u>\$311,710</u>

See accompanying notes to the basic financial statements

City of Ashtabula, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2017

Assets	
Equity in Pooled Cash and Cash Equivalents	\$155,188
Cash and Cash Equivalents in Segregated Accounts	<u>55,334</u>
<i>Total Assets</i>	<u><u>\$210,522</u></u>
 Liabilities	
Intergovernmental Payable	\$79,783
Deposits Held and Due to Others	<u>130,739</u>
<i>Total Liabilities</i>	<u><u>\$210,522</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, 2017

Note 1 - Description of the City and Reporting Entity

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

Reporting Entity

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

Component units are legally separate organizations for which the City is financially accountable (See Note 24). The City is financially accountable for an organization if the City appoints a voting majority of the organization’s governing board; and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization’s resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organizations. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City.

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

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

Information in the following notes to the basic financial statements is applicable to the primary government. Information relative to the Ashtabula City Port Authority is presented in Note 24.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2017

Note 2 - Summary of Significant Accounting Policies

The financial statements of the City of Ashtabula have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The more significant of the City's accounting policies are described below.

Basis of Presentation

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

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

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

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

Fund Accounting

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

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

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2017

The following are the City's major governmental funds:

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

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

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

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

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

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

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

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

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

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

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

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

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2017

Measurement Focus

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

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

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

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting; proprietary and fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred outflows/inflows of resources and in the presentation of expenses versus expenditures.

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

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

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

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2017

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

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the City, deferred inflows of resources include property taxes, unavailable revenue and pension. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2017, but which were levied to finance year 2018 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represent receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, municipal income taxes, special assessments, intergovernmental grants and ambulance charges. These amounts are deferred and recognized as an inflow of resources in the period the amounts became available. The details of these unavailable revenues are identified on the reconciliation of total governmental fund balances to net position of governmental activities on page 19. Deferred inflows of resources related to pension are reported on the government-wide statement of net position (See Note 21).

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

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

Budgets

All funds, except agency funds, are legally required to be budgeted and appropriated. The recycling grant special revenue fund did not have any budgetary activity during 2017; therefore budgetary information is not provided. 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 2017.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2017

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

Cash and Cash Equivalents

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

The City utilizes a financial institution to service self-insurance payments as they come due. The balances in these accounts are presented in the statements as “cash and cash equivalents with fiscal agents.”

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

During 2017, the City invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, “Certain External Investment Pools and Pool Participants.” The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2017, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Interest is distributed to the general fund and certain special revenue funds of the City. Interest revenue credited to the general fund during 2017 amounted to \$1,077, which includes \$508 assigned from other City funds.

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

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

Restricted Assets

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

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2017

Inventory

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

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2017, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of purchase and reflecting the expenditure/expense in the year in which it was consumed.

Capital Assets

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

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

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

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

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

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2017

Compensated Absences

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

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

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

On the governmental fund financial statements and business-type financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments came due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the funds from which the employees who have resigned or retired will be paid.

Accrued Liabilities and Long-Term Obligations

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

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

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2017

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance, or by State Statute. State statute authorizes the Finance Director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. City Council assigned fund balance to cover a gap between estimated revenue and appropriations in 2018's appropriated budget.

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

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

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for public health services.

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

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2017

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.

Interfund Balances

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

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

Interfund Activity

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

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

Estimates

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

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2017

Note 3 – Change in Accounting Principle

For 2017, the City implemented the Governmental Accounting Standards Board’s (GASB) *Implementation Guide No. 2016-1*. These changes were incorporated in the City’s 2017 financial statements; however, there was no effect on beginning net position/fund balance.

Note 4 – Fund Balances

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

Fund Balances	General	Community Development Block Grant	Street Maintenance and Repair	Police Levy	Permanent Improvement	Nonmajor Governmental Funds	Total
<i>Nonspendable</i>							
Inventory	\$3,661	\$0	\$22,035	\$0	\$0	\$3,083	\$28,779
Prepays	54,146	0	3,030	0	0	0	57,176
Unclaimed Monies	27,071	0	0	0	0	0	27,071
<i>Total Nonspendable</i>	84,878	0	25,065	0	0	3,083	113,026
<i>Restricted for</i>							
Road Improvements	0	0	277,330	0	0	94,016	371,346
Park Improvements	0	0	0	0	0	58,514	58,514
Street Lighting	0	0	0	0	0	17,105	17,105
Public Safety	0	0	0	67,055	0	137,794	204,849
Municipal Court Services	0	0	0	0	0	94,852	94,852
Recycling Program	0	0	0	0	0	60,935	60,935
Economic Development	0	182,868	0	0	0	0	182,868
Debt Service Payments	0	0	0	0	0	58,705	58,705
Capital Improvement	0	0	0	0	743,633	0	743,633
Municipal Court Improvements	0	0	0	0	0	137,351	137,351
<i>Total Restricted</i>	0	182,868	277,330	67,055	743,633	659,272	1,930,158
<i>Committed to</i>							
Food Service	0	0	0	0	0	9,537	9,537
Code Enforcement	0	0	0	0	0	196,578	196,578
Public Health Nursing	0	0	0	0	0	24,152	24,152
<i>Total Committed</i>	0	0	0	0	0	230,267	230,267
<i>Assigned to</i>							
Purchases on Order:							
Supplies	40,917	0	0	0	0	0	40,917
Year 2018 Appropriations	180,874	0	0	0	0	0	180,874
<i>Total Assigned</i>	221,791	0	0	0	0	0	221,791
<i>Unassigned (Deficit)</i>	680,548	0	0	0	0	(1,634)	678,914
<i>Total Fund Balances</i>	\$987,217	\$182,868	\$302,395	\$67,055	\$743,633	\$890,988	\$3,174,156

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2017

Note 5 – Fund Deficits

The fire pension special revenue fund and self insurance internal service fund had deficit fund balances/net position as of December 31, 2017 in the amount of \$1,634 and \$79,064, respectively. The deficit in the special revenue fund is caused by revenues being insufficient to cover expenditures on a modified accrual basis of accounting. The internal service fund deficit is due to revenues being insufficient to cover expenditures on a full accrual basis of accounting. The general fund is liable for any deficits in the funds and provides transfers when cash is required, not when accruals occur.

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. Advances In and Advances Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).
5. Proceeds from short-term notes are reported on the operating statement (budget) rather than on the balance sheet (GAAP).

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

	Net Change in Fund Balance			
	General	Community Development Block Grant	Street Maintenance And Repair	Police Levy
GAAP Basis	\$210,575	\$104,391	\$59,731	(\$74,947)
Net Adjustment for Revenue Accruals	26,173	10,236	(5,751)	1,443
Advances In	18,701	0	0	0
Proceeds of Notes	122,091	0	0	0
Net Adjustment for Expenditure Accruals	(201,900)	(5,518)	27,374	2,298
Advances Out	(25,000)	0	0	0
Encumbrances	(45,675)	0	(3,030)	0
Budget Basis	<u>\$104,965</u>	<u>\$109,109</u>	<u>\$78,324</u>	<u>(\$71,206)</u>

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2017

Note 7 – Interfund Transfers and Balances

Interfund Transfers

Interfund transfers for the year ended December 31, 2017, consisted of the following:

	Transfers From		
Transfers To	General	Other Governmental Funds	Totals
Other Governmental Funds	\$419,970	\$3,311	\$423,281

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 make debt payments.

Interfund Balances

Interfund balances consisted of a \$225,000 advance made in 2010 from the workers’ compensation fund to the general fund due to an overall decrease in revenues in the general fund. The general fund began repaying the advance back to the workers’ compensation fund in \$25,000 increments over 10 years in 2012. As of December 31, 2017, the balance was \$125,000.

Note 8 - Deposits and Investments

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

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

Inactive deposits are public deposits that Council has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to passbook accounts.

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

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

1. United States Treasury bills, bonds notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

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

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

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

The City has passed an ordinance allowing the City to invest monies not required to be used for a period of six months or more in the following:

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

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, 2017

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$4,884,046 of the City's bank balance of \$5,134,046 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the Federal Deposit Insurance Corporation.

The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by:

Eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

The City has a financial institution that is in the process of joining OPCS; however, at December 31, 2017, the financial institution still maintained their own collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least 105 percent of the deposits being secured.

Investments

At December 31, 2017, the City had \$102,073 invested in STAR Ohio with an average maturity of 52.1 days.

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

Credit Risk Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The STAR Ohio investment carried a AAAM rating from Standard and Poor's. 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.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2017

Note 9 - Receivables

Receivables at December 31, 2017, consisted primarily of taxes, accounts (billings for utility service), special assessments, accrued interest on investments, amounts due from other governments and loans receivable. The City has 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 and special assessments are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Special assessments expected to be collected in more than one year amount to \$20,600 in the debt service fund. At December 31, 2017, there were no delinquent special assessments. Collections expected in 2017 amount to \$10,300.

Intergovernmental Receivables

A summary of intergovernmental receivables follows:

	<u>Amounts</u>
Governmental Activities	
Local Government	\$334,950
Gasoline and Excise Tax	275,211
Grants	42,913
Homestead and Rollback Taxes	143,841
Permissive Tax	86,613
Auto License Tax	48,792
Ashtabula County	27,774
Health Insurance Reimbursement	7,335
Dispatch Services	7,500
Liquor Licenses	<u>4,515</u>
Total	<u><u>\$979,444</u></u>

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2017 for real and public utility property taxes represents collections of 2016 taxes.

2017 real property taxes are levied after October 1, 2017 on the assessed value as of January 1, 2017 the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2017 real property taxes are collected in and intended to finance 2018.

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. 2017 public utility property taxes which became a lien December 31, 2016, are levied after October 1, 2017, and are collected in 2018 with real property taxes.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2017

The full tax rate for all City operations for the year ended December 31, 2017, was \$13.29 per \$1,000 of assessed value. The assessed values of real property and public utility property upon which 2017 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Estate	
Residential/Agricultural	\$123,280,970
Other Real Estate	54,223,060
Public Utility Property	28,272,550
Total Assessed Values	<u>\$205,776,580</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, 2017 and for which there is an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2017 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collective delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

Income Taxes

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

The City's income tax ordinance requires ten percent of the income tax revenues to be used to finance capital projects or acquire capital assets. As a result, this portion of the revenue is placed in the permanent improvement capital projects fund. The remaining ninety percent is unrestricted and is credited to the City's general fund. Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually.

In accordance with the City Charter, any income tax ordinance must be approved by a majority vote at a City election prior to the ordinance becoming effective.

Note 10 – Tax Abatements

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

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2017

Real Estate tax abatements

Pursuant to Ohio Revised Code Chapter 3735, the City established a Community Reinvestment area in 2008 which included all land within the boundaries of the City of Ashtabula. The City authorizes incentives through passage of public ordinances, based upon each businesses investment criteria, and through a contractual application process with each business, including proof that the improvements have been made. The abatement equals an agreed upon percentage of the additional property tax resulting from the increase in assessed value as a result of the improvements. The amount of the abatement is deducted from the recipient's property tax bill. The establishment of the Community Reinvestment Area gave the City the ability to maintain and expand business located in the City and created new jobs by abating or reducing assessed valuation of properties, resulting in abated taxes, from new or improved business real estate and includes major housing improvements.

Income tax abatement programs

The City of Ashtabula enacted Codified Ordinance Chapter 193; Grants to Aid Economic Development in 2010, the purpose being to maintain Ashtabula's competitiveness as a site for location of new businesses and the expansion of existing businesses. Pursuant to Ohio Revised Code Chapter 718 and City ordinance, the City provides an income tax incentive to the company based upon, the amount of excess income tax generated annually and the number of jobs created by the business. The abatement is administered as a refund based upon the company's payroll taxes. Also, the time period of the incentive in years, is determined by the company's estimate of average annual payroll attributable to new jobs created during the first three (3) years. The cap on the incentive is at 75 percent of refund of excess income tax per year, and the incentive period is limited to no more than 15 years. As of December 31, 2017, the City did not have any taxes abated by this program.

Below is the information relevant to the disclosure of those programs for the year ended December 31, 2017.

Tax Abatement Program	Total Amount of Taxes Abated (Incentives Abated) for the year 2016 (In Actual Dollars)
<i>Community Reinvestment Area (CRA)</i>	
- Professional Buildings	\$10,381
- Restaurants	1,156
- Residential	216

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.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2017

Federal and State Grants

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

Note 12 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2017, the City contracted with Argonaut Insurance Company for various types of insurance as follows:

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

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

The City offers medical, surgical, and dental insurances to employees through a self-insurance internal service fund. The City's monthly premiums are paid to the fiscal agent who in turn pays the claims on the City's behalf. The claims liability of \$417,048 reported in the internal service funds at December 21, 2017, is estimated by and based on the requirements of the Governmental Accounting Standards Board Statement No. 30 which required that a liability for unpaid claim costs, including estimates of costs relating to incurred but not report claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the self-insurance funds' claims liability amounts for 2016 and 2017 were:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2016	\$98,096	\$1,317,784	(\$1,399,128)	\$16,752
2017	16,752	1,680,601	(1,280,305)	417,048

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 \$176,577 have been accrued as a liability in the workers' compensation internal service fund at December 31, 2017 based on an estimate by the City Finance Director.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2017

Changes in the workers' compensation internal service 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
2016	\$172,971	\$79,242	(\$74,223)	\$177,990
2017	177,990	117,834	(119,247)	176,577

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

Note 13 - Compensated Absences

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

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

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

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

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

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

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2017

Note 14 - Related Party Transactions

The Ashtabula Port Authority, a discretely presented component unit of the City of Ashtabula, receives contributions from the City for salaries for the administration, implementation and supervision of its projects. During 2017, the City made \$12,100 in contributions to the Port Authority. The City of Ashtabula cosigns for debt that the Ashtabula Port Authority issues and also appoints the board of the Ashtabula Port Authority.

Note 15 - Capital Assets

Capital asset activity for the year ended December 31, 2017, was as follows:

	Balance 12/31/2016	Additions	Deductions	Balance 12/31/2017
Business-Type Activities:				
<i>Capital Assets not being Depreciated:</i>				
Land	\$86,863	\$0	\$0	\$86,863
Construction in Progress	4,007,715	1,278,345	0	5,286,060
<i>Total Capital Assets not being Depreciated:</i>	<u>4,094,578</u>	<u>1,278,345</u>	<u>0</u>	<u>5,372,923</u>
<i>Capital Assets being Depreciated:</i>				
Buildings and Improvements	9,167,497	11,750	0	9,179,247
Furniture, Fixtures and Equipment	2,966,072	82,703	0	3,048,775
Vehicles	1,278,501	351,724	0	1,630,225
Infrastructure:				
Sanitary Sewer System	15,512,491	33,135	0	15,545,626
<i>Total Capital Assets being Depreciated:</i>	<u>28,924,561</u>	<u>479,312</u>	<u>0</u>	<u>29,403,873</u>
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(5,565,552)	(340,425)	0	(5,905,977)
Furniture, Fixtures and Equipment	(2,306,871)	(182,810)	0	(2,489,681)
Vehicles	(1,203,702)	(54,630)	0	(1,258,332)
Infrastructure:				
Sanitary Sewer System	(5,607,640)	(184,310)	0	(5,791,950)
<i>Total Accumulated Depreciation</i>	<u>(14,683,765)</u>	<u>(762,175)</u>	<u>0</u>	<u>(15,445,940)</u>
Total Capital Assets being Depreciated, Net	<u>14,240,796</u>	<u>(282,863)</u>	<u>0</u>	<u>13,957,933</u>
Business-type Activities Capital Assets, Net	<u><u>\$18,335,374</u></u>	<u><u>\$995,482</u></u>	<u><u>\$0</u></u>	<u><u>\$19,330,856</u></u>

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

Sanitation	\$180,063
Wastewater Treatment	<u>582,112</u>
Total Depreciation Expense	<u><u>\$762,175</u></u>

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2017

	Balance 12/31/2016	Additions	Deductions	Balance 12/31/2017
Governmental Activities:				
<i>Capital Assets not being Depreciated</i>				
Land	\$1,977,331	\$0	\$0	\$1,977,331
Construction in Progress	2,318,410	1,197,231	(2,707,646)	807,995
<i>Total Capital Assets not being Depreciated</i>	<u>4,295,741</u>	<u>1,197,231</u>	<u>(2,707,646)</u>	<u>2,785,326</u>
<i>Capital Assets being Depreciated</i>				
Buildings and Improvements	11,708,729	578,374	0	12,287,103
Furniture, Fixtures and Equipment	3,238,655	59,006	0	3,297,661
Vehicles	4,141,374	114,869	0	4,256,243
Infrastructure:				
Bridges	15,069,086	1,739,546	0	16,808,632
Roads	15,409,323	876,403	0	16,285,726
Storm Sewers	2,586,931	32,320	0	2,619,251
Traffic Lights	1,520,129	0	0	1,520,129
<i>Total Capital Assets being Depreciated</i>	<u>53,674,227</u>	<u>3,400,518</u>	<u>0</u>	<u>57,074,745</u>
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(7,395,404)	(222,796)	0	(7,618,200)
Furniture, Fixtures and Equipment	(2,658,512)	(179,577)	0	(2,838,089)
Vehicles	(2,762,392)	(220,172)	0	(2,982,564)
Infrastructure:				
Bridges	(2,204,112)	(200,533)	0	(2,404,645)
Roads	(9,677,248)	(1,028,020)	0	(10,705,268)
Storm Sewers	(1,334,277)	(30,422)	0	(1,364,699)
Traffic Lights	(121,376)	(5,555)	0	(126,931)
<i>Total Accumulated Depreciation</i>	<u>(26,153,321)</u>	<u>(1,887,075)</u>	<u>0</u>	<u>(28,040,396)</u>
Total Capital Assets being Depreciated, Net	<u>27,520,906</u>	<u>1,513,443</u>	<u>0</u>	<u>29,034,349</u>
Governmental Activities Capital Assets, Net	<u><u>\$31,816,647</u></u>	<u><u>\$2,710,674</u></u>	<u><u>(\$2,707,646)</u></u>	<u><u>\$31,819,675</u></u>

Depreciation expense was charged to governmental functions as follows:

General Government	
Legislative and Executive	\$79,956
Judicial	73,523
Security of Persons and Property	
Police	183,767
Fire	78,514
Public Health Services	1,655
Street Maintenance and Repair	1,410,112
Housing and Community Development	28,898
Leisure Time Activities	30,650
Total Depreciation Expense	<u><u>\$1,887,075</u></u>

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2017

Note 16 – Short-Term Debt

A summary of note transactions for the year ended December 31, 2017, follows:

	Outstanding 12/31/2016	Additions	(Reductions)	Outstanding 12/31/2017
Governmental Activities				
<i>General Fund</i>				
Early Retirement Incentive 2016	\$194,091	\$0	(\$194,091)	\$0
Early Retirement Incentive 2017	0	122,091	0	122,091
Total Governmental Activities	194,091	122,091	(194,091)	122,091
Business-Type Activities				
<i>Sanitation</i>				
Early Retirement Incentive 2016	18,000	0	(18,000)	0
Early Retirement Incentive 2017	0	30,335	0	30,335
Total Sanitation	18,000	30,335	(18,000)	30,335
<i>Wastewater Treatment</i>				
Early Retirement Incentive 2016	60,000	0	(60,000)	0
Early Retirement Incentive 2017	0	107,574	0	107,574
Total Wastewater Treatment	60,000	107,574	(60,000)	107,574
Total Business-Type Activities	78,000	137,909	(78,000)	137,909
Total Notes Payable	\$272,091	\$260,000	(\$272,091)	\$260,000

In 2017, the City issued \$260,000 in early retirement incentive notes at a rate of 2.54 percent to help finance early retirement pension buyouts. The notes mature on May 11, 2018.

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

Note 17 – Subsequent Event

On May 11, 2018, the City fully retired \$260,000 in early retirement incentive notes.

Note 18 - Long-Term Debt

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

Debt Issue	Original Issue Date	Interest Rate	Original Issue	Year of Maturity
Governmental Activities				
<i>State Infrastructure Bank</i>				
Bonds	2014	6.25 %	\$4,010,000	2030
Loans	2014	3.00	1,229,083	2030

(continued)

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2017

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

A schedule of changes in bonds and other long-term obligations of the City during 2017 follows:

	Principal Outstanding 12/31/2016	Additions	Deletions	Principal Outstanding 12/31/2017	Amounts Due in One Year
Governmental Activities					
<i>State Infrastructure Bank:</i>					
Bonds	\$4,010,000	\$0	\$255,000	\$3,755,000	\$260,000
Loan	1,172,842	56,241	59,425	1,169,658	96,174
Total State Infrastructure Bank	5,182,842	56,241	314,425	4,924,658	356,174
<i>Special Assessment OPWC Loan:</i>					
Harbor Heights	34,239	0	9,782	24,457	9,782
<i>OPWC Loan:</i>					
West Avenue Bridge	44,286	50,746	0	95,032	4,752
Total OPWC Loans:	78,525	50,746	9,782	119,489	14,534
<i>Other Long-term Obligations:</i>					
Claims Payable	177,990	117,834	119,247	176,577	51,577
Capital Leases	312,669	492,011	168,161	636,519	62,888
Compensated Absences	2,063,635	941,482	837,049	2,168,068	682,790
Total Other Long-term Obligations:	2,554,294	1,551,327	1,124,457	2,981,164	797,255
<i>Net Pension Liability:</i>					
OPERS	3,218,835	1,130,435	0	4,349,270	0
OPF	10,915,762	0	645,660	10,270,102	0
Total Net Pension Liability:	14,134,597	1,130,435	645,660	14,619,372	0
Total Governmental Activities	\$21,950,258	\$2,788,749	\$2,094,324	\$22,644,683	\$1,167,963

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2017

	Principal Outstanding 12/31/2016	Additions	Deletions	Principal Outstanding 12/31/2017	Amounts Due in One Year
Business-type Activities					
<i>OWDA Loans:</i>					
Final Settling Tanks Upgrade	\$872,788	\$37,167	\$40,369	\$869,586	\$0
Wastewater Plant Improvements	2,974,038	421,781	71,033	3,324,786	0
Wastewater Primary Tanks	833,044	1,339,028	65,587	2,106,485	0
<i>Total OWDA Loans</i>	<u>4,679,870</u>	<u>1,797,976</u>	<u>176,989</u>	<u>6,300,857</u>	<u>0</u>
<i>OPWC Loans:</i>					
Morton Drive Siphon Improvement	137,744	0	9,183	128,561	9,183
Michigan Avenue - EQ Basin	300,000	0	25,000	275,000	25,000
Chemical Feed Building	35,443	0	2,148	33,295	2,148
West Harbor Sewer - Phase I	103,344	0	5,586	97,758	5,586
West Harbor Sewer - Phase II	50,842	0	2,542	48,300	2,542
<i>Total OPWC Loans</i>	<u>627,373</u>	<u>0</u>	<u>44,459</u>	<u>582,914</u>	<u>44,459</u>
<i>Other Long-term Obligations:</i>					
Notes Payable	137,909	0	137,909	0	0
Capital Leases	16,427	0	6,011	10,416	6,158
Compensated Absences	366,125	158,237	145,542	378,820	156,641
<i>Total Other Long-term Obligations</i>	<u>520,461</u>	<u>158,237</u>	<u>289,462</u>	<u>389,236</u>	<u>162,799</u>
<i>Net Pension Liability:</i>					
OPERS	2,428,243	352,437	0	2,780,680	0
<i>Total Business-type Activities</i>	<u>\$8,255,947</u>	<u>\$2,308,650</u>	<u>\$510,910</u>	<u>\$10,053,687</u>	<u>\$207,258</u>

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

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

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

Lines of credit have been established with the Ohio Water Development Authority in the amount of \$7,420,237 for various projects in the wastewater enterprise fund. Since the loan repayment schedules have not yet been finalized, a repayment schedule is not included in the schedule of debt service requirements. Until a final repayment schedule is available, the City is paying based on estimates. The balance of these loans is as follows:

	December 31, 2017	Lines of Credit
Business-type Activities		
Final Settling Tanks Upgrade	\$869,586	\$933,994
Wastewater Plant Improvements	3,324,786	3,678,322
Wastewater Primary Tanks	2,106,485	2,807,921
Total	<u>\$6,300,857</u>	<u>\$7,420,237</u>

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

The City has pledged future wastewater treatment revenues to repay the OWDA, and OPWC loans. The loans are payable solely from net revenues and are payable through 2037. Annual principal and interest payments on the loans are expected to require 3.35 percent of net revenues. The total principal remaining to be paid on the loans is \$6,883,771. Principal and interest paid for the current year and total net revenues were \$278,488 and \$547,497 respectively.

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

The City's overall legal debt margin was \$16,681,883 at December 31, 2017. Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2017, are as follows:

Governmental Activities

	State Infrastructure Bank				Special	OPWC Loan
	Bonds		Loans		Assessment	West Avenue
	Principal	Interest	Principal	Interest	Harbor Heights	Bridge
2018	\$260,000	\$106,680	\$96,174	\$36,018	\$9,782	\$4,752
2019	260,000	102,942	99,081	33,112	9,783	4,752
2020	270,000	97,692	102,076	30,115	4,892	4,752
2021	270,000	91,618	105,160	27,033	0	4,752
2022	280,000	83,442	108,339	23,853	0	4,752
2023-2027	1,545,000	280,956	447,992	69,148	0	23,760
2028-2032	870,000	44,147	210,836	9,581	0	23,760
2033-2037	0	0	0	0	0	23,752
Total	<u>\$3,755,000</u>	<u>\$807,477</u>	<u>\$1,169,658</u>	<u>\$228,860</u>	<u>\$24,457</u>	<u>\$95,032</u>

City of Ashtabula, Ohio
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Business-type Activities

	OPWC Loans
2018	\$44,459
2019	44,459
2020	44,459
2021	44,459
2022	44,459
2023-2027	222,295
2028-2032	113,111
2033-2037	25,213
Total	<u>\$582,914</u>

Note 19 - Leases

Capital Leases

During 2017, the City entered into capitalized leases for police cruisers, public works equipment and a sanitation truck. These leases meet the criteria for a capital lease and have been recorded on the governmental-wide and business-type statements. The original amount capitalized for the capital lease and the book value as of December 31, 2017 for governmental and business-type activities follows:

	Governmental Activities	Business-Type Activities
Vehicles	\$820,137	\$34,124
Less: Accumulated Depreciation	<u>(183,477)</u>	<u>(26,541)</u>
Leased property, net of depreciation	<u>\$636,660</u>	<u>\$7,583</u>

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2017.

	Governmental Activities	Business-Type Activities
2018	\$66,380	\$6,463
2019	148,648	4,413
2020	95,725	0
2021	80,216	0
2022	80,216	0
2023-2025	<u>240,648</u>	<u>0</u>
Total minimum lease payments	711,833	10,876
Less: amount representing interest	<u>(75,314)</u>	<u>(460)</u>
Present value of minimum lease payments	<u>\$636,519</u>	<u>\$10,416</u>

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Operating Leases

The City, as a lessor, has entered into an agreement to assume the former Dairy Queen Inc. lease by Czup Fowler Limited, dba Hoffman's Pharmacy. The building, owned by the City was razed. The land is being leased to Czup Fowler Ltd for 30 years with five 10-year options to extend the lease. The City is also a lessor of twelve percent of a building to Keybank National Corporation. The current lease with Keybank is for seven years with a two five-year extensions at Keybank's option. The following schedule provides an analysis of the leased property at December 31, 2017:

	Czup Fowler Limited, dba Hoffman's Pharmacy	Keybank National Corporation
Land	\$3,415	\$0
Buildings	0	88,179
Leased property, total value	3,415	88,179
Less: Accumulated Depreciation	0	(36,944)
Leased property, net of depreciation	<u>\$3,415</u>	<u>\$51,235</u>

The following is a schedule by years of minimum future rentals on the operating leases as of December 31, 2017:

	Hoffman's Pharmacy	Keybank National
2018	\$9,600	\$120,000
2019	9,600	120,000
2020	9,600	40,000
2021	9,600	0
2022	9,600	0
2023-2027	54,000	0
2028-2032	60,000	0
2033-2037	66,000	0
Total minimum lease payments	<u>\$228,000</u>	<u>\$280,000</u>

Note 20 – Construction and Other Significant Commitments

Contractual Commitments

At December 31, 2017, the City's significant contractual commitments consisted of:

Project	Contract Amount	Amount Paid	Remaining Contract
Wastewater Treatment Plant	\$7,154,320	\$2,894,595	\$4,259,725
Sanitary Sewer Overflow I	144,122	97,137	46,985
Route 20 Engineering	302,000	247,206	54,794
Finance Software Project	162,625	91,000	71,625
Total	<u>\$7,763,067</u>	<u>\$3,329,938</u>	<u>\$4,433,129</u>

City of Ashtabula, Ohio
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Encumbrances

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

Governmental Funds		Proprietary Funds	
General Fund	\$45,675	Sanitation	\$11,957
Street Maintenance and Repair Fund	3,030	Wastewater Treatment	490,313
Permanent Improvement	602,351	Internal Service Funds	<u>2,766</u>
Other Governmental Funds	<u>9,512</u>		
		Total Proprietary Funds	<u><u>\$505,036</u></u>
Total Governmental Funds	<u><u>\$660,568</u></u>		

Note 21 - Defined Benefit Pension Plans

Net Pension Liability

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

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

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

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

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

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Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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

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

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

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

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

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

	State and Local
2017 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
 2017 Actual Contribution Rates	
Employer:	
Pension	13.0 %
Post-employment Health Care Benefits	1.0
Total Employer	14.0 %
 Employee	 10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$560,738 for 2017. Of this amount, \$25,201 is reported as an intergovernmental payable.

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

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

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit. (See OP&F CAFR referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits.)

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

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will receive a COLA equal to a percentage of the member's base pension benefit where the percentage is the lesser of three percent or the percentage increase in the consumer price index, if any, over the 12 month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

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

	Police	Firefighters
2017 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
 2017 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	19.50 %	24.00 %
 Employee	 12.25 %	 12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$722,156 for 2017. Of this amount, \$30,062 is reported as an intergovernmental payable.

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

The net pension liability for OPERS was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2016, and was determined by rolling forward the total pension liability as of January 1, 2016, to December 31, 2016. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities.

City of Ashtabula, Ohio
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Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&F</u>	
Proportion of the Net Pension Liability:			
Current Measurement Date	0.03139800%	0.16214500%	
Prior Measurement Date	<u>0.03260200%</u>	<u>0.16968200%</u>	
Change in Proportionate Share	<u>-0.00120400%</u>	<u>-0.00753700%</u>	
			<u>Total</u>
Proportionate Share of the Net Pension Liability	\$7,129,950	\$10,270,102	\$17,400,052
Pension Expense	\$1,472,313	\$1,256,303	\$2,728,616

At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$9,664	\$2,905	\$12,569
Changes of assumptions	1,130,898	0	\$1,130,898
Net difference between projected and actual earnings on pension plan investments	1,061,814	998,722	2,060,536
Changes in proportion and differences between City contributions and proportionate share of contributions	66,904	0	66,904
City contributions subsequent to the measurement date	<u>560,738</u>	<u>722,156</u>	<u>1,282,894</u>
Total Deferred Outflows of Resources	<u>\$2,830,018</u>	<u>\$1,723,783</u>	<u>\$4,553,801</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$42,434	\$23,647	\$66,081
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>158,313</u>	<u>361,700</u>	<u>\$520,013</u>
Total Deferred Inflows of Resources	<u>\$200,747</u>	<u>\$385,347</u>	<u>\$586,094</u>

\$1,282,894 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

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Year Ending December 31:	OPERS	OP&F	Total
2018	\$851,199	\$307,176	\$1,158,375
2019	875,203	307,176	1,182,379
2020	373,256	216,670	589,926
2021	(31,125)	(139,888)	(171,013)
2022	0	(68,234)	(68,234)
Thereafter	0	(6,620)	(6,620)
Total	<u>\$2,068,533</u>	<u>\$616,280</u>	<u>\$2,684,813</u>

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2016, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. In 2016, the OPERS' actuarial consultants conducted an experience study for the period 2011 through 2015, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 8.0 percent down to 7.5 percent, for the defined benefit investments. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2016, compared with December 31, 2015, are presented below.

	December 31, 2016	December 31, 2015
Wage Inflation	3.25 percent	3.75 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.8 percent, simple
Investment Rate of Return	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

For 2016, mortality rates are based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables,

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adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

For 2015, mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2015. The prior experience study was completed for the five year period ended December 31, 2010.

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

During 2016, OPERS managed investments in four investment portfolios: the Defined Benefit portfolio, the 401(h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The 401(h) Health Care Trust portfolio was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. The Defined Benefit portfolio historically included the assets of the Member-Directed retiree medical accounts funded through the VEBA Trust. However, the VEBA Trust was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio is 8.3 percent for 2016.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2016 and the long-term expected real rates of return:

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Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.75 %
Domestic Equities	20.70	6.34
Real Estate	10.00	4.75
Private Equity	10.00	8.97
International Equities	18.30	7.95
Other investments	18.00	4.92
Total	100.00 %	5.66 %

Discount Rate The discount rate used to measure the total pension liability for 2016 was 7.5 percent. The discount rate for 2015 was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the City’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.5 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.5 percent) or one-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
County's proportionate share of the net pension liability	\$10,892,594	\$7,129,950	\$3,994,454

Actuarial Assumptions – OP&F

OP&F’s total pension liability as of December 31, 2016, is based on the results of an actuarial valuation date of January 1, 2016, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2016, are presented below:

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Valuation Date	January 1, 2016, with actuarial liabilities rolled forward to December 31, 2016
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
	plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	3.00 percent simple; 2.6 percent simple for increases based on the lesser of the increase in CPI and 3 percent

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2016, are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	- %	0.00 %
Domestic Equity	16.00	5.21
Non-US Equity	16.00	5.40
Core Fixed Income *	20.00	2.37
Global Inflation Protected Securities*	20.00	2.33
High Yield	15.00	4.48
Real Estate	12.00	5.65
Private Markets	8.00	7.99
Timber	5.00	6.87
Master Limited Partnerships	8.00	7.36
Total	<u>120.00 %</u>	

Note: Assumptions are geometric.

* levered 2x

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

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2017

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

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

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$13,678,558	\$10,270,102	\$7,381,388

Changes between Measurement Date and Report Date

In October 2017, the OP&F Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of January 1, 2017. The most significant change is a reduction in the discount rate from 8.25 percent to 8 percent. Although the exact amount of these changes is not known, it has the potential to impact to the City’s net pension liability.

Note 22 - Postemployment Benefits

Ohio Public Employees Retirement System

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

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

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2017

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2017, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0 percent during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0 percent for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2017 was 4.0 percent.

Substantially all of the City's contribution allocated to fund postemployment health care benefits relates to the cost-sharing, multiple employer trusts. The corresponding contribution for the years ended December 31, 2017, 2016, and 2015 was \$43,134, \$81,178, and \$81,154, respectively. For 2017, 95.83 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2016 and 2015.

Ohio Police and Fire Pension Fund

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

OP&F provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (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.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2017

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

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 to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units. Active members do not make contributions to the OPEB Plan.

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 the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2017, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The 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 contribution to OP&F for the years ended December 31, 2017, 2016, and 2015 were \$30,062, \$27,544, and \$17,588, respectively, of which \$17,317, \$19,109, and \$17,461, respectively, was allocated to the healthcare plan. For 2017, 95.91 percent has been contributed for both police and firefighters with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2016 and 2015.

Note 23 – Joint Economic Development Districts

Ashtabula Township

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

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

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2017

Saybrook Township

The City has two Joint Economic Development Districts (JEDD) with neighboring Saybrook Township. The City of Ashtabula - Saybrook Township Depot Road JEDD I was formed in 2013 and the City of Ashtabula - Saybrook Township Route 20 JEDD II was formed in 2015. The JEDDs are entirely located in Saybrook Township, and their primary purpose is to promote regional growth and economic development. In March, 2013 the JEDD I Board levied a municipal income tax of 1.8 percent in the JEDD effective May 1, 2014. In March 2016, the JEDD II Board levied a municipal income tax of 1.8 percent in the JEDD effective March 31, 2016. Both Saybrook Township JEDD Boards also contract with the City of Ashtabula to administer this income tax.

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

Note 24 - Ashtabula City Port Authority

Description of Reporting Entity

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

Summary of Significant Accounting Policies

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

Due to Primary Government

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

Property, Plant, Equipment and Depreciation

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

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

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

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2017

Deposits and Investments

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

At year-end, the carrying amount of the Ashtabula Port Authority's deposits was \$184,303. The entire balance was covered by federal depository insurance.

Capital Assets

A summary of the Ashtabula City Port Authority's capital assets at December 31, 2017 follows:

	<u>Balance</u> <u>12/31/2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>12/31/2017</u>
Governmental Activities				
Capital Assets, Non-depreciable				
Land	\$1,717,541	\$0	\$0	\$1,717,541
Capital Assets, Depreciable				
Buildings and Improvements	651,817	2,200	0	654,017
Less: Accumulated Depreciation				
Buildings and Improvements	(439,610)	(22,594)	0	(462,204)
Total Assets, Depreciable, Net	<u>212,207</u>	<u>(20,394)</u>	<u>0</u>	<u>191,813</u>
Governmental Activities				
Capital Assets, Net	<u>\$1,929,748</u>	<u>(\$20,394)</u>	<u>\$0</u>	<u>\$1,909,354</u>

Long-term Debt

On August 30, 2008 Ohio Water Development Authority approved a loan that will enable the Ashtabula City Port Authority to install the waterlines at the City's Industrial Park. The loan is for \$284,000 with an interest rate of 3 percent and semi-annual payments of \$16,542 for ten years. In 2006 the Ashtabula City Port Authority received a State of Ohio Rural Industrial Park loan from the Ohio Department of Development for the City's Industrial Park, in the amount of \$375,000. This loan bears no interest for years one through five with no payments due. Years six through fifteen bear interest at three percent. The City has loaned the Ashtabula City Port Authority money in the amount of \$150,000. As of December 31, 2017, \$129,995 of the City's loan has been repaid leaving a balance of \$20,005.

A schedule of changes in long-term obligations of the Port Authority during 2017 follows:

	<u>Principal</u> <u>Outstanding</u> <u>12/31/2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Principal</u> <u>Outstanding</u> <u>12/31/2017</u>	<u>Amounts</u> <u>Due in</u> <u>One Year</u>
Due to Primary Government:					
City of Ashtabula - Loan	\$30,241	\$0	\$10,236	\$20,005	\$10,706
Other Long-Term Debt:					
Industrial Park Loan	176,361	0	38,691	137,670	39,867
OWDA Rural Industrial Park	65,141	0	32,086	33,055	33,055
<i>Total Other Long-Term Debt</i>	<u>241,502</u>	<u>0</u>	<u>70,777</u>	<u>170,725</u>	<u>72,922</u>
<i>Total Component Unit Debt</i>	<u>\$271,743</u>	<u>\$0</u>	<u>\$81,013</u>	<u>\$190,730</u>	<u>\$83,628</u>

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2017

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

	City of Ashtabula - Loan		Industrial Park Loan		Ohio Water Development Authority Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$10,706	\$681	\$39,867	\$3,585	\$33,055	\$746
2019	9,299	193	41,080	2,372	0	0
2020	0	0	42,330	1,123	0	0
2021	0	0	14,393	90	0	0
Total	<u>\$20,005</u>	<u>\$874</u>	<u>\$137,670</u>	<u>\$7,170</u>	<u>\$33,055</u>	<u>\$746</u>

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Required Supplementary Information

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

	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.03139800%	0.03260200%	0.03234900%	0.03234900%
City's Proportionate Share of the Net Pension Liability	\$7,129,950	\$5,647,078	\$3,901,652	\$3,813,526
City's Covered Payroll	\$4,058,875	\$4,057,708	\$3,965,950	\$3,952,112
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	175.66%	139.17%	98.38%	96.49%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.25%	81.08%	86.45%	86.36%

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

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

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

	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.16214500%	0.16968200%	0.17031280%	0.17031280%
City's Proportionate Share of the Net Pension Liability	\$10,270,102	\$10,915,762	\$8,822,913	\$8,294,768
City's Covered Payroll	\$3,821,838	\$3,492,208	\$3,394,120	\$3,377,143
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	268.72%	312.57%	259.95%	245.61%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.36%	66.77%	71.71%	73.00%

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

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

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$560,738	\$487,065	\$486,925	\$475,914
Contributions in Relation to the Contractually Required Contribution	<u>(560,738)</u>	<u>(487,065)</u>	<u>(486,925)</u>	<u>(475,914)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$4,313,369	\$4,058,875	\$4,057,708	\$3,965,950
Contributions as a Percentage of Covered Payroll	13.00%	12.00%	12.00%	12.00%

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

2013

\$513,775

(513,775)

\$0

\$3,952,112

13.00%

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$722,156	\$798,447	\$730,369	\$712,748
Contributions in Relation to the Contractually Required Contribution	<u>(722,156)</u>	<u>(798,447)</u>	<u>(730,369)</u>	<u>(712,748)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$3,463,441	\$3,821,838	\$3,492,208	\$3,394,120
Contributions as a Percentage of Covered Payroll:	20.85%	20.89%	20.91%	21.00%

2013	2012	2011	2010	2009	2008
\$602,246	\$429,316	\$491,755	\$482,102	\$751,227	\$748,345
(602,246)	(429,316)	(491,755)	(482,102)	(751,227)	(748,345)
\$0	\$0	\$0	\$0	\$0	\$0
\$3,377,143	\$2,915,647	\$3,335,715	\$3,270,716	\$5,117,409	\$5,094,563
17.83%	14.72%	14.74%	14.74%	14.68%	14.69%

City of Ashtabula, Ohio
Notes to the Required Supplementary Information
For the year ended December 31, 2017

Changes in Assumptions - OPERS

Amounts reported for 2017 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in 2016 and prior are presented below:

	December 31, 2017	December 31, 2016 and Prior
Wage Inflation	3.25 percent	3.75 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.8 percent, simple
Investment Rate of Return	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

Amounts reported for 2017 use mortality rates based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

Amounts reported for 2016 and prior use mortality rates based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

**Combining and Individual Fund Statements
and Schedules**

Fund Descriptions – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

Recycling Grant Fund - To account for and report restricted State monies to implement a curbside recycling program. This fund did not have any budgetary activity during 2017; therefore budgetary information is not provided.

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

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

(continued)

Fund Descriptions – Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Fund (continued)

Other Grants Fund - To account for and report restricted State monies from the Ohio Environmental Agency for land restoration.

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

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

Nonmajor Debt Service Fund

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

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

Nonmajor Capital Projects Funds

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

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

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

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

City of Ashtabula, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2017

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Fund	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$692,188	\$58,705	\$130,154	\$881,047
Cash and Cash Equivalents:				
In Segregated Accounts	9,407	0	8,078	17,485
Receivables:				
Property Taxes	786,933	0	0	786,933
Accounts	455,441	0	0	455,441
Special Assessments	0	20,600	0	20,600
Intergovernmental Receivable	125,395	0	0	125,395
Materials and Supplies Inventory	3,083	0	0	3,083
<i>Total Assets</i>	<u>\$2,072,447</u>	<u>\$79,305</u>	<u>\$138,232</u>	<u>\$2,289,984</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$0	\$0	\$0
Accrued Wages	9,154	0	740	9,894
Intergovernmental Payable	31,776	0	141	31,917
<i>Total Liabilities</i>	<u>40,930</u>	<u>0</u>	<u>881</u>	<u>41,811</u>
Deferred Inflows of Resources				
Property Tax	670,695	0	0	670,695
Unavailable Revenue	665,890	20,600	0	686,490
<i>Total Deferred Inflows of Resources</i>	<u>1,336,585</u>	<u>20,600</u>	<u>0</u>	<u>1,357,185</u>
Fund Balances				
Nonspendable	3,083	0	0	3,083
Restricted	463,216	58,705	137,351	659,272
Committed	230,267	0	0	230,267
Unassigned (Deficit)	(1,634)	0	0	(1,634)
<i>Total Fund Balances</i>	<u>694,932</u>	<u>58,705</u>	<u>137,351</u>	<u>890,988</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$2,072,447</u>	<u>\$79,305</u>	<u>\$138,232</u>	<u>\$2,289,984</u>

City of Ashtabula, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2017

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Fund	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	\$717,008	\$0	\$0	\$717,008
Charges for Services	315,525	0	0	315,525
Licenses and Permits	216,087	0	0	216,087
Fines and Forfeitures	118,133	0	101,470	219,603
Intergovernmental	345,049	0	0	345,049
Special Assessments	0	9,984	0	9,984
Contributions and Donations	8,000	0	0	8,000
<i>Total Revenues</i>	<u>1,719,802</u>	<u>9,984</u>	<u>101,470</u>	<u>1,831,256</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive	0	291	0	291
Judicial System	56,021	0	13,014	69,035
Security of Persons and Property:				
Police	429,871	0	0	429,871
Fire	380,656	0	0	380,656
Public Health Services	78,138	0	0	78,138
Street Maintenance and Repairs	449,506	0	0	449,506
Housing and Community Development	300,799	0	0	300,799
Leisure Time Activities	261,476	0	0	261,476
Capital Outlay	0	0	42,676	42,676
Debt Service:				
Principal Retirement	0	9,782	0	9,782
<i>Total Expenditures</i>	<u>1,956,467</u>	<u>10,073</u>	<u>55,690</u>	<u>2,022,230</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(236,665)</u>	<u>(89)</u>	<u>45,780</u>	<u>(190,974)</u>
Other Financing Sources (Uses)				
Transfers In	419,970	3,311	0	423,281
Transfers Out	0	0	(3,311)	(3,311)
<i>Total Other Financing Sources and Uses</i>	<u>419,970</u>	<u>3,311</u>	<u>(3,311)</u>	<u>419,970</u>
<i>Net Change in Fund Balances</i>	183,305	3,222	42,469	228,996
<i>Fund Balances Beginning of Year</i>	<u>511,627</u>	<u>55,483</u>	<u>94,882</u>	<u>661,992</u>
<i>Fund Balances End of Year</i>	<u><u>\$694,932</u></u>	<u><u>\$58,705</u></u>	<u><u>\$137,351</u></u>	<u><u>\$890,988</u></u>

City of Ashtabula, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2017

	Code Enforcement	Fire Pension	Food Service	Indigent Alcohol
Assets				
Equity in Pooled Cash and Cash Equivalents	\$188,136	\$13,443	\$11,387	\$52,543
Cash and Cash Equivalents:				
In Segregated Accounts	0	0	0	526
Receivables:				
Property Taxes	0	265,682	0	0
Accounts	193,447	0	0	0
Intergovernmental Receivable	13,991	15,674	0	0
Materials and Supplies Inventory	0	0	0	0
<i>Total Assets</i>	<u>\$395,574</u>	<u>\$294,799</u>	<u>\$11,387</u>	<u>\$53,069</u>
Liabilities and Fund Balances				
Liabilities				
Accrued Wages	\$6,499	\$0	\$1,555	\$0
Intergovernmental Payable	1,210	15,077	295	0
<i>Total Liabilities</i>	<u>7,709</u>	<u>15,077</u>	<u>1,850</u>	<u>0</u>
Deferred Inflows of Resources				
Property Tax	0	228,826	0	0
Unavailable Revenue	191,287	52,530	0	0
<i>Total Deferred Inflows of Resources</i>	<u>191,287</u>	<u>281,356</u>	<u>0</u>	<u>0</u>
Fund Balances				
Nonspendable	0	0	0	0
Restricted	0	0	0	53,069
Committed	196,578	0	9,537	0
Unassigned (Deficit)	0	(1,634)	0	0
<i>Total Fund Balances (Deficit)</i>	<u>196,578</u>	<u>(1,634)</u>	<u>9,537</u>	<u>53,069</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$395,574</u>	<u>\$294,799</u>	<u>\$11,387</u>	<u>\$53,069</u>

Law Enforcement Trust	Motor Vehicle License Tax	Municipal Probation Services	Municipal Court Security	Indigent Drivers Interlock and Alcohol Monitoring
\$61,045	\$38,140	\$38,101	\$38,046	\$11,258
125	0	6,255	2,501	0
0	0	0	0	0
0	0	0	0	0
0	16,746	0	0	0
0	0	0	0	0
<u>\$61,170</u>	<u>\$54,886</u>	<u>\$44,356</u>	<u>\$40,547</u>	<u>\$11,258</u>
\$0	\$0	\$0	\$1,100	\$0
0	0	0	209	0
0	0	0	1,309	0
0	0	0	0	0
0	11,164	0	0	0
0	11,164	0	0	0
0	0	0	0	0
61,170	43,722	44,356	39,238	11,258
0	0	0	0	0
0	0	0	0	0
<u>61,170</u>	<u>43,722</u>	<u>44,356</u>	<u>39,238</u>	<u>11,258</u>
<u>\$61,170</u>	<u>\$54,886</u>	<u>\$44,356</u>	<u>\$40,547</u>	<u>\$11,258</u>

(continued)

City of Ashtabula, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2017

	Police Pension	Public Health Nursing	State Highway	Recycling Grant
Assets				
Equity in Pooled Cash and Cash Equivalents	\$19,563	\$23,952	\$42,194	\$60,935
Cash and Cash Equivalents:				
In Segregated Accounts	0	0	0	0
Receivables:				
Property Taxes	265,682	0	0	0
Accounts	0	0	0	0
Intergovernmental Receivable	15,674	3,400	24,300	0
Materials and Supplies Inventory	0	3,083	0	0
<i>Total Assets</i>	<u>\$300,919</u>	<u>\$30,435</u>	<u>\$66,494</u>	<u>\$60,935</u>
Liabilities and Fund Balances				
Liabilities				
Accrued Wages	\$0	\$0	\$0	\$0
Intergovernmental Payable	14,985	0	0	0
<i>Total Liabilities</i>	<u>14,985</u>	<u>0</u>	<u>0</u>	<u>0</u>
Deferred Inflows of Resources				
Property Tax	228,826	0	0	0
Unavailable Revenue	52,530	3,200	16,200	0
<i>Total Deferred Inflows of Resources</i>	<u>281,356</u>	<u>3,200</u>	<u>16,200</u>	<u>0</u>
Fund Balances				
Nonspendable	0	3,083	0	0
Restricted	4,578	0	50,294	60,935
Committed	0	24,152	0	0
Unassigned (Deficit)	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>4,578</u>	<u>27,235</u>	<u>50,294</u>	<u>60,935</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$300,919</u>	<u>\$30,435</u>	<u>\$66,494</u>	<u>\$60,935</u>

Police Grant	Fire Grant	Walnut Beach	Street Lighting	Total Nonmajor Special Revenue Funds
\$16,323	\$1,503	\$58,514	\$17,105	\$692,188
0	0	0	0	9,407
0	0	255,569	0	786,933
0	0	0	261,994	455,441
17,525	0	18,085	0	125,395
0	0	0	0	3,083
<u>\$33,848</u>	<u>\$1,503</u>	<u>\$332,168</u>	<u>\$279,099</u>	<u>\$2,072,447</u>
\$0	\$0	\$0	\$0	\$9,154
0	0	0	0	31,776
0	0	0	0	40,930
0	0	213,043	0	670,695
16,374	0	60,611	261,994	665,890
16,374	0	273,654	261,994	1,336,585
0	0	0	0	3,083
17,474	1,503	58,514	17,105	463,216
0	0	0	0	230,267
0	0	0	0	(1,634)
17,474	1,503	58,514	17,105	694,932
<u>\$33,848</u>	<u>\$1,503</u>	<u>\$332,168</u>	<u>\$279,099</u>	<u>\$2,072,447</u>

City of Ashtabula, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2017

	Code			
	Enforcement	Fire Pension	Food Service	Indigent Alcohol
Revenues				
Property Taxes	\$0	\$227,344	\$0	\$0
Charges for Services	22,906	0	0	0
Licenses and Permits	171,987	0	44,100	0
Fines and Forfeitures	1,055	0	0	7,652
Intergovernmental	48,160	32,109	0	8,928
Contributions and Donations	0	0	0	0
<i>Total Revenues</i>	<u>244,108</u>	<u>259,453</u>	<u>44,100</u>	<u>16,580</u>
Expenditures				
Current:				
General Government:				
Judicial System	0	0	0	0
Security of Persons and Property:				
Police	0	0	0	0
Fire	0	376,167	0	0
Public Health Services	0	0	55,349	0
Street Maintenance and Repairs	0	0	0	0
Housing and Community Development	300,799	0	0	0
Leisure Time Activities	0	0	0	0
<i>Total Expenditures</i>	<u>300,799</u>	<u>376,167</u>	<u>55,349</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(56,691)	(116,714)	(11,249)	16,580
Other Financing Sources (Uses)				
Transfers In	0	125,000	15,000	0
<i>Net Change in Fund Balances</i>	(56,691)	8,286	3,751	16,580
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>253,269</u>	<u>(9,920)</u>	<u>5,786</u>	<u>36,489</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$196,578</u></u>	<u><u>(\$1,634)</u></u>	<u><u>\$9,537</u></u>	<u><u>\$53,069</u></u>

Law Enforcement Trust	Motor Vehicle License Tax	Municipal Probation Services	Municipal Court Security	Indigent Drivers Interlock and Alcohol Monitoring
\$0	\$0	\$0	\$0	\$0
0	0	0	0	0
0	0	0	0	0
23,917	0	56,644	28,865	0
0	38,427	0	0	7,323
0	0	0	0	0
<u>23,917</u>	<u>38,427</u>	<u>56,644</u>	<u>28,865</u>	<u>7,323</u>
0	0	41,731	12,100	2,190
13,021	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	15,846	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>13,021</u>	<u>15,846</u>	<u>41,731</u>	<u>12,100</u>	<u>2,190</u>
10,896	22,581	14,913	16,765	5,133
0	0	0	0	0
<u>10,896</u>	<u>22,581</u>	<u>14,913</u>	<u>16,765</u>	<u>5,133</u>
<u>50,274</u>	<u>21,141</u>	<u>29,443</u>	<u>22,473</u>	<u>6,125</u>
<u>\$61,170</u>	<u>\$43,722</u>	<u>\$44,356</u>	<u>\$39,238</u>	<u>\$11,258</u>

(continued)

City of Ashtabula, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Year Ended December 31, 2017

	Police Pension	Public Health Nursing	State Highway	Recycling Grant
Revenues				
Property Taxes	\$227,344	\$0	\$0	\$0
Charges for Services	0	0	0	0
Licenses and Permits	0	0	0	0
Fines and Forfeitures	0	0	0	0
Intergovernmental	32,109	22,468	50,771	0
Contributions and Donations	0	0	0	0
<i>Total Revenues</i>	<u>259,453</u>	<u>22,468</u>	<u>50,771</u>	<u>0</u>
Expenditures				
Current:				
General Government:				
Judicial System	0	0	0	0
Security of Persons and Property:				
Police	378,935	0	0	0
Fire	0	0	0	0
Public Health Services	0	22,789	0	0
Street Maintenance and Repairs	0	0	28,122	0
Housing and Community Development	0	0	0	0
Leisure Time Activities	0	0	0	0
<i>Total Expenditures</i>	<u>378,935</u>	<u>22,789</u>	<u>28,122</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(119,482)	(321)	22,649	0
Other Financing Sources (Uses)				
Transfers In	<u>125,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	5,518	(321)	22,649	0
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(940)</u>	<u>27,556</u>	<u>27,645</u>	<u>60,935</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$4,578</u></u>	<u><u>\$27,235</u></u>	<u><u>\$50,294</u></u>	<u><u>\$60,935</u></u>

Police Grant	Fire Grant	Walnut Beach	Street Lighting	Total Nonmajor Special Revenue Funds
\$0	\$0	\$262,320	\$0	\$717,008
0	0	0	292,619	315,525
0	0	0	0	216,087
0	0	0	0	118,133
64,681	3,025	37,048	0	345,049
0	0	8,000	0	8,000
<u>64,681</u>	<u>3,025</u>	<u>307,368</u>	<u>292,619</u>	<u>1,719,802</u>
0	0	0	0	56,021
37,915	0	0	0	429,871
0	4,489	0	0	380,656
0	0	0	0	78,138
0	0	0	405,538	449,506
0	0	0	0	300,799
0	0	261,476	0	261,476
<u>37,915</u>	<u>4,489</u>	<u>261,476</u>	<u>405,538</u>	<u>1,956,467</u>
26,766	(1,464)	45,892	(112,919)	(236,665)
0	0	0	154,970	419,970
26,766	(1,464)	45,892	42,051	183,305
(9,292)	2,967	12,622	(24,946)	511,627
<u>\$17,474</u>	<u>\$1,503</u>	<u>\$58,514</u>	<u>\$17,105</u>	<u>\$694,932</u>

City of Ashtabula, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2017

	Municipal Court Computer Fund	Municipal Court Special Projects Fund	Total Nonmajor Capital Projects Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$38,197	\$91,957	\$130,154
Cash and Cash Equivalents In Segregated Accounts	2,426	5,652	8,078
<i>Total Assets</i>	<u>\$40,623</u>	<u>\$97,609</u>	<u>\$138,232</u>
Liabilities			
Accrued Wages	0	740	740
Intergovernmental Payable	0	141	141
<i>Total Liabilities</i>	<u>0</u>	<u>881</u>	<u>881</u>
Fund Balances			
Restricted	\$40,623	\$96,728	\$137,351
<i>Total Liabilities and Fund Balances</i>	<u>\$40,623</u>	<u>\$97,609</u>	<u>\$138,232</u>

City of Ashtabula, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2017

	Municipal Court Computer Fund	Municipal Court Special Projects Fund	Construction Fund	Total Nonmajor Capital Projects Funds
Revenues				
Fines and Forfeitures	\$26,802	\$74,668	\$0	\$101,470
Expenditures				
Current:				
General Government:				
Judicial System	7,133	5,881	0	13,014
Capital Outlay	0	42,676	0	42,676
<i>Total Expenditures</i>	7,133	48,557	0	55,690
<i>Excess of Revenues Over (Under) Expenditures</i>	19,669	26,111	0	45,780
Other Financing Sources (Uses)				
Transfers Out	0	0	(3,311)	(3,311)
<i>Net Change in Fund Balances</i>	19,669	26,111	(3,311)	42,469
<i>Fund Balances Beginning of Year</i>	20,954	70,617	3,311	94,882
<i>Fund Balances End of Year</i>	\$40,623	\$96,728	\$0	\$137,351

Combining Statements – Internal Service Funds

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

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

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

City of Ashtabula, Ohio
Combining Statement of Fund Net Position
Internal Service Funds
December 31, 2017

	Self Insurance	Workers' Compensation	Total
Assets			
<i>Current Assets:</i>			
Equity in Pooled Cash and Cash Equivalents	\$22,138	\$496,101	\$518,239
Cash and Cash Equivalents			
with Fiscal Agent	122,036	0	122,036
Interfund Receivable	0	125,000	125,000
Prepaid Items	188,220	0	188,220
Intergovernmental Receivable	6,840	0	6,840
<i>Total Assets</i>	<u>339,234</u>	<u>621,101</u>	<u>960,335</u>
Liabilities			
<i>Current Liabilities</i>			
Contracts Payable	1,250	0	1,250
Intergovernmental Payable	0	2,755	2,755
Claims Payable	417,048	51,577	468,625
<i>Total Current Liabilities</i>	418,298	54,332	472,630
<i>Long-Term Liabilities (net of current portion)</i>			
Claims Payable	0	125,000	125,000
<i>Total Liabilities</i>	<u>418,298</u>	<u>179,332</u>	<u>597,630</u>
Net Position			
Unrestricted (Deficit)	<u>(\$79,064)</u>	<u>\$441,769</u>	<u>\$362,705</u>

City of Ashtabula, Ohio
*Combining Statement of Revenues, Expenses
and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2017*

	Self Insurance	Workers' Compensation	Total
Revenues			
Charges for Services	\$2,061,754	\$336,215	\$2,397,969
Operating Expenses			
Contractual Services	490,089	2,458	492,547
Claims	1,680,601	117,834	1,798,435
<i>Total Operating Expenses</i>	2,170,690	120,292	2,290,982
<i>Operating Income (Loss)</i>	(108,936)	215,923	106,987
Non Operating Revenues			
Interest	2,434	0	2,434
<i>Change in Net Position</i>	(106,502)	215,923	109,421
<i>Net Position Beginning of Year</i>	27,438	225,846	253,284
<i>Net Position (Deficit) End of Year</i>	(\$79,064)	\$441,769	\$362,705

City of Ashtabula, Ohio
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2017

	Self Insurance	Workers' Compensation	Total
<i>Increase (Decrease) In Cash and Cash Equivalents</i>			
Cash Flows from Operating Activities			
Cash Received from Other Funds	\$2,069,967	\$336,215	\$2,406,182
Cash Payments to Suppliers for Goods and Services	(488,839)	(17,861)	(506,700)
Cash Payments for Claims	(1,468,525)	(119,247)	(1,587,772)
<i>Net Cash Provided by (Used for) Operating Activities</i>	112,603	199,107	311,710
Cash Flows from Noncapital Financing Activities			
Advances In	0	25,000	25,000
Cash Flows from Investing Activities			
Interest	2,434	0	2,434
<i>Net Increase (Decrease) In Cash and Cash Equivalents</i>	115,037	224,107	339,144
<i>Cash and Cash Equivalents Beginning of Year</i>	29,137	271,994	301,131
<i>Cash and Cash Equivalents End of Year</i>	\$144,174	\$496,101	\$640,275
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
<i>Operating Income (Loss)</i>	(\$108,936)	\$215,923	\$106,987
(Increase) Decrease in Assets:			
Intergovernmental Receivable	8,213	0	8,213
Prepaid Items	(188,220)	0	(188,220)
Increase (Decrease) in Liabilities:			
Accounts Payable	0	(675)	(675)
Contracts Payable	1,250	0	1,250
Intergovernmental Payable	0	(14,728)	(14,728)
Claims Payable	400,296	(1,413)	398,883
<i>Net Cash Provided by (Used for) Operating Activities</i>	\$112,603	\$199,107	\$311,710

Combining Statements – Fiduciary Funds

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

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

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

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

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

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

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

City of Ashtabula, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2017

	Balance 12/31/2016	Additions	Reductions	Balance 12/31/2017
<i>Fire Deposits</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$121,075	\$36,000	\$79,379	\$77,696
Liabilities				
Deposits Held and Due to Others	\$121,075	\$36,000	\$79,379	\$77,696
<i>Law Library</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,225	\$29,897	\$29,897	\$2,225
Cash and Cash Equivalents in Segregated Accounts	1,771	2,291	1,771	2,291
Total Assets	\$3,996	\$32,188	\$31,668	\$4,516
Liabilities				
Intergovernmental Payable	\$3,996	\$32,188	\$31,668	\$4,516
<i>Marina</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$6,429	\$12,100	\$12,100	\$6,429
Liabilities				
Intergovernmental Payable	\$6,429	\$12,100	\$12,100	\$6,429
<i>Joint Economic Development - Ashtabula Township</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$21,235	\$49,985	\$30,728	\$40,492
Liabilities				
Intergovernmental Payable	\$21,235	\$49,985	\$30,728	\$40,492
<i>Joint Economic Development - Saybrook Township</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$23,256	\$29,050	\$23,960	\$28,346
Liabilities				
Intergovernmental Payable	\$23,256	\$29,050	\$23,960	\$28,346

(continued)

City of Ashtabula, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds (continued)
For the Year Ended December 31, 2017

	Balance 12/31/2016	Additions	Reductions	Balance 12/31/2017
<i>Ashtabula Municipal Court</i>				
Assets				
Cash and Cash Equivalents in Segregated Accounts	\$55,105	\$1,545,911	\$1,547,973	\$53,043
Liabilities				
Deposits Held and Due to Others	\$55,105	\$1,545,911	\$1,547,973	\$53,043
 <i>Total Agency</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$174,220	\$157,032	\$176,064	\$155,188
Cash and Cash Equivalents in Segregated Accounts	56,876	1,548,202	1,549,744	55,334
<i>Total Assets</i>	\$231,096	\$1,705,234	\$1,725,808	\$210,522
Liabilities				
Intergovernmental Payable	\$54,916	\$123,323	\$98,456	\$79,783
Deposits Held and Due to Others	176,180	1,581,911	1,627,352	130,739
<i>Total Liabilities</i>	\$231,096	\$1,705,234	\$1,725,808	\$210,522

**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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$825,850	\$825,850	\$823,508	(\$2,342)
Municipal Income Tax	5,835,000	6,110,000	6,423,333	313,333
Charges for Services	362,800	362,800	388,456	25,656
Licenses and Permits	54,845	54,895	46,225	(8,670)
Fines and Forfeitures	517,000	517,000	503,580	(13,420)
Intergovernmental	800,100	800,100	798,481	(1,619)
Interest	300	300	1,077	777
Rentals	133,000	133,000	137,377	4,377
Franchise Fees	256,000	256,000	250,509	(5,491)
Other	14,000	43,986	29,396	(14,590)
<i>Total Revenues</i>	8,798,895	9,103,931	9,401,942	298,011
Expenditures				
Current:				
General Government:				
Legislative and Executive:				
Council:				
Personal Services	129,696	147,007	144,328	2,679
Materials and Supplies	1,425	1,425	1,045	380
Contractual Services	6,650	6,650	5,546	1,104
Total Council	137,771	155,082	150,919	4,163
Administration:				
Personal Services	124,238	129,623	128,837	786
Materials and Supplies	478	477	477	0
Contractual Services	510	611	583	28
Total Administration	125,226	130,711	129,897	814
Auditor:				
Personal Services	164,741	174,840	172,963	1,877
Materials and Supplies	2,150	6,390	6,390	0
Contractual Services	60,853	55,863	55,784	79
Total Auditor	227,744	237,093	235,137	1,956
City Income Tax:				
Personal Services	118,136	123,975	122,838	1,137
Materials and Supplies	1,710	510	487	23
Contractual Services	12,000	13,200	12,727	473
Total City Income Tax	\$131,846	\$137,685	\$136,052	\$1,633

(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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Solicitor:				
Personal Services	\$264,337	\$270,949	\$268,107	\$2,842
Materials and Supplies	3,500	3,500	2,856	644
Contractual Services	1,500	1,500	1,328	172
Total Solicitor	269,337	275,949	272,291	3,658
Motor Maintenance:				
Personal Services	142,808	144,494	141,688	2,806
Materials and Supplies	5,415	6,145	6,057	88
Contractual Services	750	20	20	0
Total Motor Maintenance	148,973	150,659	147,765	2,894
Engineering & PCD:				
Personal Services	80,037	81,898	77,478	4,420
Materials and Supplies	1,187	1,187	193	994
Contractual Services	3,325	9,325	6,618	2,707
Total Engineering & PCD	84,549	92,410	84,289	8,121
County Auditor Deductions:				
Contractual Services	92,500	103,500	98,224	5,276
General Services:				
Professional & Contractual Dues and Fees	167,686	160,339	144,536	15,803
	30,000	42,859	42,859	0
Total General Services	197,686	203,198	187,395	15,803
Civil Service:				
Contractual Services	16,185	10,000	7,213	2,787
Lands and Buildings:				
Personal Services	134,982	138,650	138,104	546
Materials and Supplies	22,682	29,837	29,837	0
Contractual Services	300,998	302,043	297,291	4,752
Total Lands and Buildings	458,662	470,530	465,232	5,298
Systems Analyst:				
Materials and Supplies	1,900	3,547	3,526	21
Contractual Services	35,000	35,000	34,154	846
Total Systems Analyst	36,900	38,547	37,680	867
Total Legislative and Executive	\$1,927,379	\$2,005,364	\$1,952,094	\$53,270

(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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Judicial System:				
Municipal Court/Probation:				
Personal Services	\$880,527	\$917,394	\$917,394	\$0
Materials and Supplies	43,139	26,475	23,695	2,780
Contractual Services	40,055	50,705	33,264	17,441
Total Judicial System	963,721	994,574	974,353	20,221
Total General Government	2,891,100	2,999,938	2,926,447	73,491
Security of Persons and Property:				
Police:				
Law Enforcement:				
Personal Services	2,603,504	2,854,292	2,854,292	0
Materials and Supplies	160,393	147,434	143,935	3,499
Contractual Services	127,115	158,199	156,870	1,329
Total Police	2,891,012	3,159,925	3,155,097	4,828
Fire:				
Fire Prevention:				
Personal Services	2,130,365	2,205,487	2,197,154	8,333
Materials and Supplies	46,911	46,911	45,674	1,237
Contractual Services	80,910	73,410	70,363	3,047
Total Fire	2,258,186	2,325,808	2,313,191	12,617
Total Security of Persons and Property	5,149,198	5,485,733	5,468,288	17,445
Public Health Services:				
Health:				
Personal Services	211,887	212,846	204,631	8,215
Materials and Supplies	31,000	31,000	28,440	2,560
Contractual Services	58,060	62,810	57,889	4,921
Total Public Health Services	300,947	306,656	290,960	15,696
Street Maintenance and Repairs:				
Street:				
Personal Services	93,019	105,853	105,513	340
Sanitation Services:				
Sanitation:				
Personal Services	\$3,161	\$3,161	\$2,740	\$421

(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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Wastewater				
Personal Services	\$2,440	\$2,440	\$2,320	\$120
Total Sanitation Services	5,601	5,601	5,060	541
Debt Service:				
Principal Retirement	194,091	195,916	194,091	1,825
Interest and Fiscal Charges	7,029	2,440	2,440	0
<i>Total Expenditures</i>	<u>8,640,985</u>	<u>9,102,137</u>	<u>8,992,799</u>	<u>109,338</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>157,910</u>	<u>1,794</u>	<u>409,143</u>	<u>407,349</u>
Other Financing Sources (Uses)				
Proceeds of Notes	122,091	122,091	122,091	0
Advances - In	0	0	18,701	18,701
Advances Out	(25,000)	(25,000)	(25,000)	0
Transfers Out	(401,632)	(426,632)	(419,970)	6,662
<i>Total Other Financing Sources (Uses)</i>	<u>(304,541)</u>	<u>(329,541)</u>	<u>(304,178)</u>	<u>25,363</u>
<i>Net Change in Fund Balance</i>	<u>(146,631)</u>	<u>(327,747)</u>	<u>104,965</u>	<u>432,712</u>
<i>Fund Balance Beginning of Year</i>	554,683	554,683	554,683	0
Prior Year Encumbrances Appropriated	43,270	43,270	43,270	0
<i>Fund Balance End of Year</i>	<u><u>\$451,322</u></u>	<u><u>\$270,206</u></u>	<u><u>\$702,918</u></u>	<u><u>\$432,712</u></u>

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Community Development Block Grant Fund
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$101,500	\$101,500	\$92,392	(\$9,108)
Contributions and Donations	141,000	282,000	176,920	(105,080)
Other	0	0	5,888	5,888
<i>Total Revenues</i>	<u>242,500</u>	<u>383,500</u>	<u>275,200</u>	<u>(108,300)</u>
Expenditures				
Current:				
Housing and Community Development:				
Community Development Block Grant:				
Materials and Supplies	16,000	16,000	16,000	0
Contractual Services	75,616	75,616	75,091	525
Capital Outlay	64,000	109,000	75,000	34,000
<i>Total Expenditures</i>	<u>155,616</u>	<u>200,616</u>	<u>166,091</u>	<u>34,525</u>
<i>Net Change in Fund Balance</i>	86,884	182,884	109,109	(73,775)
<i>Fund Balance Beginning of Year</i>	18,138	18,138	18,138	0
Prior Year Encumbrances Appropriated	<u>35,616</u>	<u>35,616</u>	<u>35,616</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$140,638</u>	<u>\$236,638</u>	<u>\$162,863</u>	<u>(\$73,775)</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$0	\$0	\$100	\$100
Intergovernmental	755,000	755,000	770,774	15,774
Interest	0	0	69	69
<i>Total Revenues</i>	<u>755,000</u>	<u>755,000</u>	<u>770,943</u>	<u>15,943</u>
Expenditures				
Current:				
Street Maintenance and Repairs:				
Public Works:				
Personal Services	545,177	544,029	475,452	68,577
Materials and Supplies	240,445	232,845	171,349	61,496
Contractual Services	40,885	51,885	45,818	6,067
<i>Total Expenditures</i>	<u>826,507</u>	<u>828,759</u>	<u>692,619</u>	<u>136,140</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(71,507)	(73,759)	78,324	152,083
Other Financing Sources (Uses)				
Transfers In	46,777	6,777	0	(6,777)
<i>Net Change in Fund Balance</i>	(24,730)	(66,982)	78,324	145,306
<i>Fund Balance Beginning of Year</i>	91,242	91,242	91,242	0
Prior Year Encumbrances Appropriated	24,729	24,729	24,729	0
<i>Fund Balance End of Year</i>	<u>\$91,241</u>	<u>\$48,989</u>	<u>\$194,295</u>	<u>\$145,306</u>

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Levy Fund
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property and Other Taxes	\$466,000	\$466,000	\$466,269	\$269
Intergovernmental	25,003	25,003	27,259	2,256
Other	0	0	2,907	2,907
<i>Total Revenues</i>	<u>491,003</u>	<u>491,003</u>	<u>496,435</u>	<u>5,432</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Personal Services	545,765	557,637	557,376	261
Contractual Services	15,000	10,300	10,265	35
<i>Total Expenditures</i>	<u>560,765</u>	<u>567,937</u>	<u>567,641</u>	<u>296</u>
<i>Net Change in Fund Balance</i>	(69,762)	(76,934)	(71,206)	5,728
<i>Fund Balance Beginning of Year</i>	<u>154,481</u>	<u>154,481</u>	<u>154,481</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$84,719</u></u>	<u><u>\$77,547</u></u>	<u><u>\$83,275</u></u>	<u><u>\$5,728</u></u>

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Permanent Improvement Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$346,000	\$346,000	\$349,760	\$3,760
Municipal Income Tax	636,110	636,110	711,048	74,938
Intergovernmental	481,000	1,022,905	413,138	(609,767)
Other	0	0	39,445	39,445
<i>Total Revenues</i>	<u>1,463,110</u>	<u>2,005,015</u>	<u>1,513,391</u>	<u>(491,624)</u>
Expenditures				
Capital Outlay:				
Contractual Services	34,495	92,750	65,191	27,559
Capital Outlay	667,079	3,113,349	2,823,153	290,196
Total Capital Outlay	<u>701,574</u>	<u>3,206,099</u>	<u>2,888,344</u>	<u>317,755</u>
Debt Service:				
Principal Retirement	482,598	482,598	482,586	12
Interest and Fiscal Charges	153,944	153,944	153,941	3
Total Debt Service	<u>636,542</u>	<u>636,542</u>	<u>636,527</u>	<u>15</u>
<i>Total Expenditures</i>	<u>1,338,116</u>	<u>3,842,641</u>	<u>3,524,871</u>	<u>317,770</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>124,994</u>	<u>(1,837,626)</u>	<u>(2,011,480)</u>	<u>(173,854)</u>
Other Financing Sources (Uses)				
Proceeds of State Infrastructure Bank Loan	58,314	58,303	56,241	(2,062)
Proceeds of OPWC	50,746	50,746	50,746	0
Proceeds of Capital Lease	0	492,011	492,011	0
<i>Total Other Financing Sources (Uses)</i>	<u>109,060</u>	<u>601,060</u>	<u>598,998</u>	<u>(2,062)</u>
<i>Net Change in Fund Balance</i>	234,054	(1,236,566)	(1,412,482)	(175,916)
<i>Fund Balance Beginning of Year</i>	1,453,789	1,453,789	1,453,789	0
Prior Year Encumbrances Appropriated	<u>194,470</u>	<u>194,470</u>	<u>194,470</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,882,313</u></u>	<u><u>\$411,693</u></u>	<u><u>\$235,777</u></u>	<u><u>(\$175,916)</u></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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$1,896,000	\$1,896,000	\$1,849,260	(\$46,740)
Intergovernmental	18,000	18,000	24,107	6,107
Other	0	0	3	3
<i>Total Revenues</i>	<u>1,914,000</u>	<u>1,914,000</u>	<u>1,873,370</u>	<u>(40,630)</u>
Expenses				
Personal Services	1,137,019	1,161,268	1,123,695	37,573
Contractual Services	701,633	764,608	595,387	169,221
Materials and Supplies	142,277	112,677	105,658	7,019
Debt Service:				
Principal Retirement	49,715	48,335	48,335	0
Interest and Fiscal Charges	565	565	565	0
<i>Total Expenses</i>	<u>2,031,209</u>	<u>2,087,453</u>	<u>1,873,640</u>	<u>213,813</u>
<i>Excess of Revenues Over (Under) Expenses</i>	<u>(117,209)</u>	<u>(173,453)</u>	<u>(270)</u>	<u>173,183</u>
Other Financing Sources (Uses)				
Proceeds of Note	30,335	30,335	30,335	0
Transfers In	6,470	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>36,805</u>	<u>30,335</u>	<u>30,335</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(80,404)	(143,118)	30,065	173,183
<i>Fund Balance Beginning of Year</i>	142,992	142,992	142,992	0
Prior Year Encumbrances Appropriated	38,710	38,710	38,710	0
<i>Fund Balance End of Year</i>	<u>\$101,298</u>	<u>\$38,584</u>	<u>\$211,767</u>	<u>\$173,183</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$3,691,000	\$3,721,000	\$3,852,312	\$131,312
Tap-In Fees	5,000	5,000	7,000	2,000
Intergovernmental	94,100	94,100	94,786	686
Other	0	0	2,841	2,841
<i>Total Revenues</i>	<u>3,790,100</u>	<u>3,820,100</u>	<u>3,956,939</u>	<u>136,839</u>
Expenses				
Personal Services	1,532,511	1,567,624	1,489,595	78,029
Contractual Services	977,014	1,009,214	861,875	147,339
Materials and Supplies	302,500	262,000	246,422	15,578
Capital Outlay	802,500	3,828,500	2,542,683	1,285,817
Debt Service:				
Principal Retirement	514,188	524,832	395,033	129,799
Interest and Fiscal Charges	88,412	81,912	61,663	20,249
<i>Total Expenses</i>	<u>4,217,125</u>	<u>7,274,082</u>	<u>5,597,271</u>	<u>1,676,811</u>
<i>Excess of Revenues Over (Under) Expenses</i>	<u>(427,025)</u>	<u>(3,453,982)</u>	<u>(1,640,332)</u>	<u>1,813,650</u>
Other Financing Sources (Uses)				
Proceeds of OWDA Loans	275,100	3,275,100	1,797,976	(1,477,124)
Proceeds of Note	104,000	104,000	107,574	3,574
Transfers In	22,100	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>401,200</u>	<u>3,379,100</u>	<u>1,905,550</u>	<u>(1,473,550)</u>
<i>Net Change in Fund Balance</i>	(25,825)	(74,882)	265,218	340,100
<i>Fund Balance Beginning of Year</i>	271,318	271,318	271,318	0
Prior Year Encumbrances Appropriated	159,514	159,514	159,514	0
<i>Fund Balance End of Year</i>	<u>\$405,007</u>	<u>\$355,950</u>	<u>\$696,050</u>	<u>\$340,100</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$10,300	\$10,300	\$22,906	\$12,606
Licenses and Permits	215,000	215,000	207,002	(7,998)
Fines and Forfeitures	0	0	1,055	1,055
Intergovernmental	40,000	40,000	36,569	(3,431)
<i>Total Revenues</i>	265,300	265,300	267,532	2,232
Expenditures				
Current:				
Housing and Community Development:				
Code Enforcement:				
Personal Services	271,700	293,683	275,490	18,193
Materials and Supplies	11,030	11,030	8,468	2,562
Contractual Services	25,518	44,518	14,536	29,982
<i>Total Expenditures</i>	308,248	349,231	298,494	50,737
<i>Net Change in Fund Balance</i>	(42,948)	(83,931)	(30,962)	52,969
<i>Fund Balance Beginning of Year</i>	212,664	212,664	212,664	0
Prior Year Encumbrances Appropriated	1,248	1,248	1,248	0
<i>Fund Balance End of Year</i>	\$170,964	\$129,981	\$182,950	\$52,969

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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$225,000	\$225,000	\$227,344	\$2,344
Intergovernmental	36,980	36,980	32,859	(4,121)
<i>Total Revenues</i>	<u>261,980</u>	<u>261,980</u>	<u>260,203</u>	<u>(1,777)</u>
Expenditures				
Current:				
Security of Persons and Property:				
Fire:				
Fire Prevention:				
Personal Services	368,444	380,055	369,052	11,003
Contractual Services	5,500	5,505	5,503	2
<i>Total Expenditures</i>	<u>373,944</u>	<u>385,560</u>	<u>374,555</u>	<u>11,005</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(111,964)	(123,580)	(114,352)	9,228
Other Financing Sources (Uses)				
Transfers In	115,001	140,001	125,000	(15,001)
<i>Net Change in Fund Balance</i>	3,037	16,421	10,648	(5,773)
<i>Fund Balance Beginning of Year</i>	<u>2,795</u>	<u>2,795</u>	<u>2,795</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$5,832</u></u>	<u><u>\$19,216</u></u>	<u><u>\$13,443</u></u>	<u><u>(\$5,773)</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Licenses and Permits	\$41,000	\$41,000	\$44,100	\$3,100
Expenditures				
Current:				
Public Health Services:				
Board of Health:				
Personal Services	49,660	49,899	48,613	1,286
Materials and Supplies	2,824	2,824	2,060	764
Contractual Services	6,208	6,208	4,557	1,651
<i>Total Expenditures</i>	<u>58,692</u>	<u>58,931</u>	<u>55,230</u>	<u>3,701</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(17,692)	(17,931)	(11,130)	6,801
Other Financing Sources (Uses)				
Transfers In	17,360	17,360	15,000	(2,360)
<i>Net Change in Fund Balance</i>	(332)	(571)	3,870	4,441
<i>Fund Balance Beginning of Year</i>	7,159	7,159	7,159	0
Prior Year Encumbrances Appropriated	332	332	332	0
<i>Fund Balance End of Year</i>	<u>\$7,159</u>	<u>\$6,920</u>	<u>\$11,361</u>	<u>\$4,441</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Fines and Forfeitures	\$0	\$0	\$7,564	\$7,564
Intergovernmental	500	500	8,928	8,428
Total Revenues	500	500	16,492	15,992
Expenditures				
Current:				
General Government:				
Judicial System:				
Indigent Alcohol:				
Materials and Supplies	10,000	10,000	0	10,000
<i>Net Change in Fund Balance</i>	(9,500)	(9,500)	16,492	25,992
<i>Fund Balance Beginning of Year</i>	36,051	36,051	36,051	0
<i>Fund Balance End of Year</i>	<u>\$26,551</u>	<u>\$26,551</u>	<u>\$52,543</u>	<u>\$25,992</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$14,500	\$14,500	\$23,827	\$9,327
Expenditures				
Current:				
Security of Persons and Property				
Police:				
Law Enforcement Trust:				
Materials and Supplies	<u>31,000</u>	<u>31,000</u>	<u>13,021</u>	<u>17,979</u>
<i>Net Change in Fund Balance</i>	(16,500)	(16,500)	10,806	27,306
<i>Fund Balance Beginning of Year</i>	<u>50,239</u>	<u>50,239</u>	<u>50,239</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$33,739</u></u>	<u><u>\$33,739</u></u>	<u><u>\$61,045</u></u>	<u><u>\$27,306</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$37,500	\$37,500	\$38,634	\$1,134
Expenditures				
Current:				
Street Maintenance and Repairs				
Materials and Supplies	6,500	11,500	7,782	3,718
Contractual Services	31,000	31,000	13,064	17,936
Total Expenditures	37,500	42,500	20,846	21,654
<i>Net Change in Fund Balance</i>	0	(5,000)	17,788	22,788
<i>Fund Balance Beginning of Year</i>	15,352	15,352	15,352	0
Prior Year Encumbrances Appropriated	5,000	5,000	5,000	0
<i>Fund Balance End of Year</i>	<u>\$20,352</u>	<u>\$15,352</u>	<u>\$38,140</u>	<u>\$22,788</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$60,000	\$60,000	\$57,231	(\$2,769)
Expenditures				
Current:				
General Government:				
Judicial System:				
Municipal Probation Services:				
Personal Services	37,500	37,500	37,500	0
Materials and Supplies	5,000	5,000	3,727	1,273
Total Expenditures	42,500	42,500	41,227	1,273
<i>Net Change in Fund Balance</i>	17,500	17,500	16,004	(1,496)
<i>Fund Balance Beginning of Year</i>	22,097	22,097	22,097	0
<i>Fund Balance End of Year</i>	\$39,597	\$39,597	\$38,101	(\$1,496)

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Municipal Court Security Fund
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$25,000	\$25,000	\$28,471	\$3,471
Expenditures				
Current:				
General Government				
Judicial:				
Security:				
Personal Services	6,300	7,045	1,896	5,149
Materials and Supplies	11,000	10,354	8,895	1,459
Contractual Services	5,000	5,000	0	5,000
<i>Total Expenditures</i>	22,300	22,399	10,791	11,608
<i>Net Change in Fund Balance</i>	2,700	2,601	17,680	15,079
<i>Fund Balance Beginning of Year</i>	20,366	20,366	20,366	0
<i>Fund Balance End of Year</i>	\$23,066	\$22,967	\$38,046	\$15,079

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Indigent Drivers Interlock and Alcohol Monitoring Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$4,300	\$43,000	\$7,323	(\$35,677)
Expenditures				
Current:				
General Government				
Judicial System:				
Indigent Drivers and Alcohol Monitoring:				
Materials and Supplies	4,300	4,300	2,190	2,110
<i>Net Change in Fund Balance</i>	0	38,700	5,133	(33,567)
<i>Fund Balance Beginning of Year</i>	6,125	6,125	6,125	0
<i>Fund Balance End of Year</i>	<u>\$6,125</u>	<u>\$44,825</u>	<u>\$11,258</u>	<u>(\$33,567)</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$225,000	\$225,000	\$227,344	\$2,344
Intergovernmental	36,980	36,980	32,859	(4,121)
<i>Total Revenues</i>	<u>261,980</u>	<u>261,980</u>	<u>260,203</u>	<u>(1,777)</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Law Enforcement:				
Personal Services	344,696	376,383	373,185	3,198
Contractual Services	5,500	5,505	5,503	2
<i>Total Expenditures</i>	<u>350,196</u>	<u>381,888</u>	<u>378,688</u>	<u>3,200</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(88,216)	(119,908)	(118,485)	1,423
Other Financing Sources (Uses)				
Transfers In	95,000	135,000	125,000	(10,000)
<i>Net Change in Fund Balance</i>	6,784	15,092	6,515	(8,577)
<i>Fund Balance Beginning of Year</i>	<u>13,048</u>	<u>13,048</u>	<u>13,048</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$19,832</u>	<u>\$28,140</u>	<u>\$19,563</u>	<u>(\$8,577)</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$12,250	\$29,250	\$26,754	(\$2,496)
Expenditures				
Current:				
Public Health Services:				
Public Health Nursing:				
Personal Services	12,250	12,250	5,789	6,461
Contractual Services	0	17,000	17,000	0
<i>Total Expenditures</i>	12,250	29,250	22,789	6,461
<i>Net Change in Fund Balance</i>	0	0	3,965	3,965
<i>Fund Balance Beginning of Year</i>	19,987	19,987	19,987	0
<i>Fund Balance End of Year</i>	\$19,987	\$19,987	\$23,952	\$3,965

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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$50,000	\$50,000	\$50,736	\$736
Expenditures				
Current:				
Street Maintenance and Repairs:				
Public Works:				
Materials and Supplies	61,220	61,220	36,489	24,731
<i>Net Change in Fund Balance</i>	(11,220)	(11,220)	14,247	25,467
<i>Fund Balance Beginning of Year</i>	19,127	19,127	19,127	0
Prior Year Encumbrances Appropriated	8,820	8,820	8,820	0
<i>Fund Balance End of Year</i>	<u>\$16,727</u>	<u>\$16,727</u>	<u>\$42,194</u>	<u>\$25,467</u>

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Grant Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$65,000	\$65,000	\$63,530	(\$1,470)
Expenditures				
Current:				
Security of Persons and Property				
Police				
Personal Services	20,000	34,200	32,922	1,278
Materials and Supplies	0	5,000	4,993	7
<i>Total Expenditures</i>	<u>20,000</u>	<u>39,200</u>	<u>37,915</u>	<u>1,285</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	45,000	25,800	25,615	(185)
Other Financing Sources (Uses)				
Advances Out	0	(18,702)	(18,701)	1
<i>Net Change in Fund Balance</i>	45,000	7,098	6,914	(184)
<i>Fund Balance Beginning of Year</i>	<u>9,409</u>	<u>9,409</u>	<u>9,409</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$54,409</u></u>	<u><u>\$16,507</u></u>	<u><u>\$16,323</u></u>	<u><u>(\$184)</u></u>

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Grant Fund
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$15,000	\$18,025	\$4,525	(\$13,500)
Expenditures				
Current:				
Security of Persons and Property				
Fire:				
Materials and Supplies	3,025	10,254	4,489	5,765
<i>Net Change in Fund Balance</i>	11,975	7,771	36	(7,735)
<i>Fund Balance Beginning of Year</i>	1,467	1,467	1,467	0
<i>Fund Balance End of Year</i>	\$13,442	\$9,238	\$1,503	(\$7,735)

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Other Grants Fund
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$45,000	\$45,000	\$0	(\$45,000)
Expenditures				
Current:				
Leisure Time Activities:				
Land Restoration:				
Materials and Supplies	45,000	45,000	0	45,000
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property and Other Taxes	\$289,677	\$272,737	\$262,320	(\$10,417)
Intergovernmental	25,999	37,438	37,048	(390)
Contributions and Donations	2,500	8,000	8,000	0
<i>Total Revenues</i>	318,176	318,175	307,368	(10,807)
Expenditures				
Current:				
Leisure Time Activities:				
Walnut Beach:				
Personal Services	170,233	161,109	161,005	104
Materials and Supplies	12,500	19,091	16,009	3,082
Contractual Services	37,500	51,857	49,105	2,752
Capital Outlay	50,000	45,750	39,657	6,093
<i>Total Expenditures</i>	270,233	277,807	265,776	12,031
<i>Net Change in Fund Balance</i>	47,943	40,368	41,592	1,224
<i>Fund Balance Beginning of Year</i>	12,622	12,622	12,622	0
<i>Fund Balance End of Year</i>	\$60,565	\$52,990	\$54,214	\$1,224

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Lighting Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$310,000	\$310,000	\$292,619	(\$17,381)
Expenditures				
Current:				
Street Maintenance and Repairs				
Street Lighting				
Contractual Services	448,500	458,500	441,555	16,945
<i>Excess of Revenues Over (Under) Expenditures</i>	(138,500)	(148,500)	(148,936)	(436)
Other Financing Sources (Uses)				
Transfers In	155,000	155,000	154,970	(30)
<i>Net Change in Fund Balance</i>	16,500	6,500	6,034	(466)
<i>Fund Balance Beginning of Year</i>	11,071	11,071	11,071	0
<i>Fund Balance End of Year</i>	<u>\$27,571</u>	<u>\$17,571</u>	<u>\$17,105</u>	<u>(\$466)</u>

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Debt Service Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Special Assessments	\$10,200	\$10,200	\$9,984	(\$216)
Expenditures				
Current:				
General Government:				
Legislative and Executive:				
Bond Retirement:				
Contractual Services	400	400	291	109
Debt Service:				
Principal Retirement	9,800	9,800	9,782	18
<i>Total Expenditures</i>	<u>10,200</u>	<u>10,200</u>	<u>10,073</u>	<u>127</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	0	0	(89)	(89)
Other Financing Sources (Uses)				
Transfers In	0	0	3,311	3,311
<i>Net Change in Fund Balance</i>	0	0	3,222	3,222
<i>Fund Balance Beginning of Year</i>	<u>55,483</u>	<u>55,483</u>	<u>55,483</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$55,483</u></u>	<u><u>\$55,483</u></u>	<u><u>\$58,705</u></u>	<u><u>\$3,222</u></u>

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Municipal Court Computer Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$25,000	\$25,000	\$26,226	\$1,226
Expenditures				
Capital Outlay:				
Personal Services	1,250	4,929	4,535	394
Materials and Supplies	15,000	14,346	2,598	11,748
<i>Total Expenditures</i>	<u>16,250</u>	<u>19,275</u>	<u>7,133</u>	<u>12,142</u>
<i>Net Change in Fund Balance</i>	8,750	5,725	19,093	13,368
<i>Fund Balance Beginning of Year</i>	<u>19,104</u>	<u>19,104</u>	<u>19,104</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$27,854</u>	<u>\$24,829</u>	<u>\$38,197</u>	<u>\$13,368</u>

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Municipal Court Special Projects Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$84,000	\$84,000	\$73,492	(\$10,508)
Expenditures				
Capital Outlay:				
Personal Services	21,600	41,600	32,669	8,931
Materials and Supplies	30,000	20,000	10,007	9,993
<i>Total Expenditures</i>	<u>51,600</u>	<u>61,600</u>	<u>42,676</u>	<u>18,924</u>
<i>Net Change in Fund Balance</i>	32,400	22,400	30,816	8,416
<i>Fund Balance Beginning of Year</i>	<u>61,141</u>	<u>61,141</u>	<u>61,141</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$93,541</u></u>	<u><u>\$83,541</u></u>	<u><u>\$91,957</u></u>	<u><u>\$8,416</u></u>

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Construction Fund
For the Year Ended December 31, 2017

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

City of Ashtabula, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Self Insurance Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$1,844,624	\$2,105,026	\$2,069,967	(\$35,059)
Expenses				
Contractual Services	260,540	260,540	260,540	0
Claims	1,584,084	1,848,754	1,816,426	32,328
<i>Total Expenses</i>	<u>1,844,624</u>	<u>2,109,294</u>	<u>2,076,966</u>	<u>32,328</u>
<i>Net Change in Fund Equity</i>	0	(4,268)	(6,999)	(2,731)
<i>Fund Equity Beginning of Year</i>	<u>29,137</u>	<u>29,137</u>	<u>29,137</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$29,137</u>	<u>\$24,869</u>	<u>\$22,138</u>	<u>(\$2,731)</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$222,867	\$222,867	\$336,215	\$113,348
Expenses				
Current:				
Contractual Services	15,271	15,271	15,271	0
Claims	182,696	182,696	121,913	60,783
<i>Total Expenses</i>	<u>197,967</u>	<u>197,967</u>	<u>137,184</u>	<u>60,783</u>
<i>Excess of Revenues Over (Under) Expenses Before Advances</i>	24,900	24,900	199,031	174,131
Other Financing Sources				
Advances In	25,000	25,000	25,000	0
<i>Net Change in Fund Equity</i>	49,900	49,900	224,031	174,131
<i>Fund Equity Beginning of Year</i>	269,304	269,304	269,304	0
Prior Year Encumbrances Appropriated	100	100	100	0
<i>Fund Equity End of Year</i>	<u>\$319,304</u>	<u>\$319,304</u>	<u>\$493,435</u>	<u>\$174,131</u>

STATISTICAL SECTION

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Statistical Section

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

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

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

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

	2017	2016	2015 (1)	2014
Governmental Activities				
Net Investment in Capital Assets	\$26,009,181	\$26,242,611	\$26,578,704	\$29,432,989
Restricted:				
Capital Projects	1,171,340	2,064,719	2,093,617	651,142
Debt Service	61,462	49,326	48,482	115,047
Community Development	0	158,477	153,062	1,017,387
Sanitation	0	0	0	0
Street Maintenance and Repair	0	574,691	635,571	438,034
Public Safety	0	489,315	653,281	356,913
Municipal Court	0	58,041	96,620	96,474
Other Purposes	1,732,969	168,231	120,536	137,960
Unrestricted	<u>(10,567,906)</u>	<u>(9,430,563)</u>	<u>(8,593,534)</u>	<u>(8,262,094)</u>
<i>Total Governmental Activities Net Position</i>	<u>18,407,046</u>	<u>20,374,848</u>	<u>21,786,339</u>	<u>23,983,852</u>
Business Type - Activities				
Net Investment in Capital Assets	12,256,683	12,825,905	11,965,565	11,929,668
Unrestricted	<u>1,603,468</u>	<u>986,086</u>	<u>827,852</u>	<u>1,334,345</u>
<i>Total Business-Type Activities Net Position</i>	<u>13,860,151</u>	<u>13,811,991</u>	<u>12,793,417</u>	<u>13,264,013</u>
Primary Government				
Net Investment in Capital Assets	38,265,864	39,068,516	38,544,269	41,362,657
Restricted	2,965,771	3,562,800	3,801,169	2,812,957
Unrestricted	<u>(8,964,438)</u>	<u>(8,444,477)</u>	<u>(7,765,682)</u>	<u>(6,927,749)</u>
<i>Total Primary Government Net Position</i>	<u>\$32,267,197</u>	<u>\$34,186,839</u>	<u>\$34,579,756</u>	<u>\$37,247,865</u>

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

2013	2012	2011	2010	2009	2008
\$26,927,369	\$26,144,204	\$27,040,775	\$18,695,971	\$19,304,462	\$19,022,629
1,578,684	1,038,535	996,559	519,091	616,317	917,675
114,585	103,521	108,509	125,280	212,116	141,267
280,633	768,002	546,108	1,330,094	2,266,481	1,073,682
0	0	0	0	883,394	719,258
442,393	180,727	154,647	151,130	140,771	97,528
289,776	230,784	389,697	436,726	N/A	N/A
112,153	84,473	102,650	134,952	N/A	N/A
22,458	19,915	102,874	369,503	791,656	797,701
1,069,855	391,808	962,152	160,862	841,775	1,312,330
30,837,906	28,961,969	30,403,971	21,923,609	25,056,972	24,082,070
11,960,613	11,545,705	11,224,236	10,615,079	10,339,668	10,343,268
2,474,402	2,530,937	2,084,496	3,249,898	1,701,294	2,143,693
14,435,015	14,076,642	13,308,732	13,864,977	12,040,962	12,486,961
38,887,982	37,689,909	38,265,011	29,311,050	29,644,130	29,365,897
2,840,682	2,425,957	2,401,044	3,066,776	4,910,735	3,747,111
3,544,257	2,922,745	3,046,648	3,410,760	2,543,069	3,456,023
\$45,272,921	\$43,038,611	\$43,712,703	\$35,788,586	\$37,097,934	\$36,569,031

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

	2017	2016	2015 (2)	2014
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government:				
Legislative and Executive	\$219,302	\$246,670	\$236,366	\$388,450
Judicial System	308,206	282,346	200,982	267,805
Security of Persons and Property:				
Police	386,144	414,081	390,843	507,597
Fire	273,207	278,732	250,345	323,428
Public Health Services	77,441	79,261	73,122	77,984
Street Maintenance and Repairs	432,562	302,625	413,226	259
Housing and Community Development	202,098	208,883	302,075	259,122
Sanitation Services	582	849	293	264
Leisure Time Activities	0	0	0	0
Subtotal - Charges for Services	<u>1,899,542</u>	<u>1,813,447</u>	<u>1,867,252</u>	<u>1,824,909</u>
Operating Grants and Contributions:				
General Government:				
Legislative and Executive	0	0	0	100,000
Judicial System	16,251	0	0	0
Security of Persons and Property:				
Police	105,733	132,037	114,477	83,866
Fire	34,756	57,684	0	68,835
Public Health Services	20,965	28,092	25,606	14,403
Street Maintenance and Repairs	876,883	805,132	769,401	767,828
Housing and Community Development	227,236	546,572	131,203	1,333,052
Sanitation Services	0	0	73,115	0
Leisure Time Activities	45,154	17,979	0	0
Subtotal - Operating Grants and Contributions	<u>1,326,978</u>	<u>1,587,496</u>	<u>1,113,802</u>	<u>2,367,984</u>
Capital Grants and Contributions:				
General Government:				
Legislative and Executive	0	0	0	0
Judicial System	0	0	0	0
Street Maintenance and Repairs	353,575	87,304	686,611	983,641
Housing and Community Development	0	0	0	0
Subtotal - Capital Grants and Contributions	<u>353,575</u>	<u>87,304</u>	<u>686,611</u>	<u>983,641</u>
<i>Total Governmental Activities Program Revenues</i>	<u>\$3,580,095</u>	<u>\$3,488,247</u>	<u>\$3,667,665</u>	<u>\$5,176,534</u>

2013	2012	2011	2010	2009	2008
\$411,518	\$414,538	\$236,006	\$299,400	\$265,773	\$175,970
265,461	258,606	645,600	210,280	759,859	804,117
552,112	468,505	387,791	404,073	44,108	88,807
339,718	358,161	76,175	277,242	51,658	55,518
118,555	102,777	168,489	117,408	174,062	187,267
63,763	27,539	12,176	59,080	40,554	15,694
295,579	243,585	137,636	280,833	295,469	221,622
0	0	28,372	2,734	1,801,553	1,799,928
0	1,562	3,005	15,794	13,830	14,280
<u>2,046,706</u>	<u>1,875,273</u>	<u>1,695,250</u>	<u>1,666,844</u>	<u>3,446,866</u>	<u>3,363,203</u>
0	0	0	0	0	15,251
0	0	15,708	15,708	87,818	15,687
35,112	206,181	187,228	100,718	381,438	49,140
35,112	30,367	42,961	77,269	36,438	35,966
11,073	12,508	9,522	111,983	207,053	25,483
849,842	817,848	868,021	779,720	94,120	317,571
219,343	962,920	0	108,985	233,330	59,900
0	0	0	0	40,000	46,536
0	0	0	0	0	0
<u>1,150,482</u>	<u>2,029,824</u>	<u>1,123,440</u>	<u>1,194,383</u>	<u>1,080,197</u>	<u>565,534</u>
0	13,250	1,956,961	184,138	97,318	139,058
0	0	0	0	0	34,295
1,668,993	0	1,802,011	0	407,687	0
0	0	0	0	173,444	453,831
<u>1,668,993</u>	<u>13,250</u>	<u>3,758,972</u>	<u>184,138</u>	<u>678,449</u>	<u>627,184</u>
<u>\$4,866,181</u>	<u>\$3,918,347</u>	<u>\$6,577,662</u>	<u>\$3,045,365</u>	<u>\$5,205,512</u>	<u>\$4,555,921</u>

(continued)

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

	2017	2016	2015 (2)	2014
Business-Type Activities:				
Charges for Services:				
Sanitation	\$1,818,480	\$1,777,296	\$1,846,883	\$1,799,424
Wastewater Treatment	3,991,537	3,641,035	3,516,906	3,085,997
Capital Grants and Contributions				
Sanitation	24,107	26,265	19,980	31,280
Wastewater Treatment	94,786	27,763	5,710	635,540
<i>Total Business-Type Activities Program Revenues</i>	<u>5,928,910</u>	<u>5,472,359</u>	<u>5,389,479</u>	<u>5,552,241</u>
<i>Total Primary Government Program Revenues</i>	<u>9,509,005</u>	<u>8,960,606</u>	<u>9,057,144</u>	<u>10,728,775</u>
Expenses				
Governmental Activities:				
General Government:				
Legislative and Executive	2,135,112	2,073,507	2,258,619	2,634,808
Judicial System	1,254,676	1,133,813	1,006,688	1,126,553
Security of Persons and Property:				
Police	4,707,610	4,630,686	4,244,476	3,645,947
Fire	3,054,167	2,678,611	2,845,390	2,519,128
Public Health Services	408,976	380,260	388,432	329,426
Street Maintenance and Repairs	2,790,436	2,376,580	2,989,848	1,121,229
Housing and Community Development	1,095,221	772,464	1,288,296	792,050
Sanitation Services	5,016	6,485	334,856	1,730
Leisure Time Activities	289,845	55,362	95,965	39,713
Interest and Fiscal Charges	136,251	3,650	70,338	17,330
<i>Total Governmental Activities Expenses</i>	<u>15,877,310</u>	<u>14,111,418</u>	<u>15,522,908</u>	<u>12,227,914</u>
Business-Type Activities				
Sanitation	1,805,365	2,088,252	1,672,859	1,900,604
Wastewater Treatment	4,078,229	2,416,530	4,253,305	3,453,195
<i>Total Primary Government Program Expenses</i>	<u>21,760,904</u>	<u>18,616,200</u>	<u>21,449,072</u>	<u>17,581,713</u>
Net (Expense)/Revenue				
Governmental Activities	(12,297,215)	(10,623,171)	(11,855,243)	(7,051,380)
Business-Type Activities	<u>45,316</u>	<u>967,577</u>	<u>(536,685)</u>	<u>198,442</u>
<i>Total Primary Government Net Expense</i>	<u>(\$12,251,899)</u>	<u>(\$9,655,594)</u>	<u>(\$12,391,928)</u>	<u>(\$6,852,938)</u>

2013	2012	2011	2010	2009	2008
\$1,833,371	\$1,950,321	\$1,576,051	\$1,863,359	\$0	\$0
3,089,877	3,142,336	3,280,585	3,645,979	3,601,213	3,871,973
3,945	5,000	40,000	40,000	0	0
455,232	625,308	0	147,860	231,298	950,371
5,382,425	5,722,965	4,896,636	5,697,198	3,832,511	4,822,344
10,248,606	9,641,312	11,474,298	8,742,563	9,038,023	9,378,265
2,503,864	2,821,885	2,792,923	2,721,988	3,227,472	3,586,747
977,180	995,974	1,084,083	1,149,058	1,183,400	1,151,790
3,799,246	3,372,417	3,548,942	3,704,992	3,686,839	3,887,527
2,515,373	2,687,460	2,874,864	2,776,175	3,021,851	3,047,444
338,346	334,693	328,577	404,670	365,246	370,326
1,678,580	2,529,822	4,237,406	1,612,921	1,922,571	2,231,818
902,972	1,012,690	1,002,021	1,312,203	601,846	983,231
1,853	38,831	116,525	160,453	1,928,179	2,004,214
75,701	68,873	24,655	75,811	79,793	106,271
3,118	5,972	23,355	14,669	31,026	39,292
12,796,233	13,868,617	16,033,351	13,932,940	16,048,223	17,408,660
2,001,720	1,943,508	1,788,036	1,776,030	0	0
3,068,420	3,060,797	3,664,845	3,641,968	4,230,206	4,596,123
17,866,373	18,872,922	21,486,232	19,350,938	20,278,429	22,004,783
(7,930,052)	(9,950,270)	(9,455,689)	(10,887,575)	(10,842,711)	(12,852,739)
312,285	718,660	(556,245)	279,200	(397,695)	226,221
(\$7,617,767)	(\$9,231,610)	(\$10,011,934)	(\$10,608,375)	(\$11,240,406)	(\$12,626,518)

(continued)

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

	2017	2016	2015 (2)	2014
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes:				
Property Taxes Levied For:				
General Purposes	\$746,685	\$698,451	\$658,161	\$1,052,932
Debt Service	0	0	0	0
Capital Outlay	317,087	293,845	275,061	448,033
Other Purposes	1,139,482	773,281	1,046,981	599,810
Income Taxes Levied for:				
General Purposes	6,269,177	5,737,015	5,802,538	5,861,891
Capital Outlay	693,921	632,880	641,178	647,014
Grants and Entitlements not Restricted to				
Specific Programs	811,616	808,303	877,128	780,305
Investment Earnings	3,580	538	175	112
Franchise Taxes	269,859	225,803	244,176	235,233
Hotel Taxes	370	0	0	0
Gain on Sale of Capital Assets	0	0	0	0
Other	77,636	87,282	167,832	119,304
Special Item - Capital Contribution (1)	0	0	0	0
Transfers	0	(45,718)	(55,500)	(29,473)
<i>Total Governmental Activities</i>	<u>10,329,413</u>	<u>9,211,680</u>	<u>9,657,730</u>	<u>9,715,161</u>
Business-Type Activities				
Other	2,844	5,279	10,589	2,880
Transfers	0	45,718	55,500	29,473
<i>Total Business-Type Activities</i>	<u>2,844</u>	<u>50,997</u>	<u>66,089</u>	<u>32,353</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<u>10,332,257</u>	<u>9,262,677</u>	<u>9,723,819</u>	<u>9,747,514</u>
Change in Net Position				
Governmental Activities	(1,967,802)	(1,411,491)	(2,197,513)	2,663,781
Business-Type Activities	48,160	1,018,574	(470,596)	230,795
<i>Total Primary Government Change in Net Position</i>	<u>(\$1,919,642)</u>	<u>(\$392,917)</u>	<u>(\$2,668,109)</u>	<u>\$2,894,576</u>

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

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

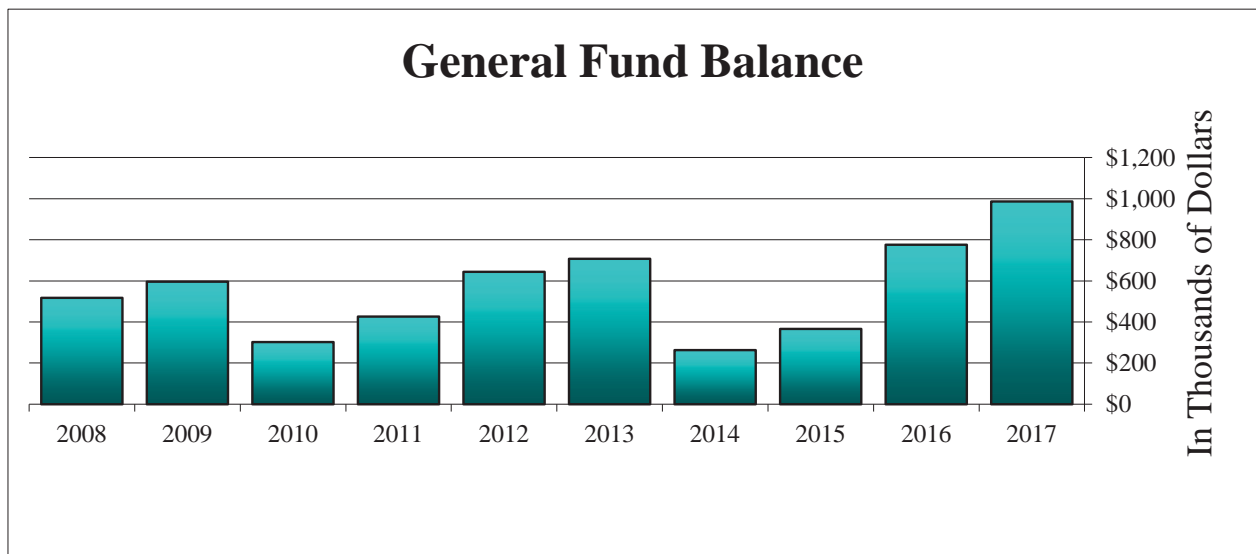
2013	2012	2011	2010	2009	2008
\$964,733	\$825,015	\$967,282	\$1,020,451	\$1,116,701	\$1,064,331
0	0	0	0	0	1,421
411,018	350,201	412,653	438,820	476,191	452,535
551,687	489,993	579,508	571,202	618,918	588,302
6,006,298	5,137,126	5,902,284	4,814,382	5,508,718	6,105,678
663,396	566,893	665,177	548,618	622,236	667,685
863,451	811,927	1,127,596	1,628,612	3,135,994	2,217,714
60	190	144	5,450	11,572	152,306
221,520	252,342	273,773	242,362	0	0
0	0	0	0	0	0
0	0	22,500	15,415	0	0
164,581	113,856	62,855	7,345	250,783	404,117
0	0	7,922,279	0	0	0
(40,755)	(39,275)	0	0	76,500	162,820
9,805,989	8,508,268	17,936,051	9,292,657	11,817,613	11,816,909
5,333	9,975	0	12,600	28,196	0
40,755	39,275	0	0	(76,500)	(162,820)
46,088	49,250	0	12,600	(48,304)	(162,820)
9,852,077	8,557,518	17,936,051	9,305,257	11,769,309	11,654,089
1,875,937	(1,442,002)	8,480,362	(1,594,918)	974,902	(1,035,830)
358,373	767,910	(556,245)	291,800	(445,999)	63,401
\$2,234,310	(\$674,092)	\$7,924,117	(\$1,303,118)	\$528,903	(\$972,429)

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

	2017	2016	2015	2014
General Fund				
Nonspendable	\$84,878	\$65,930	\$75,492	\$66,706
Restricted	0	194,091	266,091	333,291
Assigned	221,791	263,424	124,172	0
Unassigned (Deficit)	680,548	253,197	(98,903)	(136,282)
Reserved	N/A	N/A	N/A	N/A
Unreserved	N/A	N/A	N/A	N/A
Total General Fund	987,217	776,642	366,852	263,715
All Other Governmental Funds				
Nonspendable	28,148	\$46,161	\$104,784	\$74,489
Restricted	1,930,158	2,547,068	2,227,539	719,855
Committed	230,267	283,528	234,492	186,060
Unassigned (Deficit)	(1,634)	(45,098)	(34,915)	(278,456)
Reserved	N/A	N/A	N/A	N/A
Unreserved, Designated	N/A	N/A	N/A	N/A
Unreserved, Undesignated, Reported in:				
Special Revenue funds	N/A	N/A	N/A	N/A
Debt Service funds	N/A	N/A	N/A	N/A
Capital Projects funds	N/A	N/A	N/A	N/A
Total All Other Governmental Funds	2,186,939	2,831,659	2,531,900	701,948
Total Governmental Funds	\$3,174,156	\$3,608,301	\$2,898,752	\$965,663

Note: This City implemented GASB 54 during 2011.

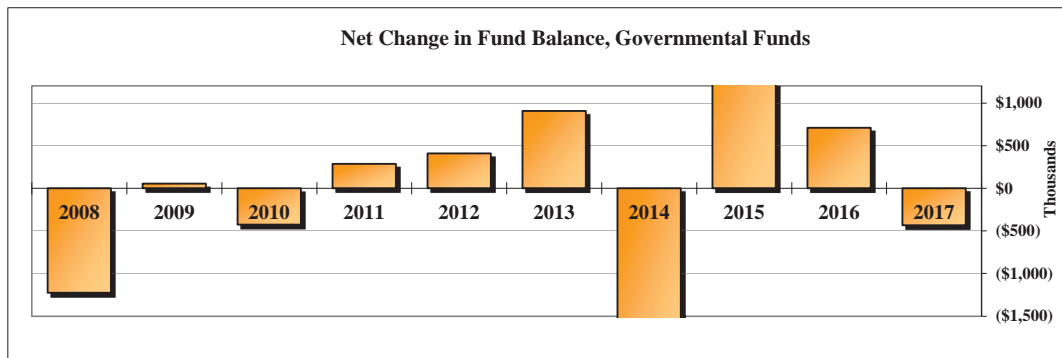
N/A - Information not available.



2013	2012	2011	2010	2009	2008
\$42,245	\$82,872	\$107,285	\$106,906	N/A	N/A
357,291	0	0	0	N/A	N/A
74,561	70,852	40,815	31,608	N/A	N/A
234,067	491,066	278,805	164,368	N/A	N/A
N/A	N/A	N/A	N/A	25,373	55,255
N/A	N/A	N/A	N/A	571,410	462,844
<u>708,164</u>	<u>644,790</u>	<u>426,905</u>	<u>302,882</u>	<u>596,783</u>	<u>518,099</u>
\$52,438	\$43,985	\$44,391	\$55,179	N/A	N/A
2,287,051	1,475,482	1,233,854	1,075,408	N/A	N/A
220,690	188,096	238,162	224,464	N/A	N/A
(9,363)	(282)	(77)	(962)	N/A	N/A
N/A	N/A	N/A	N/A	978,996	1,015,236
N/A	N/A	N/A	N/A	136,120	251,888
N/A	N/A	N/A	N/A	592,875	537,689
N/A	N/A	N/A	N/A	122,947	36,696
N/A	N/A	N/A	N/A	3,311	3,311
<u>2,550,816</u>	<u>1,707,281</u>	<u>1,516,330</u>	<u>1,354,089</u>	<u>1,834,249</u>	<u>1,844,820</u>
<u>\$3,258,980</u>	<u>\$2,352,071</u>	<u>\$1,943,235</u>	<u>\$1,656,971</u>	<u>\$2,431,032</u>	<u>\$2,362,919</u>

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

	2017	2016	2015	2014
Revenues				
Property Taxes	\$2,356,545	\$2,098,416	\$2,131,803	\$1,724,033
Municipal Income Tax	7,080,136	6,752,323	6,502,818	6,188,837
Hotel Taxes	342	0	0	0
Charges for Services	685,555	698,519	675,889	680,609
Licenses and Permits	261,612	358,858	314,797	316,089
Fines and Forfeitures	741,678	710,049	609,535	579,395
Intergovernmental	2,463,048	2,395,130	3,859,188	2,983,575
Special Assessments	9,984	10,755	12,369	9,652
Interest	1,146	538	175	112
Rentals	137,377	144,767	126,720	137,740
Franchise Taxes	250,509	136,561	244,176	235,233
Contributions and Donations	184,920	0	0	0
Other	77,636	87,282	167,832	119,304
<i>Total Revenues</i>	<u>14,250,488</u>	<u>13,393,198</u>	<u>14,645,302</u>	<u>12,974,579</u>
Expenditures				
Current:				
General Government				
Legislative and Executive	1,901,390	1,896,454	1,973,362	2,613,649
Judicial System	1,069,311	1,013,169	907,484	1,061,785
Security of Persons and Property:				
Police	4,118,222	3,793,441	3,753,944	3,503,212
Fire	2,702,614	2,535,606	2,486,759	2,634,535
Public Health Services	368,784	368,941	352,770	331,273
Street Maintenance and Repairs	1,271,982	1,507,789	1,380,569	876,214
Housing and Community Development	461,372	760,473	1,174,548	817,751
Sanitation Services	5,060	6,503	315,558	1,728
Leisure Time Activities	261,476	29,744	54,574	28,040
Capital Outlay	2,474,851	834,385	3,581,189	4,346,012
Debt Service:				
Principal Retirement	492,368	261,526	237,029	188,758
Interest and Fiscal Charges	156,201	14,230	21,965	17,941
<i>Total Expenditures</i>	<u>15,283,631</u>	<u>13,022,261</u>	<u>16,239,751</u>	<u>16,420,898</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,033,143)</u>	<u>370,937</u>	<u>(1,594,449)</u>	<u>(3,446,319)</u>
Other Financing Sources (Uses)				
State Infrastructure Bank Bonds Issued	0	79,978	2,563,015	1,011,562
State Infrastructure Bank Loan Issued	56,241	231,751	856,691	49,583
OPWC Loan Issued	50,746	0	44,286	0
Notes Issued	0	0	0	0
Inception of Capital Lease	492,011	72,601	119,046	121,330
Sale of Capital Assets	0	0	0	0
Proceeds of Loan	0	0	0	0
Transfers In	423,281	531,859	739,597	411,624
Transfers Out	(423,281)	(577,577)	(795,097)	(441,097)
<i>Total Other Financing Sources (Uses)</i>	<u>598,998</u>	<u>338,612</u>	<u>3,527,538</u>	<u>1,153,002</u>
<i>Net Change in Fund Balances</i>	<u>(\$434,145)</u>	<u>\$709,549</u>	<u>\$1,933,089</u>	<u>(\$2,293,317)</u>
Debt Service as a Percentage of Noncapital Expenditures	4.8%	2.4%	1.9%	1.9%



2013	2012	2011	2010	2009	2008
\$1,788,847	\$1,747,271	\$1,934,311	\$1,819,144	\$2,151,450	\$2,109,613
6,603,322	6,050,045	6,029,632	5,640,581	6,254,545	6,757,873
0	0	0	0	0	0
750,560	631,480	264,357	2,153,776	2,013,439	1,886,125
291,403	274,644	251,638	316,038	295,278	328,673
642,937	738,446	1,063,308	765,130	838,037	883,633
3,992,017	3,403,671	4,988,304	4,119,247	3,344,447	3,870,165
10,901	9,843	10,151	10,334	35,975	37,417
60	190	144	5,450	11,572	152,306
164,069	169,002	161,372	161,196	152,434	130,090
221,520	302,884	271,836	245,454	0	0
0	0	0	0	0	0
164,581	109,492	60,690	6,888	245,540	459,464
14,630,217	13,436,968	15,035,743	15,243,238	15,342,717	16,615,359
2,538,405	2,576,120	2,516,841	2,401,156	2,610,914	3,015,334
972,965	961,805	1,111,726	1,105,350	1,021,185	1,036,477
3,729,018	3,301,408	3,357,299	3,482,742	3,338,973	3,628,559
2,446,715	2,572,934	2,844,417	2,750,100	2,626,619	2,823,288
332,026	323,401	312,972	401,284	347,872	383,486
1,040,537	1,266,996	1,034,253	1,067,277	1,172,826	1,553,013
910,001	1,013,371	1,002,686	1,318,340	556,125	1,179,875
0	12,000	21,122	1,740,323	1,690,724	1,846,737
35,057	28,895	24,655	36,108	38,838	44,637
2,069,647	735,005	2,474,089	1,482,536	1,953,177	1,557,584
299,785	187,772	165,525	210,308	234,736	861,691
9,421	9,150	13,263	14,669	27,440	78,797
14,383,577	12,988,857	14,878,848	16,010,193	15,619,429	18,009,478
246,640	448,111	156,895	(766,955)	(276,712)	(1,394,119)
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	325,000	250,000	0
699,524	0	106,869	0	0	0
0	0	22,500	15,415	3,975	5,400
0	0	0	0	699	0
587,421	601,000	487,400	430,800	724,200	1,706,720
(626,676)	(640,275)	(487,400)	(430,800)	(647,700)	(1,543,900)
660,269	(39,275)	129,369	340,415	331,174	168,220
\$906,909	\$408,836	\$286,264	(\$426,540)	\$54,462	(\$1,225,899)
2.5%	1.6%	1.4%	1.9%	5.8%	5.8%

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
2017	\$123,280,970	\$54,223,060	\$507,154,371	\$28,272,550	\$32,127,898
2016	116,921,770	53,063,410	485,671,943	28,006,210	31,825,239
2015	117,166,590	53,523,250	487,685,257	26,588,520	30,214,227
2014	117,928,540	53,687,520	490,331,600	26,936,300	30,609,432
2013	132,014,600	67,840,860	571,015,600	23,144,090	26,300,102
2012	132,789,880	66,360,130	569,000,029	22,006,640	25,007,545
2011	131,582,310	61,439,920	551,492,086	18,236,510	20,723,307
2010	147,859,010	60,686,260	595,843,629	18,910,200	21,488,864
2009	147,855,920	60,329,050	594,814,200	18,409,090	20,919,420
2008	145,229,490	57,272,280	578,576,486	19,626,430	22,302,761

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

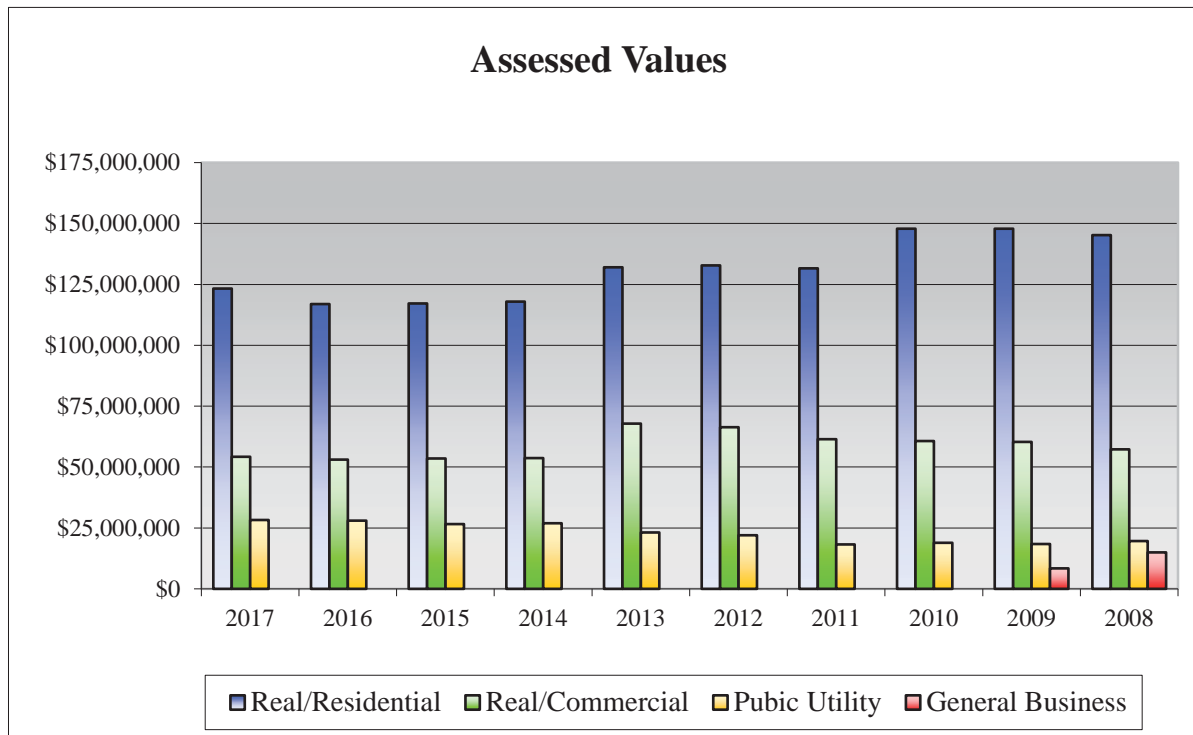
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General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

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

Source: Ashtabula County, Ohio; County Auditor

Tangible Personal Property

General Business		Total			Ratio	Total Direct Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value			
\$0	\$0	\$205,776,580	\$539,282,269	38.16 %	\$13.29	
0	0	197,991,390	517,497,181	38.26	13.29	
0	0	197,278,360	517,899,484	38.09	11.76	
0	0	198,552,360	520,941,032	38.11	9.27	
0	0	222,999,550	597,315,702	37.33	9.31	
0	0	221,156,650	594,007,574	37.23	9.31	
0	0	211,258,740	572,215,393	36.92	9.31	
0	0	227,455,470	617,332,492	36.84	9.31	
8,407,070	67,256,560	235,001,130	682,990,180	34.41	9.31	
14,967,220	119,737,760	237,095,420	720,617,007	32.90	9.31	



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

	2017	2016	2015	2014
Unvoted Millage				
Operating	\$0.2700	\$0.2700	\$0.2700	\$0.2700
Fire Pension	1.3000	1.3000	1.3000	1.3000
Police Pension	1.3000	1.3000	1.3000	1.3000
<i>Total Unvoted Millage</i>	<u>2.8700</u>	<u>2.8700</u>	<u>2.8700</u>	<u>2.8700</u>
Charter Millage				
General Fund	4.1400	4.1400	4.1400	4.1400
Permanent Improvement Fund	2.0000	2.0000	2.0000	2.0000
Justice Center (Debt Service)	0.0000	0.0000	0.0000	0.0000
Senior Citizens	0.2899	0.2899	0.2566	0.2566
Police Levy	1.5000	1.5000	0.0000	0.0000
Police Levy	2.5000	2.5000	2.5000	0.0000
<i>Total Charter Millage</i>	<u>10.4299</u>	<u>10.4299</u>	<u>8.8966</u>	<u>6.3966</u>
Total Millage	<u>\$13.2999</u>	<u>\$13.2999</u>	<u>\$11.7666</u>	<u>\$9.2666</u>
Overlapping Rates by Taxing District				
Ashtabula Area City Schools				
Residential/Agricultural Real	\$31.1692	\$33.3887	\$33.7287	\$32.2700
Commerical/Industrial and Public Utility Real	39.0505	40.2538	40.1112	35.9439
General Business and Public Utility Personal	49.1500	50.8500	50.8500	50.8500
Ashtabula County District Library				
Residential/Agricultural Real	1.2001	1.2500	1.2500	1.2500
Harbor Topky Library				
Residential/Agricultural Real	3.3799	3.5635	3.3737	3.4762
Ashtabula County Commissioner				
Residential/Agricultural Real	9.7962	10.3056	10.0135	10.8876
Commerical/Industrial and Public Utility Real	11.2001	11.2176	11.1687	9.4306
General Business and Public Utility Personal	11.5200	11.5200	11.5200	11.0200
Ashtabula Township Park				
Residential/Agricultural Real	1.1242	1.1800	1.1800	1.1800
Commerical/Industrial and Public Utility Real	1.1671	1.1800	1.1800	1.1800
General Business and Public Utility Personal	1.1800	1.1800	1.1800	1.1800
Ashtabula County Metroparks				
Residential/Agricultural Real	0.4844	0.5000	0.5000	0.0000
Commerical/Industrial and Public Utility Real	0.4990	0.5000	0.5000	0.0000
General Business and Public Utility Personal	0.5000	0.5000	0.5000	0.0000

Source: Ashtabula County, Ohio; County Auditor

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

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

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

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

2013	2012	2011	2010	2009	2008
\$0.2700	\$0.2700	\$0.2700	\$0.2700	\$0.2700	\$0.2700
1.3000	1.3000	1.3000	1.3000	1.3000	1.3000
1.3000	1.3000	1.3000	1.3000	1.3000	1.3000
2.8700	2.8700	2.8700	2.8700	2.8700	2.8700
4.1400	4.1400	4.1400	4.1400	4.1400	4.1400
2.0000	2.0000	2.0000	2.0000	2.0000	2.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
6.4400	6.4400	6.4400	6.4400	6.4400	6.4400
\$9.3100	\$9.3100	\$9.3100	\$9.3100	\$9.3100	\$9.3100
\$32.2706	\$32.2056	\$33.3330	\$31.1325	\$31.4467	\$31.4015
35.9439	35.8310	37.7939	36.8580	37.0858	36.9317
50.8500	50.8500	52.0000	52.0000	52.5000	52.5000
1.2500	0.0000	0.0000	0.0000	0.0000	0.0000
3.4762	3.4762	3.4762	3.4762	3.4762	1.1720
9.0012	8.9962	8.9922	8.5409	8.5336	8.5375
9.9622	9.9304	9.9223	9.4041	9.2995	9.2656
11.0200	11.0200	11.0200	11.0200	11.0200	11.0300
1.1800	1.1800	1.1800	1.1697	1.1073	1.1063
1.1730	1.1704	1.1800	1.1799	1.1151	1.1126
1.1800	1.1800	1.1800	1.1800	1.1800	1.1800
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

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

Year	Total Tax Levy	Current Tax Collections	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections (1)
2017	\$2,455,042	\$2,483,474	101.16 %	\$113,791	\$2,597,265
2016	2,395,264	2,233,110	93.23	110,614	2,343,724
2015	2,414,738	1,966,527	81.44	117,106	2,083,633
2014	2,117,275	1,662,044	78.50	85,294	1,747,338
2013	2,095,080	1,637,734	78.17	380,713	2,018,447
2012	1,860,753	1,659,952	89.21	118,655	1,778,607
2011	2,144,612	1,823,971	85.05	107,520	1,931,491
2010	2,182,331	1,974,489	90.48	100,370	2,074,859
2009	2,122,541	1,998,790	94.17	123,751	2,122,541
2008	2,081,658	1,962,658	94.28	118,999	2,081,657

Source: Ashtabula County, Ohio; County Auditor

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

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

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

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

<u>Percent of Total Tax Collections To Tax Levy</u>	<u>Accumulated Outstanding Delinquent Taxes</u>	<u>Percentage of Delinquent Taxes to Total Tax Levy</u>
105.79 %	\$410,301	16.71 %
97.85	373,048	15.57
86.29	536,936	22.24
82.53	564,410	26.66
96.34	166,031	7.92
95.59	303,506	16.31
90.06	265,728	12.39
95.08	415,173	19.02
100.00	164,557	7.75
100.00	132,806	6.38

City of Ashtabula, Ohio
Principal Real Property Taxpayers
 2017 and 2008

<i>2017</i>		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Assessed Valuation
Northfolk & Southern	\$4,863,380	2.36 %
Pinney Dock	4,624,460	2.25
Aqua Ohio Water	1,522,940	0.74
Chromaflo Technologies	1,375,830	0.67
American Care Center	1,136,840	0.55
Molded Fiber Glass	1,113,040	0.54
Country Club Center III	1,032,610	0.50
Ashtabula Towers	965,590	0.47
Ashtabula County Medical Center	803,230	0.39
Giangola Acquisitions	759,730	0.37
Total	<u>\$18,197,650</u>	<u>8.84 %</u>
Total Assessed Valuation	<u>\$205,776,580</u>	
<i>2008</i>		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Assessed Valuation
Cleveland Electric Illuminating Company	\$6,429,350	2.71 %
Western Reserve Telephone	6,342,670	2.68
Ohio American Water	4,493,120	1.90
Consolidated Rail	4,405,740	1.86
Pinney Dock	2,844,290	1.20
East Ohio Gas	1,763,352	0.74
Molded Fiber Glass	1,414,580	0.60
Reliance	959,530	0.40
Ashtabula Care Center	952,230	0.40
Hupco Inc	933,790	0.39
Total	<u>\$30,538,652</u>	<u>12.88 %</u>
Total Assessed Valuation	<u>\$237,095,420</u>	

Source: Ashtabula County, Ohio; County Auditor

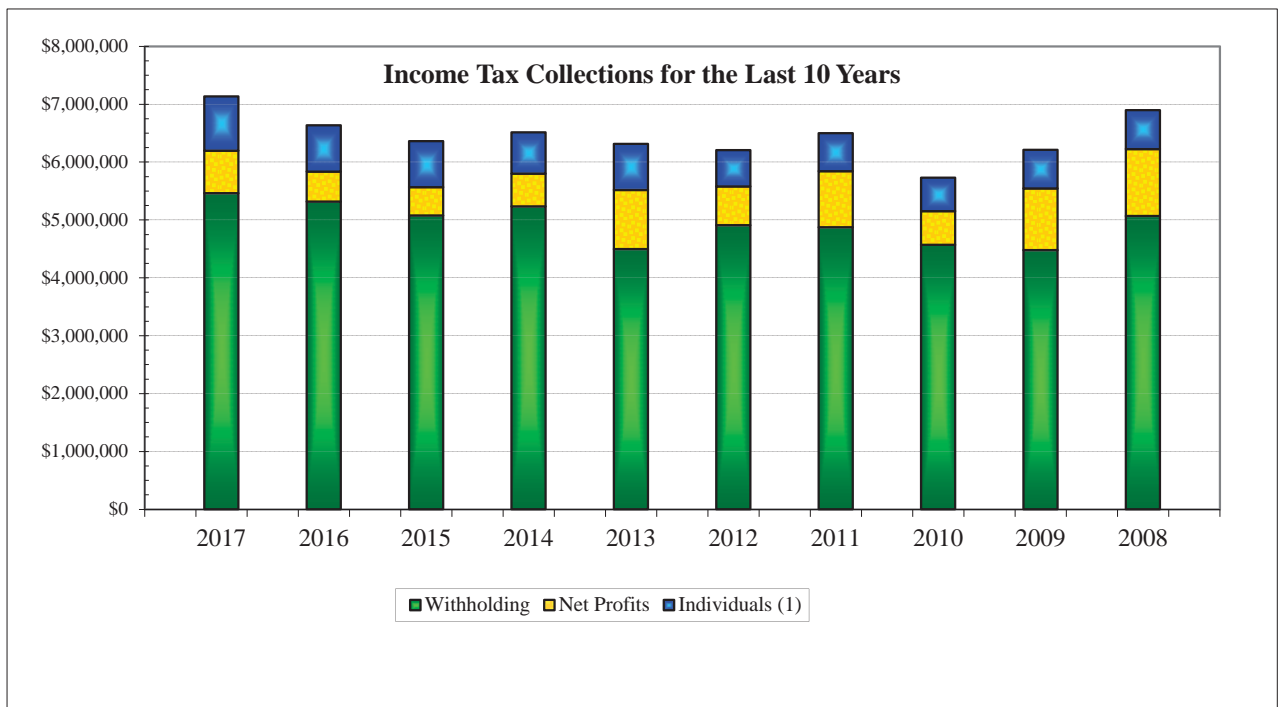
(1) Amounts represent assessed values upon which 2017 and 2008 collections were based.

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
2017	1.80 %	\$7,134,381	\$5,462,288	76.56%	\$733,514	10.28%	\$938,579	13.16%
2016	1.80	6,635,357	5,317,286	0.80	517,533	0.08	800,538	0.12
2015	1.80	6,361,273	5,077,129	79.81	488,607	7.68	795,537	12.51
2014	1.80	6,513,601	5,234,169	80.36	565,194	8.68	714,238	10.97
2013	1.80	6,314,037	4,496,535	71.21	1,020,147	16.16	797,355	12.63
2012	1.80	6,206,237	4,909,193	79.10	669,093	10.78	627,951	10.12
2011	1.80	6,498,912	4,873,631	74.99	968,156	14.90	657,125	10.11
2010	1.80	5,729,893	4,570,158	79.76	580,899	10.14	578,836	10.10
2009	1.80	6,211,306	4,478,610	72.10	1,065,081	17.15	667,615	10.75
2008	1.80	6,896,798	5,068,292	73.49	1,155,334	16.75	673,172	9.76

Source: City of Ashtabula Income Tax Department

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



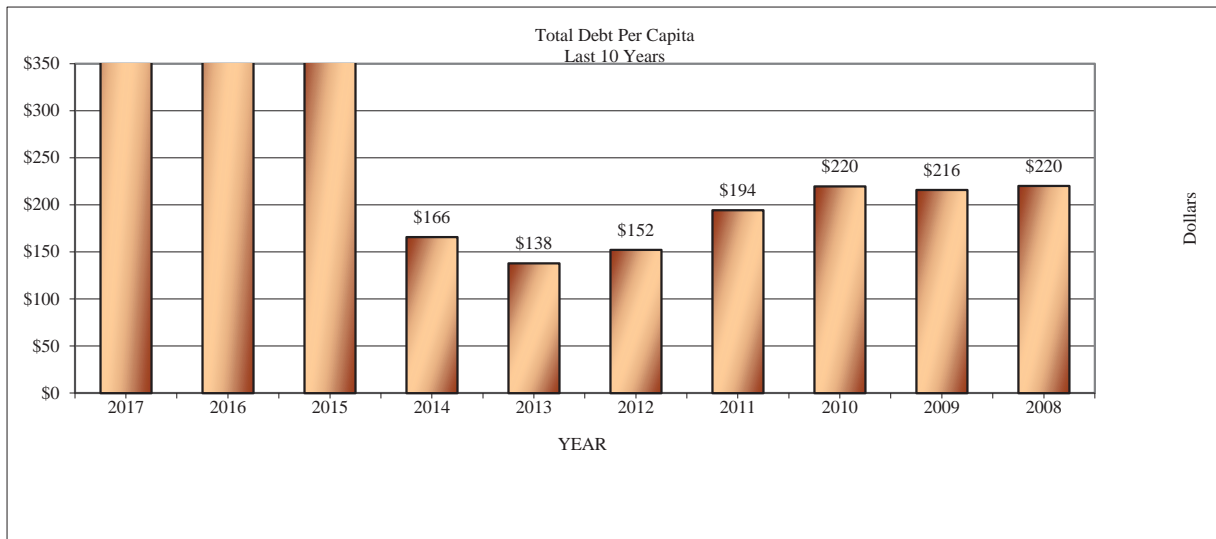
City of Ashtabula, Ohio
*Ratio of Outstanding Debt to
Total Personal Income and Debt Per Capita
Last Ten Years*

Year	Governmental Activities					
	State Infrastructure Bank Bonds	General Obligation Bonds	Special Assessment Bonds	State Infrastructure Bank Loans	OPWC Loans	Capital Leases
2017	\$3,755,000	\$0	\$0	\$1,169,658	\$119,489	\$636,519
2016	4,010,000	0	0	1,172,842	78,525	312,669
2015	3,574,577	0	0	906,274	88,307	491,812
2014	1,011,562	0	0	49,583	53,803	600,013
2013	0	0	0	63,586	63,586	657,658
2012	160,944	160,944	0	73,369	73,369	87,192
2011	319,257	319,257	0	83,151	83,151	106,869
2010	475,000	475,000	0	92,933	92,933	0
2009	349,827	349,827	0	103,414	103,414	0
2008	300,796	300,796	23,984	112,498	112,498	0

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

Business Type Activities

Equalization Basin Loan	OWDA Loans	OPWC Loans	KeyCorp Bonds	Capital Leases	Notes Payable	Total Debt	Percentage of Personal Income(1)	Per Capita(1)
\$0	\$6,300,857	\$582,914	\$0	\$10,416	\$0	\$12,574,853	4.25 %	\$674
0	4,679,870	627,373	0	16,427	137,909	11,035,615	3.69	601
298,757	1,611,877	665,628	0	59,920	0	7,697,152	2.57	412
585,471	232,064	657,573	0	73,690	0	3,263,759	1.07	166
860,628	378,657	582,180	0	108,258	0	2,714,553	0.82	138
1,124,695	519,076	605,304	50,000	141,391	0	2,996,284	0.91	152
1,378,117	653,580	608,659	100,000	173,149	0	3,825,190	1.16	194
1,621,325	782,419	633,659	150,000	0	0	4,323,269	1.31	220
1,854,730	905,831	658,659	200,000	0	0	4,525,702	1.54	216
2,078,727	1,024,045	661,989	0	0	0	4,615,333	1.57	220



City of Ashtabula, Ohio

Legal Debt Margin

Last Ten Years

	2017	2016	2015	2014
Total Assessed Property Value	<u>\$205,776,580</u>	<u>\$197,991,390</u>	<u>\$197,278,360</u>	<u>\$198,552,360</u>
General Bonded Debt Outstanding:				
General Obligation Bonds	\$0	\$0	\$0	\$0
State Infrastructure Bonds	3,755,000	4,010,000	3,930,022	1,011,562
State Infrastructure Loan	1,169,658	1,172,842	941,091	49,583
Equalization Basin Loan	0	0	298,757	585,471
OWDA Loans	6,300,857	4,679,870	1,611,877	232,064
OPWC Loans	702,403	705,898	753,935	711,376
KeyCorp Loan	0	0	0	0
Special Assessment Bonds	0	0	0	0
Total Gross Indebtedness	11,927,918	10,568,610	7,535,682	2,590,056
Less:				
State Infrastructure Bonds	0	0	0	(1,011,562)
State Infrastructure Loan	0	0	0	(49,583)
Equalization Basin Loan	0	0	(298,757)	(585,471)
OWDA Loans	(6,300,857)	(4,679,870)	(1,611,877)	(232,064)
OPWC Loans	(702,403)	(705,898)	(753,935)	(711,376)
KeyCorp Loan	0	0	0	0
Special Assessment Bonds	0	0	0	0
General Obligation Bond Retirement Fund Balance	0	0	0	0
Total Net Debt Applicable to Debt Limit	<u>4,924,658</u>	<u>5,182,842</u>	<u>4,871,113</u>	<u>0</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>21,606,541</u>	<u>20,789,096</u>	<u>20,714,228</u>	<u>20,847,998</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$16,681,883</u>	<u>\$15,606,254</u>	<u>\$15,843,115</u>	<u>\$20,847,998</u>
Legal Debt Margin as a Percentage of the Debt Limit	77.21%	75.07%	76.48%	100.00%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$11,317,712</u>	<u>\$10,889,526</u>	<u>\$10,850,310</u>	<u>\$10,920,380</u>
Total Gross Indebtedness	11,927,918	10,568,610	7,535,682	2,590,056
Less:				
State Infrastructure Bonds	0	0	0	(1,011,562)
State Infrastructure Loan	0	0	0	(49,583)
Equalization Basin Loan	0	0	(298,757)	(585,471)
OWDA Loans	(6,300,857)	(4,679,870)	(1,611,877)	(232,064)
OPWC Loans	(702,403)	(705,898)	(753,935)	(711,376)
KeyCorp Loan	0	0	0	0
Special Assessment Bonds	0	0	0	0
General Obligation Bond Retirement Fund Balance	0	0	0	0
Net Debt Within 5 ½ % Limitations	<u>4,924,658</u>	<u>5,182,842</u>	<u>4,871,113</u>	<u>0</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$6,393,054</u>	<u>\$5,706,684</u>	<u>\$5,979,197</u>	<u>\$10,920,380</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	56.49%	52.41%	55.11%	100.00%

Source: City Financial Records

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

2013	2012	2011	2010	2009	2008
<u>\$222,999,550</u>	<u>\$221,156,650</u>	<u>\$211,258,740</u>	<u>\$227,455,470</u>	<u>\$235,001,130</u>	<u>\$237,095,420</u>
\$0	\$160,944	\$319,257	\$475,000	\$349,827	\$300,796
0	0	0	0	0	0
0	0	0	0	0	0
860,628	1,124,695	1,378,117	1,621,325	1,854,730	2,078,727
378,657	519,076	653,580	782,419	905,831	1,024,045
582,180	678,673	691,810	726,592	762,073	774,487
0	50,000	100,000	150,000	200,000	0
0	0	0	0	0	23,984
<u>1,821,465</u>	<u>2,533,388</u>	<u>3,142,764</u>	<u>3,755,336</u>	<u>4,072,461</u>	<u>4,202,039</u>
0	0	0	0	0	0
0	0	0	0	0	0
(860,628)	(1,124,695)	(1,378,117)	(1,621,325)	(1,854,730)	(2,078,727)
(378,657)	(519,076)	(653,580)	(782,419)	(905,831)	(1,024,045)
(582,180)	(678,673)	(691,810)	(726,592)	(762,073)	(774,487)
0	(50,000)	(100,000)	(150,000)	(200,000)	0
0	0	0	0	0	(23,984)
0	(50,285)	(48,328)	(45,861)	(122,947)	(36,696)
<u>0</u>	<u>110,659</u>	<u>270,929</u>	<u>429,139</u>	<u>226,880</u>	<u>264,100</u>
<u>23,414,953</u>	<u>23,221,448</u>	<u>22,182,168</u>	<u>23,882,824</u>	<u>24,675,119</u>	<u>24,895,019</u>
<u>\$23,414,953</u>	<u>\$23,110,789</u>	<u>\$21,911,239</u>	<u>\$23,453,685</u>	<u>\$24,448,239</u>	<u>\$24,630,919</u>
100.00%	99.52%	98.78%	98.20%	99.08%	98.94%
<u>\$12,264,975</u>	<u>\$12,163,616</u>	<u>\$11,619,231</u>	<u>\$12,510,051</u>	<u>\$12,925,062</u>	<u>\$13,040,248</u>
1,821,465	2,533,388	3,142,764	3,755,336	4,072,461	4,202,039
0	0	0	0	0	0
0	0	0	0	0	0
(860,628)	(1,124,695)	(1,378,117)	(1,621,325)	(1,854,730)	(2,078,727)
(378,657)	(519,076)	(653,580)	(782,419)	(905,831)	(1,024,045)
(582,180)	(678,673)	(691,810)	(726,592)	(762,073)	(774,487)
0	(50,000)	(100,000)	(150,000)	(200,000)	0
0	0	0	0	0	(23,984)
0	(50,285)	(48,328)	(45,861)	(122,947)	(36,696)
<u>0</u>	<u>110,659</u>	<u>270,929</u>	<u>429,139</u>	<u>226,880</u>	<u>264,100</u>
<u>\$12,264,975</u>	<u>\$12,052,957</u>	<u>\$11,348,302</u>	<u>\$12,080,912</u>	<u>\$12,698,182</u>	<u>\$12,776,148</u>
100.00%	99.09%	97.67%	96.57%	98.24%	97.97%

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

Year	Population (1)		Estimated Actual Value of Taxable Property (2)	Gross Bonded Debt	Ratio of Bonded Debt to Estimated Actual Value of Taxable Property	Bonded Debt Per Capital
2017	18,311	a	\$539,282,269	\$0	0.00 %	\$0.00
2016	18,371	a	517,497,181	0	0.00	0.00
2015	18,371	a	517,899,484	0	0.00	0.00
2014	18,673	a	520,941,032	0	0.00	0.00
2013	19,680	b	597,315,702	0	0.00	0.00
2012	19,680	b	594,007,574	160,944	0.03	8.18
2011	19,680	b	572,215,393	319,257	0.06	16.22
2010	19,680	b	617,332,492	475,000	0.08	24.14
2009	20,962	c	682,990,180	349,827	0.05	16.69
2008	20,962	c	720,617,007	300,796	0.04	14.35

Sources:

- (1) U. S. Bureau of Census, Census of Population.
 - (a) Year 2014-2017 Federal Census Estimate
 - (b) Year 2010-2013 The 2010 Federal Census
 - (c) Years 2008-2009 The 2000 Federal Census
- (2) Ashtabula County, Ohio; County Auditor

City of Ashtabula, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2017

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of Ashtabula
Direct - City of Ashtabula			
State Infrastructure Bonds	\$3,755,000	100.00 %	\$3,755,000
State Infrastructure Loan	1,169,658	100.00	1,169,658
OPWC Loans	119,489	100.00	119,489
Capital Leases	<u>636,519</u>	100.00	<u>636,519</u>
<i>Total Direct Debt</i>	<u>5,680,666</u> *		<u>5,680,666</u>
Overlapping			
Ashtabula Area City School District			
General Obligation Bonds	27,433,552	45.53	12,490,496
Ashtabula County			
General Obligation Bonds	16,617,062	10.32	1,714,881
OPWC Loans	<u>188,321</u>	10.32	<u>19,435</u>
<i>Total Overlapping Debt</i>	<u>44,238,935</u>		<u>14,224,812</u>
Total	<u><u>\$49,919,601</u></u>		<u><u>\$19,905,478</u></u>

Source: Ashtabula County, Ohio; County Auditor

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

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

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

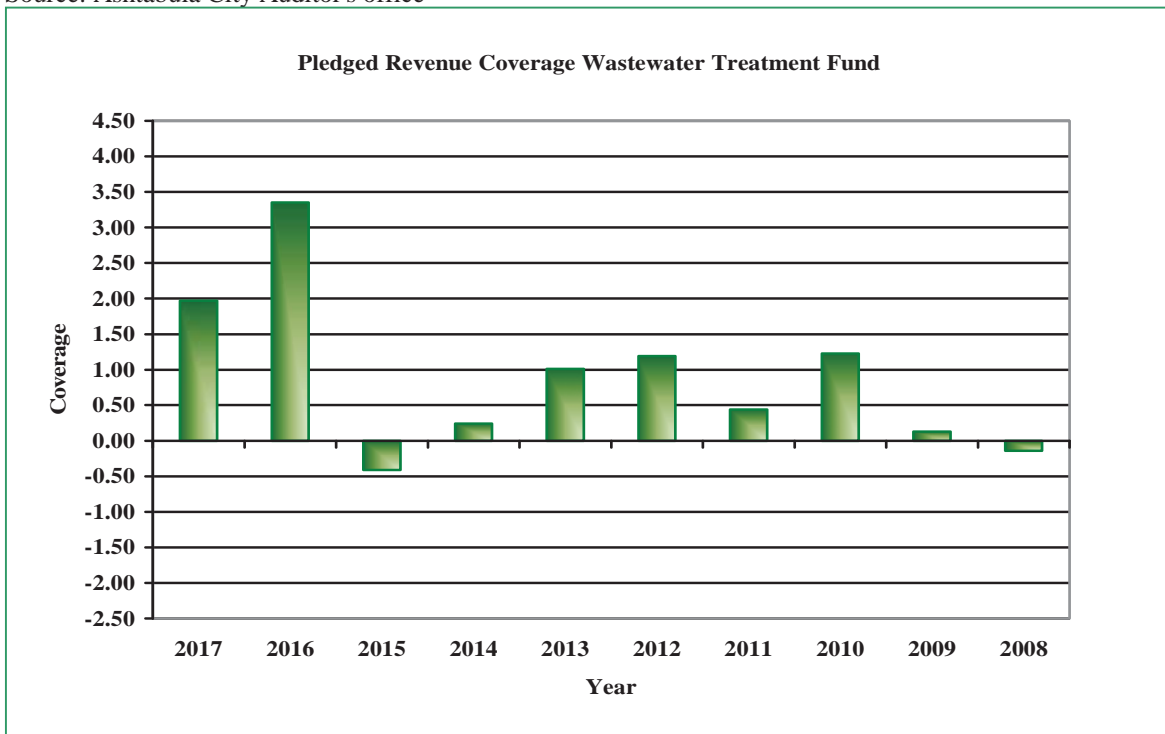
	2017	2016	2015	2014
Wastewater Treatment Fund				
Operating Revenues (1)	\$3,994,378	\$3,646,281	\$3,527,467	\$3,085,997
Less: Operating Expenses (2)	3,446,881	1,863,752	3,742,036	2,964,547
Net Available Revenue	547,497	1,782,529	(214,569)	121,450
Debt Service *				
Principal	221,448	443,738	478,878	458,081
Interest	57,040	88,098	38,232	54,350
Total Debt Service	278,488	531,836	517,110	512,431
Coverage	1.97	3.35	(0.41)	0.24

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

(2) Operating expenses do not include depreciation.

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

Source: Ashtabula City Auditor's office



2013	2012	2011	2010	2009	2008
\$3,089,877	\$3,148,190	\$3,280,585	\$3,658,579	\$3,629,409	\$3,871,973
2,527,194	2,479,050	3,039,182	2,975,385	3,559,397	3,935,680
562,683	669,140	241,403	683,194	70,012	(63,707)
489,743	472,109	447,047	431,817	417,211	328,203
70,131	88,526	106,220	123,973	139,706	143,422
559,874	560,635	553,267	555,790	556,917	471,625
1.01	1.19	0.44	1.23	0.13	(0.14)

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)
2017	18,311	a	\$296,107,181	\$16,171	\$28,865	38.8
2016	18,371	a	294,395,275	16,025	28,265	38.4
2015	18,371	a	299,098,251	16,281	28,682	38.3
2014	18,673	a	305,415,588	16,356	27,876	37.5
2013	19,680	b	330,801,120	16,809	29,605	41.8
2012	19,680	b	330,801,120	16,809	29,605	41.8
2011	19,680	b	330,801,120	16,809	29,605	41.8
2010	19,680	b	330,801,120	16,809	29,545	37.3
2009	20,962	c	294,180,708	14,034	27,354	34.9
2008	20,962	c	294,180,708	14,034	27,354	34.9

(1) Source: U. S. Census

(a) Year 2014-2017 Federal Census Estimate

(b) Year 2010-2013 The 2010 Federal Census

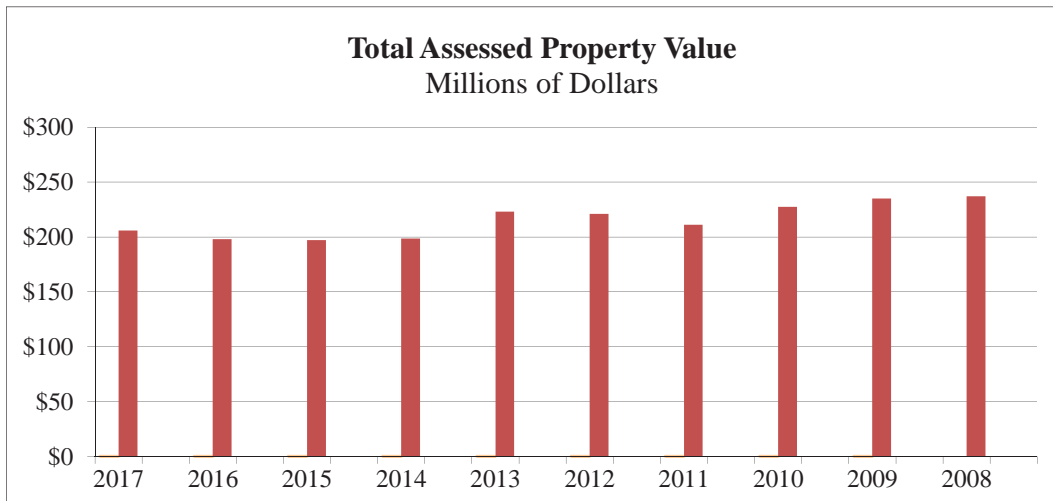
(c) Years 2008-2009 The 2000 Federal Census

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

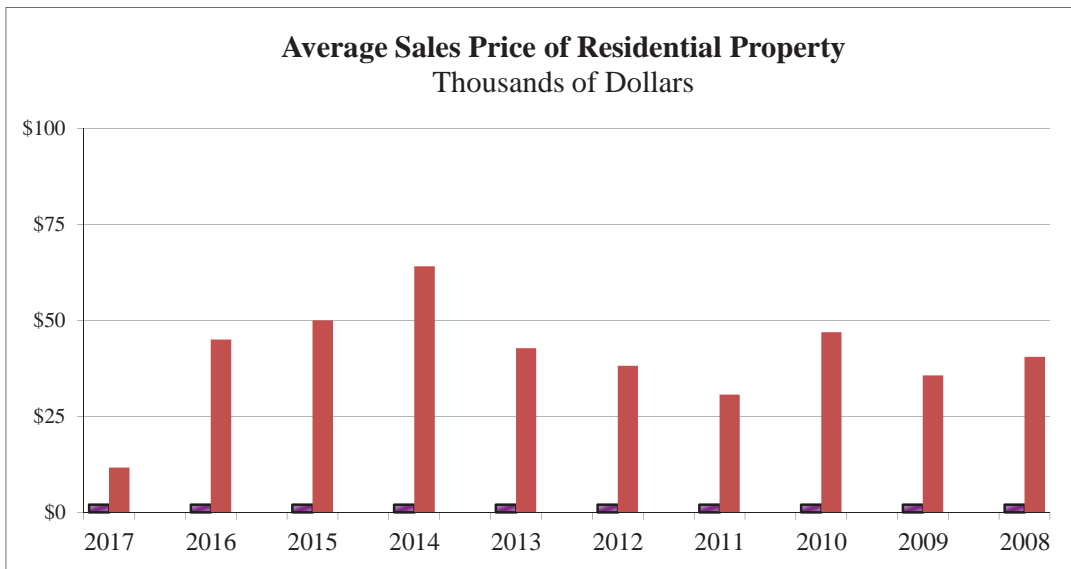
(3) The unemployment rate for the City is unavailable. County rate obtained from Ohio Labor Market information.

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

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



Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment	Ashtabula County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (5)
9.4	3,427	5.8%	\$11,695	\$205,776,580
8.4	3,193	0.1	45,000	\$197,991,390
9.0	4,090	6.2	50,000	\$197,278,360
8.9	4,625	5.9	64,080	\$198,552,360
10.4	4,300	9.0	42,720	\$222,999,550
10.4	4,373	9.0	38,185	\$221,156,650
10.4	4,375	11.9	30,657	\$211,258,740
10.4	4,277	11.9	46,920	\$227,455,470
10.4	4,463	14.2	35,630	\$235,001,130
10.4	4,701	10.4	40,484	\$237,095,420



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

2017		
Employer	Nature of Activity	Employees
Ashtabula County Medical Center	Medical Center	1,240
Molded Fiber Glass	Manufacturing - composites	472
Ashtabula Area City Schools	Public Education/College	513
Chromoflo (formerly Plasticolors)	Manufacturing - pigments	188
City of Ashtabula	Municipal Government	184
Kent State University	Public Education/College	248
Ashtabula Rubber Company	Manufacturing - rubber components	152
Cleveland Clinic Foundation	Medical Center	22
Iten Industries	Manufacturing - composites	179
Signature Health	Mental Health Services	148
Total		<u>3,346</u>
Total Employment within the City		<u>n/a</u>

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

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

n/a - Information not available

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

Function/Program	2017	2016	2015	2014	2013
General Government					
Legislative and Executive					
Council	8	8	8	8	8
Administration	2	2	2	2	2
Auditor	5	7	6	6	6
Treasurer	0	0	0	0	1
Income Tax	2	2	2	2	2
Solicitor	4	4	4	4	4
Motor Maintenance	2	2	2	2	2
Engineering	0	0	0	0	0
Civil Service	0	0	0	1	1
Lands and Buildings	2	2	2	2	2
Systems Analyst	0	0	0	0	0
Judicial System					
Municipal Court	15	13	14	15	10
Probation	4	4	4	4	3
Security of Persons and Property					
Police	30	30	31	26	26
Police - Civilian	11	8	11	11	8
Fire	23	23	23	23	23
Fire - Civilian	0	0	0	0	0
Public Health Services					
Administration	1	1	1	1	1
Food Service	1	1	1	1	1
Nursing	3	3	3	2	3
Street Maintenance and Repair					
Public Works	13	11	11	11	13
Housing and Community Development					
Code Enforcement	4	4	4	4	3
CDBG	2	2	1	2	2
Leisure Time Activities					
Walnut Beach	0	0	0	0	0
Business Type Activity					
Sanitation	15	13	15	14	14
Wastewater Treatment	12	12	12	12	11
Totals:	<u>159</u>	<u>152</u>	<u>157</u>	<u>153</u>	<u>146</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>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
8	8	8	8	8
2	3	2	2	4
6	5	6	6	7
1	1	1	1	1
2	2	2	2	3
3	3	4	4	4
2	2	2	2	3
0	1	2	2	3
1	1	1	1	1
3	3	2	2	3
0	0	1	1	1
12	11	12	14	13
3	3	4	5	4
27	29	31	29	32
6	2	4	5	9
22	23	25	25	26
0	0	1	1	1
1	1	1	1	1
1	1	1	1	1
3	3	3	5	6
19	17	17	20	22
1	2	2	2	2
3	1	2	2	1
0	0	0	0	0
13	14	15	15	16
10	9	12	13	14
<u>149</u>	<u>145</u>	<u>161</u>	<u>169</u>	<u>186</u>

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

Function/Program	2017	2016	2015	2014
General Government				
Legislative and Executive				
<i>Council & Clerk</i>				
Number of Ordinances Passed	138	136	152	175
Number of Resolutions Passed	13	27	45	18
<i>Finance</i>				
Number of checks/ vouchers issued	1,561	1,786	2,414	2,573
Number of Electronic Payments	168	133	881	824
Amount of checks and electronic payments	\$10,162,019	\$8,791,467	\$14,095,703	\$13,784,331
Number of Budget Adjustments issued	7	na	12	15
Agency Ratings - Standard & Poors	A-/Stable	A-/Stable	A/Stable	A/Stable
Agency Ratings - Moody's Financial Services	WR	WR	WR	WR
Health Insurance Costs vs General Fund Expenditures %	23.00%	21.00%	21.00%	20.00%
General Fund Receipts	\$9,401,942	\$9,446,383	\$9,171,140	\$9,487,225
General Fund Expenditures	\$8,933,951	\$9,125,069	\$9,223,573	\$9,557,487
General Fund Cash Balances	\$747,589	\$566,294	\$244,986	\$297,418
Number of Pay-Ins issued	1,945	2,018	1,943	1,819
Interest earnings for fiscal year (cash basis)	\$1,083	\$538	\$122	\$112
<i>Income Tax Department</i>				
Number of Individual Returns	3,993	4,236	4,002	4,153
Number of Business Returns	1,013	1,078	1,120	1,223
Number of business withholding accounts	1,294	1,253	912	873
Amount of Penalties and Interest Collected	\$23,894	\$31,631	\$31,695	\$30,043
Annual number of Corporate withholding forms processed	9,346	9,329	7,782	4,792
Annual number of balance due statements forms processed	1,160	972	707	771
Annual number of estimated payment forms processed	1,254	880	745	524
Annual number of reconciliations of withholdings processed	121	0	40	112
<i>Planning & Community Development (4)</i>				
Zoning Permits Issued	165	151	162	134
Estimated Value of Construction	\$1,352,752	\$2,604,055	\$5,145,415	\$2,518,576
Number of Street Cut Permits Issued	298	195	449	486
Number of Sewer Tap-In permits issued	2	11	3	2
Amount of Revenue generated from permits	\$46,225	\$71,271	\$61,926	\$327,919
Number of Planning Commission meetings	7	5	7	5
Number of Administrative/Zoning Board meetings	2	2	5	2
<i>Civil Service</i>				
Number of police entry tests administered	0	0	1	1
Number of fire entry tests administered	1	0	0	1
Number of police promotional tests administered	0	1	0	0
Number of fire promotional tests administered	0	0	4	0
Number of hires of Police Officers from certified lists	0	0	5	3
Number of hires of Fire/Medics from certified lists	1	0	2	2
Number of promotions from police certified lists	0	0	0	0
Number of promotions from fire certified lists	0	0	6	0
Judicial System				
<i>Municipal Court</i>				
Number of Civil Cases	1,234	1,063	841	835
Number of Criminal cases	8,302	7,195	6,316	5,692
<i>Probation</i>				
Community Diversion participants	100	203	56	47
Community Diversion service hours	2,596	4,852	1,499	1,255

2013	2012	2011	2010	2009	2008
166	182	184	161	153	150
29	28	27	32	29	47
2,839	2,794	2,640	2,861	2,998	3,445
na	na	na	na	na	na
\$9,266,296	\$8,891,361	\$8,497,466	\$9,401,527	\$9,167,900	\$12,843,481
na	na	na	na	na	na
A/Stable	BBB+	BBB+	BBB+	A-	A-
WR	BBA	BBA	BBA	BBA	BBA
19.61%	24.10%	24.10%	16.74%	11.40%	14.50%
\$9,490,337	\$9,436,569	\$10,014,548	\$9,471,911	\$9,564,894	\$10,304,586
\$9,374,066	\$9,528,679	\$9,726,456	\$9,439,112	\$9,350,341	\$10,057,413
\$367,681	\$251,409	\$343,520	\$55,428	\$251,607	\$373,660
1,763	1,719	1,768	1,767	1,733	1,679
\$60	\$191	\$144	\$5,450	\$10,888	\$146,010
4,369	4,785	5,083	5,356	5,830	6,663
1,162	1,311	1,202	1,217	1,214	1,414
848	680	604	861	876	900
\$34,443	\$42,189	\$44,378	\$30,326	\$33,760	\$44,068
6,203	6,530	6,581	6,390	6,819	9,120
867	713	779	655	795	676
795	952	927	788	848	844
202	19	37	36	51	19
298		239	214	263	291
\$5,066,330	\$2,500,000	\$2,789,923	\$2,429,018	\$3,150,828	\$14,004,261
25					
5	656	966	964	968	702
\$60,423	\$202,704	\$298,506	\$298,863	\$298,149	\$144,385
7	8	8	9	7	7
4	2	2	2	2	3
0	1	0	0	0	0
0	0	1	0	1	1
0	0	0	1	0	0
0	0	0	3	0	0
0	0	0	0	2	0
0	2	0	1	0	0
0	0	0	2	9	0
0	0	8	0	2	0
966	1,172	1,225	1,215	1,336	1,502
6,512	6,867	6,004	6,826	7,410	9,265
147	215	188	285	263	402
3,520	5,645	3,486	6,937	4,447	5,732

(continued)

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

Function/Program	2017	2016	2015	2014
Security of Persons and Property				
<i>Police</i>				
Total Calls for Services	15,642	15,641	13,511	13,155
Number of traffic citations issued	1,066	1,232	1,027	854
Number of parking citations issued	61	80	141	79
Number of criminal arrests	836	1,010	1,348	1,236
Operating Motor Vehicle Under the Influence (OMVI) Arrests	106	87	89	55
Adult Driving Under Suspension (DUS) Arrests	261	233	255	218
Prisoners	470	585	751	505
Prisoner meal costs	\$29,964	\$27,068	\$27,557	\$23,446
Motor Vehicle Accidents	381	453	432	335
Fatalities from Motor Vehicle Accidents	0	1	2	0
Gasoline costs of fleet	\$56,805	\$47,061	\$54,329	\$98,326
<i>Fire</i>				
EMS/Medical Calls (Mutual Aid, Non Transport)	1,291	1,233	1,019	813
Fire Calls	677	693	1,003	1,091
Fire Fatalities	0	0	0	0
Fires with Loss	40	40	26	n/a
Fires with Losses exceeding \$10K	13	22	12	n/a
Fire Losses \$	1,088,500	1,438,950	951,750	n/a
Fire Investigations	46	34	32	27
Number of times Mutual Aid given to Fire and EMS	11	17	28	11
Ambulance Runs / Number of Transports	916/743	1601/824	1019/732	797/645
Departmental Training Hours (2)	1,603	2,481	2,527	n/a
Public Health & Welfare				
Health Department				
Certificates Filed				
Number of Births	377	356	377	397
Number of Deaths	276	260	290	251
Certificates Issued				
Number of Births	2,240	2,117	2,076	2,056
Number of Deaths	789	787	993	921
Burial Permits Issued	574	519	471	442
Receipts from Certificates Issued	\$75,725	\$72,600	\$76,725	\$74,425
Number of Health Inspections				
Food Service Operations, Licensed/Number of Inspections	80/215	81/207	88/212	77/208
Food Establishments, Licensed/Number of Inspections	42/64	41/67	43/69	38/51
Vending Operations, Licensed/Number of Inspections	17/17	19/19	19/18	16/16
Marinas, Licensed/Number of Inspections	11/14	11/13	11/13	11/12
Manufactured Home Parks, Licensed/Number of Inspections	3/5	3/3	3/3	3/3
Campgrounds, Licensed/Number of Inspections	4/13	4/8	4/9	4/9
Swimming Pools and Spas, Licensed/Number of Inspections	6/14	6/12	6/17	6/16
Mobile Food Operations Licensed/Number of Inspections	8/14	10/10	n/a	n/a

2013	2012	2011	2010	2009	2008
13,062	13,272	14,193	18,484	20,229	22,485
989	1,330	1,450	2,366	2,053	2,213
69	71	84	126	163	209
681	1,268	1,095	1,172	1,146	1,454
50	102	73	119	131	121
229	285	261	444	375	405
472	563	479	620	735	1,002
\$23,010	\$14,317	\$16,130	\$10,609	\$22,998	\$49,696
389	358	356	399	426	640
0	1	1	0	3	1
\$87,728	\$84,150	\$91,476	\$65,000	\$61,353	\$91,813
821	1,000	811	770	868	925
881	744	636	664	668	916
0	1	0	0	0	2
n/a	38	26	26	28	43
n/a	n/a	n/a	12	13	14
n/a	n/a	\$1,114,210	\$758,700	\$421,530	\$3,539,727
28	40	26	28	27	20
17	35	18	20	23	44
n/a	n/a	1,436	3,992	4,310	4,676
426	428	441	495	518	526
281	284	284	289	274	274
2,187	2,265	2,156	2,192	2,451	2,642
991	960	1,042	988	1,049	1,118
459	490	456	437	407	381
\$79,450	\$80,625	\$79,950	\$79,500	\$73,898	\$71,440
80/224	80/235	83/211	81/238	91/207	97/247
38/60	39/65	40/57	44/78	47/66	43/81
15/11	16/16	15/15	13/12	14/13	14/14
11/11	11/12	10/10	10/10	10/10	10/10
3/3	3/6	3/4	3/6	3/6	3/6
4/5	4/5	4/5	4/4	4/4	4/4
6/11	6/13	6/11	6/17	6/10	6/11
n/a	n/a	n/a	n/a	n/a	n/a

(continued)

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

Function/Program	2017	2016	2015	2014
Street Maintenance and Repair				
Guardrail Repair (hours)	180	16	192	106
Paint Striping (hours)	378	376	408	425
Street Sweeper (hours)	462	597	530	370
Cold Patch (hours)	2,233	1,558	1,838	2,689
Snow & Ice Removal regular hours	1,752	1,877	2,015	2,078
Snow & Ice Removal overtime hours	274	499	673	385
Sewer and Sanitary calls for service	913	571	820	998
After hours Sewer Calls (hours)	200	185	273	186
Sewer Crew (hours)	978	1,365	1,733	1,500
Sewer jet, Vac-all, other services (hours)	3,111	2,266	2,711	2,537
Landscaping Stump-Chipper service (hours)	4,836	140	108	18
Leaf collection (hours)	1,753	1,548	1,656	2,035
Holiday lights setup (hours)	80	80	80	80
Equipment repair/body shop (hours)	4,160	4,160	4,160	4,160
Sign department (hours)	800	800	800	800
Tons of snow melting salt purchased (Jan-Dec)	2,708	3,045	993	3,428
Cost of salt purchased	\$102,134	\$176,175	\$68,490	\$126,324
Planning & and Community Development (4)				
Community Development Block Grant				
Grant amounts received	\$70,800	\$501,580	\$1,019,168	\$606,988
Demolitions (5)	\$48	39	26	27
Code Enforcement				
Number of rental inspections performed	1,091	1,859	1,115	1,649
Number of inspections for code enforcement	498	504	504	351
Code Enforcement fees collected	\$218,855	\$287,871	\$217,047	\$221,765
Sanitation (3)				
Residential trash pickup rate (billed every 2 months)	\$15.50	\$15.00	\$15.00	\$15.00
Refuse disposal per year (in tons)	11,070	11,310	11,775	11,775
Refuse disposal costs per year	\$516,318	\$519,150	\$549,663	\$453,000
Annual recycling tonnage (excluding leaf, and compost items)	725	550	420	420
Percentage of waste recycled	9.00%	8.00%	5.00%	5.00%
Revenue generated from sale of recyclables	\$11,064	\$8,935	\$9,672	\$10,520
Wastewater Treatment				
Sewer Rates per unit of water used (1 unit equals 750 gallons)	\$3.48	\$3.22	\$2.73	\$2.67
Total flow of wastewater treatment plant (Billions of Gallons)	1.731	1.42	1.53	1.90
Average daily flow (Millions of gallons per day)	4.755	3.89	4.19	5.24
Tons of dry sludge removed	645.45	592.52	521.16	522.50

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

Source: City Financial Records and Departments

2013	2012	2011	2010	2009	2008
16	58	25	36	53	68
450	480	476	505	513	508
234	976	80	447	2,047	2,018
1,748	2,225	2,750	2,781	4,026	4,208
2,175	928	8,650	8,194	12,231	12,562
185	140	350	471	703	987
802	730	687	772	1,151	1,063
142	133	125	254	387	433
1,200	2,400	1,891	1,808	2,695	2,800
3,399	558	513	695	1,437	1,700
8	546	416	245	359	480
2,599	4,142	4,657	4,413	4,227	4,833
80	80	80	80	80	80
3,280	4,300	4,300	4,300	4,300	5,200
800	1,200	1,200	1,200	1,200	1,400
2,612	1,549	1,457	1,875	1,112	3,549
\$104,471	\$72,707	\$80,755	\$105,768	\$70,960	\$125,698
\$468,397	\$979,295	\$916,000	\$987,000	\$1,154,000	N/S
15	15	6			
1,349	2,464	2,631	2,072	903	1,345
422	513	200	200	1,550	258
\$212,190	\$160,712	\$158,109	\$155,720	\$150,418	\$171,554
\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00
16,750	14,494	13,802	12,475	13,060	13,610
\$679,000	\$594,271	\$546,376	\$500,000	\$546,000	\$516,000
600	520	530	524	482	480
4.00%	5.00%	3.80%	4.02%	3.60%	3.80%
\$13,500	\$16,888	\$10,586	\$8,350	\$5,874	\$9,000
\$2.62	\$2.30	\$2.95	\$2.66	\$2.61	\$2.61
2.103	1.669	2.463	1.552	1.644	1.977
5.778	4.559	6.750	4.254	4.530	5.420
551.93	523.61	505.99	489.10	504.84	493.95

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

Function/Program	2017	2016	2015	2014
General Government				
Square Footage Occupied	95,943	95,943	95,943	95,943
Administrative Vehicles	1	2	1	2
Inspection Vehicles	3	3	3	1
Municipal Court Vehicles	1	1	2	2
Lands & Buildings Vehicles	2	2	4	4
Police				
Stations	1	1	1	1
Square Footage of Building	14,491	14,491	14,491	14,491
Vehicles	40	40	37	36
Fire				
Stations	1	1	1	1
Square Footage of Building	11,560	11,560	11,560	11,560
Vehicles	14	11	11	10
Street Maintenance and Repairs				
Square Footage of Building	25,050	25,050	25,050	25,050
Streets (miles)	97	97	97	97
Bridges	7	7	7	7
Traffic Signals	54	54	54	54
Service Vehicles	24	25	31	31
Sanitation Services				
Square Footage of Building	9,100	9,100	9,100	9,100
Vehicles	9	8	9	9
Leisure Time Activities				
Number of Parks	8	8	8	8
Number of Tennis Courts	2	2	2	2
Number of Skateboarding Areas	1	1	1	1
Number of Baseball Diamonds	4	4	4	4
Number of Soccer Fields	1	1	1	1
Square Footage of Walnut Beach Building	6,420	6,420	6,420	6,420
Square Footage of Smith Field Building	336	336	336	336
Square Footage of Massucci Building	1,944	1,944	1,944	1,944
Wastewater Treatment				
Square Footage of Building	22,344	22,344	22,344	22,344
Sanitary Sewers (miles)	92	92	92	92
Storm Sewers (miles)	76	76	76	76
Vehicles	7	7	8	7

Source: City of Ashtabula Auditor's Office

2013	2012	2011	2010	2009	2008
95,943	95,943	95,943	95,943	95,943	95,943
2	3	3	3	3	2
1	1	1	0	0	2
1	2	2	2	2	2
3	3	4	3	3	4
1	1	1	1	1	1
14,491	14,491	14,491	14,491	14,491	14,491
33	33	29	34	32	40
1	1	1	1	1	1
11,560	11,560	11,560	11,560	11,560	11,560
9	11	10	9	10	8
25,050	25,050	25,050	25,050	25,050	25,050
97	97	97	97	97	97
7	7	7	6	6	6
52	53	53	53	53	54
26	29	30	29	29	29
9,100	9,100	9,100	9,100	9,100	9,100
9	9	10	9	9	10
8	8	8	8	8	8
2	2	2	2	2	2
1	1	1	1	1	1
4	4	4	4	4	4
1	1	1	1	1	1
6,420	6,420	6,420	6,420	6,420	6,420
336	336	336	336	336	336
1,944	1,944	1,944	1,944	1,944	1,944
22,344	22,344	22,344	22,344	22,344	22,344
92	92	92	92	92	92
76	76	76	76	76	76
9	9	5	6	5	5

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Sewer Billings (1)	\$2,779,786	\$2,603,834	\$2,630,279	\$2,771,974	\$2,538,450
Residential Trash Billings	<u>1,176,140</u>	<u>1,228,118</u>	<u>1,218,982</u>	<u>1,254,840</u>	<u>1,326,562</u>
Total Utility Billing	<u>\$3,955,926</u>	<u>\$3,831,952</u>	<u>\$3,849,261</u>	<u>\$4,026,814</u>	<u>\$3,865,012</u>
Sewer Collections (1)(2)	\$2,085,705	\$2,370,135	\$2,255,805	\$2,352,662	\$1,902,077
Residential Trash Collections(2)	<u>999,275</u>	<u>1,034,071</u>	<u>1,035,812</u>	<u>1,062,116</u>	<u>1,131,789</u>
Total Utility Billing Collections	<u>\$3,084,980</u>	<u>\$3,404,206</u>	<u>\$3,291,617</u>	<u>\$3,414,778</u>	<u>\$3,033,866</u>
Percentage Collected from Billings Before Outstanding Balances are Certified to Property Taxes	77.98%	88.84%	85.51%	84.80%	78.50%
Delinquent Sewer Collections(2)	\$457,374	\$393,970	\$445,625	\$457,055	\$468,186
Delinquent Residential Trash Collections(2)	<u>253,239</u>	<u>233,624</u>	<u>272,883</u>	<u>280,141</u>	<u>290,326</u>
Total Delinquent Collections	<u>\$710,613</u>	<u>\$627,594</u>	<u>\$718,508</u>	<u>\$737,196</u>	<u>\$758,512</u>

Source: City of Ashtabula Auditor's Office

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

(2) Delinquent collections are one year behind, ie: delinquent amounts collected in 2017 were for the amounts certified in 2016.

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$2,961,690	\$2,346,108	\$2,499,499	\$2,480,146	\$2,556,295
<u>1,363,150</u>	<u>1,244,580</u>	<u>1,268,641</u>	<u>1,260,253</u>	<u>1,221,559</u>
<u>\$4,324,840</u>	<u>\$3,590,688</u>	<u>\$3,768,140</u>	<u>\$3,740,399</u>	<u>\$3,777,854</u>
\$2,178,292	\$1,734,485	\$1,931,758	\$1,929,394	\$2,215,775
<u>1,190,305</u>	<u>968,297</u>	<u>1,085,080</u>	<u>1,043,043</u>	<u>995,106</u>
<u>\$3,368,597</u>	<u>\$2,702,782</u>	<u>\$3,016,838</u>	<u>\$2,972,437</u>	<u>\$3,210,881</u>
77.89%	75.27%	80.06%	79.47%	84.99%
\$459,392	\$501,466	\$492,898	\$520,624	\$469,732
<u>264,266</u>	<u>290,460</u>	<u>306,864</u>	<u>314,738</u>	<u>261,030</u>
<u>\$723,658</u>	<u>\$791,926</u>	<u>\$799,762</u>	<u>\$835,362</u>	<u>\$730,762</u>

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Dave Yost • Auditor of State

CITY OF ASHTABULA

ASHTABULA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
SEPTEMBER, 25 2018