

# *City Of Ashtabula, Ohio*



## Comprehensive Annual Financial Report

For The Year Ended  
December 31, 2010





# Dave Yost • Auditor of State

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

We have reviewed the *Independent Accountants' Report* of the City of Ashtabula, Ashtabula County, prepared by Canter & Associates, for the audit period January 1, 2010 through December 31, 2010. 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

November 18, 2011

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# **INTRODUCTORY SECTION**

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**City of Ashtabula, Ohio**  
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*For the Year Ended December 31, 2010*  
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CITY OF ASHTABULA  
**OFFICE OF THE CITY AUDITOR**

4717 MAIN AVENUE  
ASHTABULA, OHIO 44004

KAREN S. JURY  
ACTING CITY AUDITOR



PHONE (440) 992-7107  
FAX (440) 992-9306  
E-MAIL karenj@suite224.net

Opinion Letter Date

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

I am pleased to present the City of Ashtabula's (the City) Comprehensive Annual Financial Report (CAFR) for the calendar year ended December 31, 2010. This report enables the City to comply with Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38 which requires the cities reporting on a GAAP basis to file an un-audited annual report with the Auditor of State within one hundred and fifty days of fiscal year end.

In preparing this report, the Acting City Auditor and the City Treasurer stress the ongoing commitment of the City of Ashtabula to follow nationally recognized standards of excellence in financial reporting, a commitment shared by a growing number of governmental entities in Ohio. Management assumes full responsibility for the information contained in this report based upon a comprehensive frame-work of internal control that has been established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute assurance that the financial statements are free from any material misstatements. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the City. We have included all disclosures necessary to enable the reader to gain an understanding of the City's financial activities.

Under Ohio law, regular audits are required to be performed on all financial related operations of the City. These audits may be done by either the State Auditor's Office or, if the State Auditor permits, an independent public accounting firm. Canter & Associates has issued an unqualified ("clean") opinion on the City of Ashtabula's financial statements for the year ended December 31, 2010. The independent auditor's report is located at the front of the financial section of this report.

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

## **History of Ashtabula and Form of Government**

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

The City's area is 7.6 square miles with other areas considering annexation into the City corporation limits. The City of Ashtabula is five hundred ninety feet above sea level. According to the 2010 census, the City's population was 19,680. The Ashtabula County area population is now estimated at approximately 100,767.

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

A council of seven members, five ward and two at-large representatives, is elected to serve for four-year terms. The at-large candidate receiving the most votes becomes the council president, and the other at-large candidate becomes the vice president. City Council holds its regular bi-monthly council meetings on the first and third Mondays of each month. The Council selects the Clerk of Council, City Auditor and City Treasurer. Good government is reflected in the City's low property tax rate of \$9.31 per \$1,000 of assessed valuation.

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

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

**The Service Department** is comprised of several divisions/departments administered by the Superintendent of Public Services. The division of Public Works, division of Sanitation, and Motor Maintenance; as well as the departments of Code Enforcement and Building Maintenance are overseen by the Superintendent. The division of Public Works is responsible for the non-contractual maintenance of the City's roadways, leaf collection, and snow removal in the winter. They take care of the parks and playgrounds within the City. Traffic signalization repairs and maintenance is also handled by Public Works. The Sanitation department is responsible for the City-wide collection and removal of trash, both residential and commercial. They have a state-of-the-art recycling center which handles all types of recyclables. Motor Maintenance performs routine maintenance and repairs to City vehicles; major repairs are outsourced as needed. The Code Enforcement oversees the residential rental stock in the City. These homes are inspected and landlords pay a rental fee, to ensure their

rentals are in compliance with the City's building codes. Building maintenance personnel keep all City buildings clean and safe for employees as well as the public who visit our offices.

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

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

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

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

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

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

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

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

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

## **Accounting Systems and Budgetary Control**

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

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

The City Auditor reviews the purchase order first to check for availability of funds. Then the City Manager, who is also the Purchasing Agent by City Charter, approves and issues the purchase order. Copies of all approved purchase orders are returned to the department head pending receipt of the goods and invoice. Once the goods or services and the invoice are received, the department head signs his/her copy of the purchase order as verification that all goods or services were received and are in acceptable condition. Each department head is furnished a monthly report showing the status of the budget accounts for which he/she is responsible. The reports detail monthly transactions and summarize the available balances.

## **Economic Conditions and Outlook**

The City of Ashtabula is committed to the revitalization of existing resources and the search for new ways to improve the economic outlook of the community. Several enterprise zones have been established by the City of Ashtabula. City Council will execute agreements with certain businesses for the purpose of establishing, expanding, renovating or occupying facilities, hiring new employees and preserving jobs within the zone, in exchange for specified local tax incentives granted by the City. The City's first enterprise zone has grown very rapidly as every piece of property within this zone is occupied by a local small business. The City Port Authority's next enterprise zone is fifty acres of land at the end of State Route 11, within the City boundaries. The development of the business park has been completed and one business has purchased a lot to consolidate and expand their current operations.

Using federal funds, the City of Ashtabula has established a revolving loan program. The program provides direct, low-interest construction loans to small businesses and industries to encourage their success and future growth and to create and retain permanent jobs for low and moderate income City residents. The City Department of Housing and Community Development and a five-member Loan Review Committee serve as an independent administrative board and are responsible for administering the revolving loan fund. Since the program's inception over twenty years ago, twenty-four viable inquiries have been made, thirteen full applications have been received and eight applicants were approved for funding. The revolving loan program is currently rebuilding its cash reserve.

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

The Port of Ashtabula has also become a fisherman's paradise. The walleye-fishing boom out of Ashtabula has exceeded all expectations. Walleye fishing has been the best the City has seen since the late 1980's. The Port of Ashtabula is one of the area's most valuable assets. A river restoration project was started to enhance the fish habitat in hopes of establishing new spawning grounds for the Rainbow Trout and other species that utilize the Ashtabula River. A dredging project that was completed in late fall of 2008 has provided a twelve-foot deep river and removed all remaining toxins in the river soils. With the growth of recreational boating on the river

and on Lake Erie, the number of boats docked at marinas on the river has grown from 150, nine years ago, to over 1,000 today. Most marinas' dock space is filled to capacity. The dredging of the Ashtabula River resulted in more available dock space for this growing recreational activity. Another asset of the project is to once again allow the coal and iron freighters to load to capacity making the Port of Ashtabula more attractive to all vessels wanting to use our port. In addition to private boating, the area's charter boat fleet has increased from four boats in 1984 to well over one hundred sport fishing charters running out of the Port of Ashtabula in 2010.

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

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

The Walnut Beach area comprises approximately twenty-two acres with one thousand feet of Lake Erie frontage. This area is important to the City as a prime site for recreation, accommodating over a thousand boats yearly from the Ashtabula River and adjacent marinas. A roped-off swimming area, with anchor docking, does make Walnut Beach attractive to the fast growing boating population. To enhance the area, a revitalization program to clean the beach area continues. Improvements to the existing bathhouse, the building of more pavilions, the construction of a public docking facility, repairs to the boardwalk and additional lighting continue to be implemented. Private donations continue to be received to help accelerate the planned improvements. These improvements will result in extended boating and swimming hours and a longer season for tourists and the citizens of Ashtabula to enjoy Walnut Beach, a beautiful natural resource. Bands on the Beach events draw many residents and visitors to the beach during the summer.

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

The chief industries of the City and surrounding territory are manufacturing, agriculture, dairying, coal, iron ore, rubber and transportation, including shipping. Industries such as Molded Fiberglass, which began in 1948, today produce compression molded parts with 300 employees at two Ashtabula plants. The "sandwich" of plastic, resin, glass, resin and plastic is about 30 times stronger than normal plastic. MFG Body Company was the original molder of the Corvette (in 1953), but today automotive is only one part of its business. Another big industry in Ashtabula is the paint pigment business of Plasticolors. These pigments are used in the coloring of paints used not only in the interior and exterior of your home, but also in paints for automobiles.

City residents purchase water service from the Ohio American Water Company, located in the City. The daily average water pumpage is 6,525,000 gallons. The FirstEnergy/Illuminating Company provides electricity. The newest electrical generating facility available to FirstEnergy is the Perry Nuclear Power Plant, which is located approximately twenty-five miles from Ashtabula. Natural gas is supplied by the Dominion East Ohio Gas Company, which has over eight hundred miles of gas lines in the City. Windstream Western Reserve provides local telephone service, and Time Warner provides cable television services.

## **Major Initiatives**

Street improvements for the City of Ashtabula cost \$975,384 in 2010. The West 30<sup>th</sup> Street Sanitary Sewer Rehabilitation Project design engineering costs were \$73,100. The largest expenditure, \$696,770, was for the

City's portion of the replacement of the bridge superstructure, abutment modifications located at the intersection of Lake Avenue, West Avenue and Carpenter Road. Street resurfacing and repair on some of Ashtabula's streets took place during 2010, costing \$135,945. An additional \$55,700 was spent on the major road reconstruction of West Avenue.

The City also completed the process of building a new West Avenue Grade Separation overpass over the Norfolk Southern tracks. The City was awarded a \$4,000,000 grant for construction of this overpass. Phase II of the rehabilitation of the existing West Avenue overpass which spans the main CSX railroad lines, is being engineered in 2010 with construction to commence in 2011.

The City replaced the roofs on a couple of the Wastewater Treatment Plant, the lab and operators buildings and the pump house for a cost of \$15,185. \$320,500 was appropriated for the West Avenue OPWC Sanitary Sewer Project from the Wastewater Fund. A new heating system for the plant was installed for \$13,867.

With the use of Community Development Block Grant funds, the Division of Housing and Community Development continued its efforts to rehabilitate the existing housing inventory in the City. Through the Comprehensive Neighborhood Revitalization Program, fifty-two houses were demolished. Each structure demolished was functionally deteriorated to the degree that rehabilitation was not financially feasible; the houses were dangerous to the public and produced an extreme blight to the community. A 2010 Formula grant was used to replace sidewalk and remove trees along the south side of East 6<sup>th</sup> Street, from Route 11 to the lift bridge. In an effort to replace the removed trees, eighty cleveland pear trees were planted along East 6<sup>th</sup> Street and in the immediate surrounding area. These activities contribute to the health and safety of the community thru rehabilitation and code enforcement efforts. The programs offered and administered by the Division of Housing and Community Development demonstrates the City's commitment to safe, decent and sanitary housing within the community.

The Fire Department answered 1,434 alarms in 2010 which was a 7 percent reduction in assistance calls. There were 53 structure fires in 2010, down two from 2009. Fire department employees received 3,992 hours of in-service training. Grant monies were used for personnel training, fire hose replacement and installation of an emergency AM transmitter. The transmitter provides a source of keeping the public informed during emergencies and other occasions. A 2010 Ford Explorer for the fire department was purchased with permanent improvement funds.

The Sanitation Department services approximately 7,000 households and 160 commercial accounts per week. In a move toward self-sufficiency, City Council passed legislation charging our residents \$15.00 per month for trash collection. Pick-up is mandatory for all residents, and businesses have the option of City pick-up or private hauler. The City contracted with Waste Management for landfill cost pertaining to the rubbish collected by our trucks and the rubbish collected at our transfer station. With a grant from the Ashtabula County Solid Waste District, the City constructed a state-of-the-art-recycling center. This center will handle all types of recyclables. The goal for the recycling center is not to sell the recycled goods for a profit but rather reduce the tonnage that is hauled to the landfill, and reduce the amount of Waste Management landfill fees paid during the year. The City of Ashtabula took in, in excess of 412,140 pounds of recyclable materials, approximately 2,800 tires, and 2,000 pounds of computer parts and cell phones during 2010. The City sold the recyclable materials for \$2,206 and avoided paying approximately \$30,000 in landfill tipping fees.

The Police Department played a major role in finding grant monies to put laptop computers in our patrol cars. Each officer will have the ability to look up license plate registrations and other vehicle information directly without going through our dispatch center. During 2010, several more laptops were purchased with the goal of having one laptop per cruiser so the swapping between cruisers will not be needed in the future. The police department, in conjunction with a Homeland Security grant, also received a boat to be able to patrol our coastline. The grant also provided for training of our officers.

The caseload for the Municipal Court totaled 6,826 in 2010, representing a 2,439 case decrease from 2009. A majority of the decreases are in the traffic citation part of the Court. The City police have been aggressively

addressing the speeding and other traffic violations through traffic citations but unfortunately in 2010 less patrolmen just means less hours available to run traffic. The slight reduction in criminal cases again this year is hopefully a reflection of the stepped up law enforcement efforts made by all City officials. Crime and drug related offenses in our City have been top priority with the administration once again during 2010. The City administration has explored many ways to increase revenues and therefore increase funding to our police department. The increased funding allows more officers on the streets, all the time. The municipal court has spent many hours on the new security rules in effect for courts. The City is committed to making this area and the individuals working in the courts very secure.

#### **Awards and Acknowledgements**

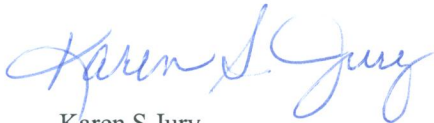
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Ashtabula, Ohio, for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2009. This was the City of Ashtabula's twenty-third consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Sincere appreciation of the members of City Council and to the Administration whose continued support is necessary for the City of Ashtabula to conform to reporting requirements established for municipal governments.

Our thanks also go to the Local Government Services of Auditor of State Dave Yost's Office for their assistance in the organization and final review of our 2010 Comprehensive Annual Financial Report.

Respectfully submitted,



Karen S Jury  
Acting Ashtabula City Auditor



Lori G. Mackey  
Ashtabula City Treasurer

**City of Ashtabula, Ohio**

*List of Principal Officials*

*December 31, 2010*

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***City Council***

Charles Brockway ..... President  
Betty Kist ..... Vice President  
Richard F. Balog ..... Ward I  
August Pugliese ..... Ward II  
Ann Stranman ..... Ward III  
Julie Lattimer ..... Ward IV  
James Trisket ..... Ward V  
LaVette E. Hennigan ..... Clerk of Council

***City Officials***

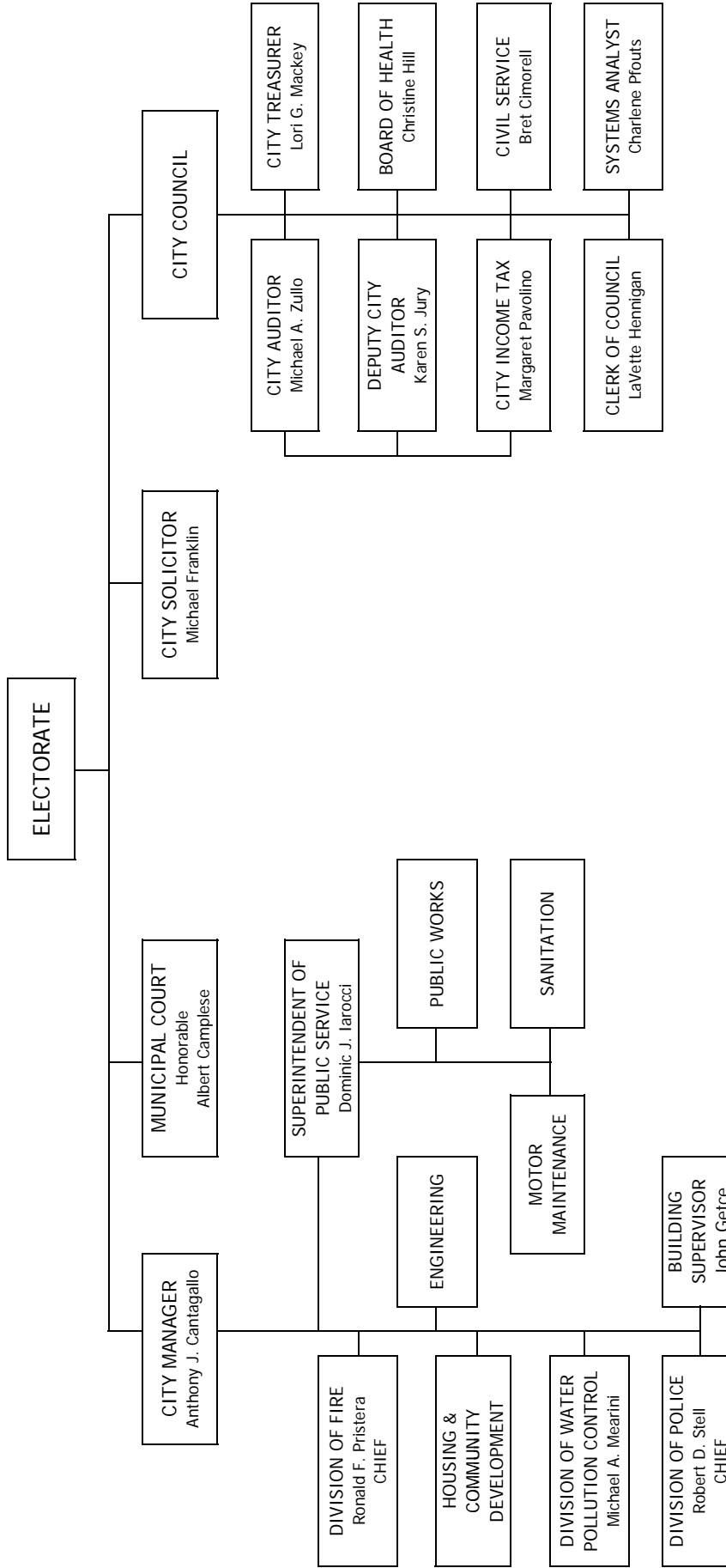
Albert S. Camplese ..... Municipal Court Judge  
Anthony J. Cantagallo ..... City Manager  
Michael Franklin ..... City Solicitor  
Dominic J. Iarocci ..... Superintendent of Public Works and Sanitation  
Karen S. Jury ..... Acting City Auditor  
Lori G. Mackey ..... City Treasurer  
Michael A. Mearini ..... Superintendent of Wastewater Treatment Plant  
Margaret Pavolino ..... Income Tax Administrator  
Charlene Pfouts ..... Systems Analyst  
Ronald F. Pristera ..... Chief of Fire  
Robert D. Stell ..... Chief of Police  
Michael A. Zullo ..... City Auditor (1)

(1) Michael A. Zullo retired from the City as City Auditor effective January 3, 2011.



CITY OF ASHTABULA, OHIO  
 ORGANIZATIONAL CHART

December 31, 2010



# 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, 2009

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



President

Executive Director

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# **FINANCIAL SECTION**

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20 E. McKinley Way, Suite 4  
Poland, Ohio 44514  
Ph: 330.707.9035  
Fax: 888.516.1186

CERTIFIED PUBLIC ACCOUNTANTS

WWW.CANTERCPA.NET

## INDEPENDENT ACCOUNTANTS' REPORT

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

To the City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Ashtabula, Ashtabula County, Ohio (the City), as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Ashtabula, Ashtabula County, Ohio, as of December 31, 2010, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General fund, and Community Block Grant fund, Sanitation fund, and Street Construction, Maintenance and Repair fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2011, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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



Canter & Associates

September 30, 2011

**City of Ashtabula, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2010*  
*Unaudited*

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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, 2010. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, and the basic financial statements to enhance their understanding of the City's financial performance.

**Financial Highlights**

- ◆ During 2010, a number of street improvements were completed throughout the City, including the completion of the West Avenue overpass over the Norfolk Southern tracks and replacement of a bridge superstructure at the intersection of Lake Avenue, West Avenue and Carpenter Road. The City also purchased a new garbage truck for the street department for City-wide trash removal.
- ◆ Overall, expenditures of the City decreased during 2010 as a result of the City's diligent financial management. With revenues also decreasing during 2010, the City continues to actively pursue grants to offset costs of providing services and to offer new programs to the Citizens of Ashtabula.
- ◆ The City is not immune to the economic conditions that have affected the United States. During the past few years, several companies, including the City, have either reduced employees to minimum staffing levels or have decided to close their doors. With the unemployment slowly increasing throughout the County, the City continues to work diligently to keep their finances budgeted.

**Using this Annual Financial Report**

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

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

***Reporting the City of Ashtabula as a Whole***

*Statement of Net Assets and the Statement of Activities*

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and ask the question, "How did we do financially during 2010?" The Statement of Net Assets and the Statement of Activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by the private sector companies. The accrual basis of accounting does take into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

These two statements report the City's net assets and the changes in those assets. This change in assets is important because it tells the reader whether the City as a whole and its financial position has improved or

**City of Ashtabula, Ohio**  
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diminished. However, in evaluating the overall position of the City, non financial information such as changes in the City's tax base and the condition of City capital assets will also need to be evaluated.

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

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

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

*Fund Financial Statements*

The analysis of the City's major funds begins on page 7. Fund financial reports provide detailed information about the City's major funds. Based on restrictions on the use of monies, the City has established many funds which account for the multitude of services provided to our residents. However, these fund financial statements focus on the City's most significant funds. In the case of the City of Ashtabula, our major funds are the general, community development block grant, sanitation, street maintenance and repair, debt service, and permanent improvement.

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

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

**The City of Ashtabula as a Whole**

Recall that the Statement of Net Assets looks at the City as a whole. Table 1 provides a summary of the City's net assets for 2010 compared to 2009.



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(Table 1)  
 Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
<b>Assets</b>						
Current and Other Assets	\$10,540,274	\$11,811,466	\$2,137,146	\$2,196,495	\$12,677,420	\$14,007,961
Capital Assets	19,912,725	19,757,703	13,802,482	13,958,888	33,715,207	33,716,591
<i>Total Assets</i>	<u>30,452,999</u>	<u>31,569,169</u>	<u>15,939,628</u>	<u>16,155,383</u>	<u>46,392,627</u>	<u>47,724,552</u>
<b>Liabilities</b>						
Current and Other Liabilities	2,807,834	2,676,183	207,646	141,837	3,015,480	2,818,020
Long-Term Liabilities						
Due Within One Year	1,647,202	1,629,958	580,843	561,388	2,228,045	2,191,346
Due in More Than One Year	2,408,580	2,206,056	2,945,706	3,411,196	5,354,286	5,617,252
<i>Total Liabilities</i>	<u>6,863,616</u>	<u>6,512,197</u>	<u>3,734,195</u>	<u>4,114,421</u>	<u>10,597,811</u>	<u>10,626,618</u>
<b>Net Assets</b>						
Invested in Capital Assets,						
Net of Related Debt	19,344,792	19,304,462	10,615,079	10,339,668	29,959,871	29,644,130
Restricted for:					0	0
Capital Projects	519,091	616,317	0	0	519,091	616,317
Debt Service	125,280	212,116	0	0	125,280	212,116
Other Purposes	3,439,358	4,082,302	0	0	3,439,358	4,082,302
Unrestricted	160,862	841,775	1,590,354	1,701,294	1,751,216	2,543,069
<i>Total Net Assets</i>	<u>\$23,589,383</u>	<u>\$25,056,972</u>	<u>\$12,205,433</u>	<u>\$12,040,962</u>	<u>\$35,794,816</u>	<u>\$37,097,934</u>

For the City, total net assets for governmental activities saw a decrease. This decrease is largely due to a decrease in cash. Income taxes received during the year have continued to decrease from prior year levels due to the unemployment continuing to affect local employers. There was also a decrease in intergovernmental revenue as the City received a Brownfield Grant, Police Enhancement Grant, and several other small grants in the previous year that were not awarded to the City in the current year. The City's capital assets in the Governmental Activities increased slightly during 2009, which reflect major street improvements, the purchase of a new radio system for the police department that cost \$151,525, three additional police cars, and a new generator for the fire department. Current liabilities increased slightly. Long-term liabilities increased in 2010 with general obligation bonds issued to finance bridge improvements.

The net assets of the City's business type activities increased in 2010. Current assets decreased as cash decreased. This is due to the City making principal payments on their OWDA and OPWC loans during the year. Loan proceeds from small OPWC interest free loans helped to construct several small sewer improvement projects. Capital assets decreased by \$156,406 net of depreciation despite the City once again aggressively spending money on upgrading our wastewater treatment plant sewer lines less accumulated depreciation on these assets. In addition to those projects the City completed the Equalization Basin Project. With usage rates generating revenue which reasonably matches operating expenses and most capital expenditures annually, the financial condition of the business type activity is relatively constant. The City's wastewater treatment facility is the only business type activity.

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

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(Table 2)  
Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for Services	\$3,530,203	\$3,446,866	\$3,645,979	\$3,601,213	\$7,176,182	\$7,048,079
Operating Grants, Contributions and Interest	1,234,383	1,080,197	0	0	1,234,383	1,080,197
Capital Grants and Contributions	184,138	678,449	147,860	231,298	331,998	909,747
<b>Total Program Revenues</b>	<b>4,948,724</b>	<b>5,205,512</b>	<b>3,793,839</b>	<b>3,832,511</b>	<b>8,742,563</b>	<b>9,038,023</b>
<b>General Revenues</b>						
Property Taxes	2,030,473	2,211,810	0	0	2,030,473	2,211,810
Income Taxes	5,363,000	6,130,954	0	0	5,363,000	6,130,954
Grants and Entitlements	1,628,612	3,135,994	0	0	1,628,612	3,135,994
Investment Earnings	5,450	11,572	0	0	5,450	11,572
Franchise Fees	242,362	0	0	0	242,362	0
Gain on Sale of Capital Assets	15,415	0	0	0	15,415	0
Other	7,345	250,783	12,600	28,196	19,945	278,979
<b>Total General Revenues</b>	<b>9,292,657</b>	<b>11,741,113</b>	<b>12,600</b>	<b>28,196</b>	<b>9,305,257</b>	<b>11,769,309</b>
<b>Total Revenues</b>	<b>14,241,381</b>	<b>16,946,625</b>	<b>3,806,439</b>	<b>3,860,707</b>	<b>18,047,820</b>	<b>20,807,332</b>
<b>Program Expenses</b>						
<b>General Government</b>						
Legislative and Executive	2,721,988	3,227,472	0	0	2,721,988	3,227,472
Judicial System	1,149,058	1,183,400	0	0	1,149,058	1,183,400
<b>Security of Persons and Property</b>						
Police	3,704,992	3,686,839	0	0	3,704,992	3,686,839
Fire	2,776,175	3,021,851	0	0	2,776,175	3,021,851
Public Health Services	404,670	365,246	0	0	404,670	365,246
Street Maintenance and Repairs	1,612,921	1,922,571	0	0	1,612,921	1,922,571
<b>Housing and Community</b>						
Development	1,312,203	601,846	0	0	1,312,203	601,846
Sanitation Services	1,936,483	1,928,179	0	0	1,936,483	1,928,179
Leisure Time Activities	75,811	79,793	0	0	75,811	79,793
Interest and Fiscal Charges	14,669	31,026	0	0	14,669	31,026
Wastewater Treatment	0	0	3,641,968	4,230,206	3,641,968	4,230,206
<b>Total Expenses</b>	<b>15,708,970</b>	<b>16,048,223</b>	<b>3,641,968</b>	<b>4,230,206</b>	<b>19,350,938</b>	<b>20,278,429</b>
<i>Excess before Transfers</i>	(1,467,589)	898,402	164,471	(369,499)	(1,303,118)	528,903
<i>Transfers</i>	0	76,500	0	(76,500)	0	0
<i>Increase (Decrease) in Net Assets</i>	(1,467,589)	974,902	164,471	(445,999)	(1,303,118)	528,903
<i>Net Assets Beginning of Year</i>	<u>25,056,972</u>	<u>24,082,070</u>	<u>12,040,962</u>	<u>12,486,961</u>	<u>37,097,934</u>	<u>36,569,031</u>
<i>Net Assets End of Year</i>	<u>\$23,589,383</u>	<u>\$25,056,972</u>	<u>\$12,205,433</u>	<u>\$12,040,962</u>	<u>\$35,794,816</u>	<u>\$37,097,934</u>

**City of Ashtabula, Ohio**  
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***Governmental Activities***

Several revenue sources fund our Governmental Activities with the City income tax being the biggest contributor. The income tax rate of 1.8 percent was renewed by a vote of our citizens in May of 2007 and renewed once again in May of 2010. The renewal will be in effect thru December 31, 2013. The income tax revenue for 2010 declined significantly during 2010 as a direct result of the decreased employment throughout the City. This is significant as the City income tax funds approximately 34 percent of all expenses in the Governmental Activities.

The City has seen the income tax collections decrease by \$767,954 or approximately 12.5 percent in 2010. The City's major employers started reducing staffing levels during 2009 as less orders were coming in and the national recession peaked. The laid off employees of these companies are required to pay Federal and State income tax on the unemployment benefits but no local taxes are collected on these benefits. The City of Ashtabula municipal court has also stepped up the collection of uncollected fines by issuing warrants for nonpayment. General revenues from grants and entitlements, such as local government funds, are also a large revenue generator. Local government funding from the State generates approximately \$1,295,000 per year. The capital grants were less in 2010 due to a turnover in personnel in the Housing Community Development Department which applies for and administers these grants and fewer grants available with low matching funds needed to qualify.

***Business-Type Activities***

The City's only business-type activity is our Wastewater Treatment Facility, which receives no support from tax revenues. This plant treats sewage from the City of Ashtabula and surrounding townships. This facility generated charges for service revenues of \$3,645,979 and had expenses of \$3,641,968 during 2010. The City continues looking at ways to improve cash flow by reducing costs of operation. Nonpayment of sewer bills is certified to the County Auditor for certification on the property tax bills. Seeing that the City does not own the water company, discontinuation of service is not optional and the sewer service is continued. During 2010, the City once again worked hard on expanding line capacity to surrounding townships. To the west, Saybrook Township has boomed with housing developments in many parts of the township, especially along the lakeshore area. On the east side of the City commercial growth in Ashtabula Township is booming despite the economy with a new strip mall opening as well as several other businesses. The City also has several new projects, which will require additional sewer capacity on the City's west side. New larger lines are being installed in the City and Townships to handle the extra capacity. These lines, which will service the townships, will also service the City of Ashtabula's new Industrial Park at the end of State Route 11. The industrial park did have the groundbreaking recently and looks forward to having several large tenants that will have jobs available. The City has been able to keep sewer rates low because of increased revenues from additional flow from new construction of businesses and homes in our county.

**The City's Funds**

A review of the City's governmental funds provides information on near-term flows and balances of expendable resources and serves as a useful measure of a government's net resources. In particular, unreserved fund balances may serve as a useful measure of a government's net resources available for spending at the end of the year. Information about the City's major governmental funds begins on page 16. These funds are accounted for using the modified accrual basis of accounting. At the end of the current year, the City of Ashtabula's governmental funds reported combined ending funding balances of \$2,016,774. Of this amount, \$364,998 is not available for new spending because it has already been committed to liquidate contracts and purchases of the prior period.

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The City's major governmental funds are the general fund, community development block grant, sanitation, street maintenance and repair special revenue funds, debt service fund and permanent improvement capital projects fund. The general fund saw a decrease in fund balance during the year with expenditures exceeding revenues during the year due to a significant decrease in income taxes received in 2010. Expenditures increased during the year due to contractual raises.

The community development block grant revenues increased in 2010 due to a grant received to replace sidewalks and remove trees along the south side of East 6<sup>th</sup> Street which was offset by a large increase in expenditures as grant money was used to demolish a number of homes throughout the City. The street maintenance and repair and sanitation special revenues funds both saw increases in fund balances during the year while the debt service fund and permanent improvement capital projects fund decreased.

The wastewater treatment enterprise fund saw a slight decrease in revenues due to delinquent sewer bills. Expense also decreased due to diligent spending at the wastewater treatment plant which included eliminating a position. Overall, the wastewater treatment enterprise fund saw an increase in fund balance during 2010.

***General Fund Budgeting Highlights***

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

During the year of 2010, the City amended its general fund budget several times, none significant. All recommendations for a budget change come from the City Auditor to the Finance and Ordinance committee of Council for review before going to the whole council for ordinance enactment on the change. The City does allow small intra-fund budget changes that modify line items within departments within the same fund. With the general fund supporting many of our major activities such as our police and fire departments, as well as most legislative and executive activities, the general fund is monitored closely looking for possible revenue shortfalls or over spending by individual departments.

**Capital Assets and Debt Administration**

***Capital Assets***

Table 3  
 Capital Assets at December 31

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
<b>Capital Assets, Non Depreciable</b>						
Land	\$2,001,668	\$2,001,668	\$57,763	\$57,763	\$2,059,431	\$2,059,431
Construction in Progress	3,173,600	2,782,190	330,620	537,528	3,504,220	3,319,718
Total Capital Assets, Non Depreciable	<u>\$5,175,268</u>	<u>\$4,783,858</u>	<u>\$388,383</u>	<u>\$595,291</u>	<u>\$5,563,651</u>	<u>\$5,379,149</u>

**City of Ashtabula, Ohio**  
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	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
<b>Capital Assets,</b>						
<b>Being Depreciated</b>						
Buildings and Improvements	\$11,062,782	\$11,048,942	\$7,084,180	\$6,658,650	\$18,146,962	\$17,707,592
Equipment	2,860,717	2,702,669	1,980,680	1,940,361	4,841,397	4,643,030
Vehicles	3,998,278	3,834,992	402,858	392,958	4,401,136	4,227,950
Furniture and Fixtures	5,200	5,200	0	0	5,200	5,200
<b>Infrastructure</b>						
Bridges	4,212,612	4,212,612	0	0	4,212,612	4,212,612
Roads	10,331,071	9,847,395	0	0	10,331,071	9,847,395
Storm Sewers	2,533,404	2,533,404	0	0	2,533,404	2,533,404
Traffic Lights	563,138	563,138	0	0	563,138	563,138
Sanitary Sewers	0	0	14,417,148	14,294,650	14,417,148	14,294,650
Total Capital Assets,						
being Depreciated	35,567,202	34,748,352	23,884,866	23,286,619	59,452,068	58,034,971
Accumulated Depreciation	(20,829,745)	(19,774,507)	(10,470,767)	(9,923,022)	(31,300,512)	(29,697,529)
Total Capital Assets,						
Depreciable, Net	14,737,457	14,973,845	13,414,099	13,363,597	28,151,556	28,337,442
<b>Total Capital Assets</b>	<u>\$19,912,725</u>	<u>\$19,757,703</u>	<u>\$13,802,482</u>	<u>\$13,958,888</u>	<u>\$33,715,207</u>	<u>\$33,716,591</u>

The primary increases in governmental capital assets occurred in construction in progress, equipment and vehicle purchases and infrastructure improvements. These improvements were part of the City's long-term goal of completely rebuilding the infrastructure of our City from our roads and bridges through storm and sanitary sewers. Even though grants are gradually increasing the required percentage of local matching funds, such as Issue II funds increasing from a 30 percent match to a 40 percent match, the City of Ashtabula has been aggressively seeking these grant dollars knowing that we have the local match dollars available. The major projects during 2010 were our regular street paving project, which cost approximately \$975,384. We also continued our equipment replacement program during 2010 with a majority of the money being spent on equipment for the safety forces. The City also purchased two 2005 Chevy Trailblazers for the police department, a 2010 Ford Explorer for the fire department and a new garbage truck for the street department. The City has a strong commitment of recreation for all. Continued work on Smith Field, Walnut Beach and other playgrounds in the City has been given high priority.

The biggest increase in capital assets in business-type activities was the completion of Goodwill Drive reconstruction. The City was also able to complete roof repairs at the Wastewater Treatment Plant as well as completing phase 1 of the electrical work at the plant. As a continued step towards the City's plan to renovate and upgrade the entire plant within ten years, the City began the next phase during 2010 with the addition of construction in progress on West 30<sup>th</sup> sanitary sewer project. This included paving, relining sewers and engineering.

See Note 9 for additional information about the City's capital assets.

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**Debt**

Table 4  
 Outstanding Debt at Year End

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
General Obligation Bonds	\$475,000	\$349,827	\$0	\$0	\$475,000	\$349,827
Special Assessments:						
OPWC Loan - Harbor Heights	92,933	102,715	0	0	92,933	102,715
Claims Payable	409,016	269,007	0	0	409,016	269,007
Compensated Absences	3,078,833	3,113,766	339,146	353,364	3,417,979	3,467,130
OPWC Loans:						
Morton Drive Siphon	0	0	183,659	183,659	183,659	183,659
Michigan Avenue/EQ Basin	0	0	450,000	475,000	450,000	475,000
West/Lake Avenue Bridge	0	699	0	0	0	699
KeyCorp Loan	0	0	150,000	200,000	150,000	200,000
OWDA Loan	0	0	782,419	905,831	782,419	905,831
EQ Basin Loan	0	0	1,621,325	1,854,730	1,621,325	1,854,730
<b>Total Outstanding Debt</b>	<b>\$4,055,782</b>	<b>\$3,836,014</b>	<b>\$3,526,549</b>	<b>\$3,972,584</b>	<b>\$7,582,331</b>	<b>\$7,808,598</b>

The OPWC Loan – Harbor Heights is secured by future collections of special assessments. The Harbor Heights residents have agreed to be assessed on their property taxes for a 20 year period commencing January 1, 1999 and ending July 2018.

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

The City's overall legal debt margin was \$23,453,685 at December 31, 2010. See Note 10 for additional information about the City's long-term debt.

**Current Related Financial Activities**

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

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

**City of Ashtabula, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2010*  
*Unaudited*

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**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 the Karen S. Jury, Acting Ashtabula City Auditor, 4717 Main Avenue, Ashtabula, Ohio 44004, telephone 440-992-7107, or e-mail at [karenj@suite224.net](mailto:karenj@suite224.net).

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## Basic Financial Statements

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**City Of Ashtabula, Ohio**

*Statement of Net Assets*

*December 31, 2010*

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activity	Total	
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$2,485,562	\$55,709	\$2,541,271	\$0
Cash and Cash Equivalents in Segregated Accounts	137,691	0	137,691	473,397
Accounts Receivable	1,429,781	2,013,438	3,443,219	0
Accrued Interest		0	0	4,824
Intergovernmental Receivable	2,463,909	0	2,463,909	39,697
Materials and Supplies Inventory	50,776	2,713	53,489	0
Prepaid Items	88,887	65,286	154,173	0
Due from Component Unit	82,878	0	82,878	0
Loans Receivable	61,429	0	61,429	0
Property Taxes Receivable	2,350,988	0	2,350,988	0
Income Taxes Receivable	1,308,954	0	1,308,954	0
Special Assessments Receivable	79,419	0	79,419	0
Capital Assets, Nondepreciable	5,175,268	388,383	5,563,651	1,679,476
Capital Assets, Depreciable, Net	14,737,457	13,414,099	28,151,556	265,642
<i>Total Assets</i>	<u>30,452,999</u>	<u>15,939,628</u>	<u>46,392,627</u>	<u>2,463,036</u>
<b>Liabilities</b>				
Accounts Payable	48,640	79,703	128,343	0
Contracts Payable	134,756	0	134,756	0
Accrued Wages	354,439	76,321	430,760	3,350
Intergovernmental Payable	478,201	17,580	495,781	110,000
Deferred Revenue	1,789,751	0	1,789,751	9,029
Deposits Held and Due to Others	2,047	0	2,047	0
Accrued Interest Payable	0	34,042	34,042	0
Due to Primary Government	0	0	0	82,878
Long-Term Liabilities:				
Due Within One Year	1,647,202	580,843	2,228,045	48,896
Due Within More Than One Year	2,408,580	2,945,706	5,354,286	551,611
<i>Total Liabilities</i>	<u>6,863,616</u>	<u>3,734,195</u>	<u>10,597,811</u>	<u>805,764</u>
<b>Net Assets</b>				
Invested in Capital Assets, Net of Related Debt	19,344,792	10,615,079	29,959,871	1,261,733
Restricted for:				
Capital Projects	519,091	0	519,091	0
Debt Service	125,280	0	125,280	0
Community Development	1,330,094	0	1,330,094	0
Sanitation	1,010,723	0	1,010,723	0
Street Maintenance and Repair	151,130	0	151,130	0
Other Purposes	947,411	0	947,411	0
Unrestricted	160,862	1,590,354	1,751,216	395,539
<i>Total Net Assets</i>	<u>\$23,589,383</u>	<u>\$12,205,433</u>	<u>\$35,794,816</u>	<u>\$1,657,272</u>

See accompanying notes to the basic financial statements

**City of Ashtabula, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2010

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions and Interest	Capital Grants and Contributions
<b>Governmental Activities</b>				
General Government:				
Legislative and Executive	\$2,721,988	\$299,400	\$0	\$184,138
Judicial System	1,149,058	210,280	15,708	0
Security of Persons and Property:				
Police	3,704,992	404,073	100,718	0
Fire	2,776,175	277,242	77,269	0
Public Health Services	404,670	117,408	111,983	0
Street Maintenance and Repairs	1,612,921	59,080	779,720	0
Housing and Community Development	1,312,203	280,833	108,985	0
Sanitation Services	1,936,483	1,866,093	40,000	0
Leisure Time Activities	75,811	15,794	0	0
Interest and Fiscal Charges	14,669	0	0	0
<i>Total Governmental Activities</i>	15,708,970	3,530,203	1,234,383	184,138
<b>Business-Type Activity</b>				
Wastewater Treatment	3,641,968	3,645,979	0	147,860
<i>Total Primary Government</i>	<u>\$19,350,938</u>	<u>\$7,176,182</u>	<u>\$1,234,383</u>	<u>\$331,998</u>
<b>Component Unit</b>				
Asthtabula Port Authority	<u>\$123,235</u>	<u>\$38,273</u>	<u>\$2,060</u>	<u>\$9,800</u>

**General Revenues**

Property Taxes Levied for:

    General Purposes

    Fire and Police Pension

    Capital Outlay

Income Taxes Levied for:

    General Purposes

    Capital Outlay

Grants and Entitlements not Restricted to Specific Programs

Investment Earnings

Franchise Taxes

Gain on Sale of Capital Assets

Other

*Total General Revenues*

Change in Net Assets

*Net Assets Beginning of Year*

*Net Assets End of Year*

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			
Governmental Activities	Business-Type Activity	Total	Component Unit
(\$2,238,450)	\$0	(\$2,238,450)	\$0
(923,070)	0	(923,070)	0
(3,200,201)	0	(3,200,201)	0
(2,421,664)	0	(2,421,664)	0
(175,279)	0	(175,279)	0
(774,121)	0	(774,121)	0
(922,385)	0	(922,385)	0
(30,390)	0	(30,390)	0
(60,017)	0	(60,017)	0
(14,669)	0	(14,669)	0
(10,760,246)	0	(10,760,246)	0
0	151,871	151,871	0
(10,760,246)	151,871	(10,608,375)	0
0	0	0	(73,102)
1,020,451	0	1,020,451	0
571,202	0	571,202	0
438,820	0	438,820	0
4,814,382	0	4,814,382	0
548,618	0	548,618	0
1,628,612	0	1,628,612	0
5,450	0	5,450	839
242,362	0	242,362	0
15,415	0	15,415	0
7,345	12,600	19,945	0
9,292,657	12,600	9,305,257	839
(1,467,589)	164,471	(1,303,118)	(72,263)
25,056,972	12,040,962	37,097,934	1,729,535
\$23,589,383	\$12,205,433	\$35,794,816	\$1,657,272

**City of Ashtabula, Ohio**

*Balance Sheet*

*Governmental Funds*

*December 31, 2010*

	General	Community Development Block Grant	Sanitation	Street Maintenance and Repair	Debt Service
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$108,832	\$227,493	\$284,951	\$79,163	\$45,861
Cash and Cash Equivalents In Segregated Accounts	123,303	0	0	0	0
Receivables:					
Property Taxes	1,179,475	0	0	0	0
Income Taxes	1,178,059	0	0	0	0
Accounts	65,196	91,724	1,109,096	119,716	0
Special Assessments	0	0	0	0	79,419
Intergovernmental Receivable	1,106,907	991,438	0	218,134	0
Materials and Supplies Inventory	7,979	0	13,147	29,650	0
Prepaid Items	63,358	440	0	2,246	0
Due from Component Unit	0	82,878	0	0	0
Loans Receivable	0	61,429	0	0	0
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	35,569	0	0	0	0
<b>Total Assets</b>	<b>\$3,868,678</b>	<b>\$1,455,402</b>	<b>\$1,407,194</b>	<b>\$448,909</b>	<b>\$125,280</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable	\$22,448	\$940	\$8,721	\$7,141	\$0
Contracts Payable	0	104,655	30,101	0	0
Accrued Wages	276,946	8,579	35,562	30,710	0
Intergovernmental Payable	128,961	2,083	8,188	7,148	0
Interfund Payable	250,000	0	0	0	0
Deferred Revenue	2,887,441	1,083,162	971,049	286,175	79,419
Deposits Held and Due to Others	0	0	0	0	0
<b>Total Liabilities</b>	<b>3,565,796</b>	<b>1,199,419</b>	<b>1,053,621</b>	<b>331,174</b>	<b>79,419</b>
<b>Fund Balances</b>					
Reserved for Encumbrances	31,608	70,856	11,291	14,370	0
Reserved for Unclaimed Funds	35,569	0	0	0	0
Reserved for Inventory	7,979	0	13,147	29,650	0
Reserved for Loans Receivable	0	124,892	0	0	0
Unreserved:					
Designated for Roadway Improvements	0	0	0	0	0
Undesignated, Reported in:					
General Fund	227,726	0	0	0	0
Special Revenue Funds	0	60,235	329,135	73,715	0
Debt Service Fund	0	0	0	0	45,861
Capital Projects Funds (Deficit)	0	0	0	0	0
<b>Total Fund Balances</b>	<b>302,882</b>	<b>255,983</b>	<b>353,573</b>	<b>117,735</b>	<b>45,861</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$3,868,678</b>	<b>\$1,455,402</b>	<b>\$1,407,194</b>	<b>\$448,909</b>	<b>\$125,280</b>

See accompanying notes to the basic financial statements

**City of Ashtabula, Ohio**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Assets of Governmental Activities  
 December 31, 2010*

Permanent Improvement	Other Governmental Funds	Total Governmental Funds
\$213,238	\$857,838	\$1,817,376
2,829	11,559	137,691
511,997	659,516	2,350,988
130,895	0	1,308,954
0	44,049	1,429,781
0	0	79,419
34,261	113,169	2,463,909
0	0	50,776
22,582	261	88,887
0	0	82,878
0	0	61,429
0	0	35,569
<u>\$915,802</u>	<u>\$1,686,392</u>	<u>\$9,907,657</u>
\$9,390	\$0	\$48,640
0	0	134,756
0	2,642	354,439
0	223,600	369,980
0	0	250,000
624,004	799,771	6,731,021
0	2,047	2,047
<u>633,394</u>	<u>1,028,060</u>	<u>7,890,883</u>
35,014	201,859	364,998
0	0	35,569
0	0	50,776
0	0	124,892
247,394	0	247,394
0	0	227,726
0	453,162	916,247
0	0	45,861
0	3,311	3,311
<u>282,408</u>	<u>658,332</u>	<u>2,016,774</u>
<u>\$915,802</u>	<u>\$1,686,392</u>	<u>\$9,907,657</u>

<b>Total Governmental Funds Balances</b>	<b>\$2,016,774</b>
<i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	19,912,725
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
Property Taxes	\$561,237
Municipal Income Taxes	777,468
Intergovernmental	2,256,027
Special Assessments	79,419
Charges for Services	1,218,514
Franchise Taxes	48,605
Total	<u>4,941,270</u>
Two internal service funds are used by management to charge the costs of insurance and workers' compensation to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	
Net Assets	365,380
Claims Payable	<u>409,016</u>
Total	774,396
Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds.	
General Obligation Bonds	(475,000)
Special Assessments	(92,933)
Compensated Absences	(3,078,833)
Claims Payable	<u>(409,016)</u>
Total	<u>(4,055,782)</u>
<b>Net Assets of Governmental Activities</b>	<b><u>\$23,589,383</u></b>

**City of Ashtabula, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2010*

	General	Community Development Block Grant	Sanitation	Street Maintenance and Repair	Debt Service
<b>Revenues</b>					
Property Taxes	\$914,359	\$0	\$0	\$0	\$0
Municipal Income Tax	5,064,204	0	0	0	0
Charges for Services	226,824	0	1,862,871	16,719	0
Licenses and Permits	76,172	0	0	0	0
Fines and Forfeitures	636,205	0	0	0	0
Intergovernmental	1,815,458	986,844	40,000	774,759	0
Special Assessments	0	0	0	0	10,334
Interest	3,707	0	0	1,372	0
Rentals	161,196	0	0	0	0
Franchise Taxes	245,454	0	0	0	0
Other	6,888	0	0	0	0
<i>Total Revenues</i>	<u>9,150,467</u>	<u>986,844</u>	<u>1,902,871</u>	<u>792,850</u>	<u>10,334</u>
<b>Expenditures</b>					
Current:					
General Government:					
Legislative and Executive	2,400,855	0	0	0	301
Judicial System	1,043,680	0	0	0	0
Security of Persons and Property:					
Police	3,064,207	0	0	0	0
Fire	2,384,320	0	0	0	0
Public Health Services	229,247	0	0	0	0
Street Maintenance and Repairs	1,909	0	0	1,050,968	0
Housing and Community Development	51,553	1,145,819	0	0	0
Sanitation Services	22,746	0	1,717,577	0	0
Leisure Time Activities	22,000	0	0	0	0
Capital Outlay	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	0	210,308
Interest and Fiscal Charges	0	0	0	0	8,611
<i>Total Expenditures</i>	<u>9,220,517</u>	<u>1,145,819</u>	<u>1,717,577</u>	<u>1,050,968</u>	<u>219,220</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(70,050)</u>	<u>(158,975)</u>	<u>185,294</u>	<u>(258,118)</u>	<u>(208,886)</u>
<b>Other Financing Sources (Uses)</b>					
General Obligation Bonds Issued	0	0	0	0	0
Proceeds from Sale of Capital Assets	0	0	0	0	0
Transfers In	0	0	0	279,000	131,800
Transfers Out	(220,000)	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(220,000)</u>	<u>0</u>	<u>0</u>	<u>279,000</u>	<u>131,800</u>
<i>Net Change in Fund Balances</i>	<u>(290,050)</u>	<u>(158,975)</u>	<u>185,294</u>	<u>20,882</u>	<u>(77,086)</u>
<i>Fund Balances (Deficit) Beginning of Year</i>	596,783	414,958	155,132	93,867	122,947
Increase (Decrease) in Reserve for Inventory	(3,851)	0	13,147	2,986	0
<i>Fund Balances End of Year</i>	<u>\$302,882</u>	<u>\$255,983</u>	<u>\$353,573</u>	<u>\$117,735</u>	<u>\$45,861</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, 2010*

Permanent Improvement	Other Governmental Funds	Total Governmental Funds
\$393,385	\$511,400	\$1,819,144
576,377	0	5,640,581
0	47,362	2,153,776
0	239,866	316,038
11,177	117,748	765,130
177,887	324,299	4,119,247
0	0	10,334
0	371	5,450
0	0	161,196
0	0	245,454
0	0	6,888
<u>1,158,826</u>	<u>1,241,046</u>	<u>15,243,238</u>
0	0	2,401,156
0	61,670	1,105,350
0	418,535	3,482,742
0	365,780	2,750,100
0	172,037	401,284
0	14,400	1,067,277
0	120,968	1,318,340
0	0	1,740,323
0	14,108	36,108
1,482,536	0	1,482,536
0	0	210,308
6,058	0	14,669
<u>1,488,594</u>	<u>1,167,498</u>	<u>16,010,193</u>
<u>(329,768)</u>	<u>73,548</u>	<u>(766,955)</u>
325,000	0	325,000
15,415	0	15,415
0	20,000	430,800
<u>(131,800)</u>	<u>(79,000)</u>	<u>(430,800)</u>
<u>208,615</u>	<u>(59,000)</u>	<u>340,415</u>
<u>(121,153)</u>	<u>14,548</u>	<u>(426,540)</u>
403,561	643,784	2,431,032
0	0	12,282
<u>\$282,408</u>	<u>\$658,332</u>	<u>\$2,016,774</u>

**Net Change in Fund Balances - Total Governmental Funds** (\$426,540)

**Amounts reported for governmental activities in the statement of activities are different because**

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

Capital Outlay	\$1,574,340	
Depreciation	(1,418,454)	
<b>Total</b>		<b>155,886</b>

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of statement of activities, a gain or loss is reported for each disposal. (864)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property Taxes	211,329	
Municipal Income Tax	(277,581)	
Intergovernmental	(1,072,114)	
Special Assessments	(9,750)	
Charges for Services	133,479	
Franchise Taxes	(3,092)	
<b>Total</b>		<b>(1,017,729)</b>

General obligation bonds issued in the governmental funds that increase long-term liabilities in the statement of net assets are not reported as revenues in the statement of activities. (325,000)

Repayment of long-term obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 210,308

Some expenses reported in the statement of activities, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds

Compensated absences	34,933	
Change in Inventory	12,282	
<b>Total</b>		<b>47,215</b>

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. (110,865)

**Change in Net Assets of Governmental Activities** (\$1,467,589)

**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, 2010*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property Taxes	\$950,519	\$950,519	\$914,359	(\$36,160)
Municipal Income Tax	5,490,000	5,476,200	4,997,133	(479,067)
Charges for Services	191,000	191,000	223,091	32,091
Licenses and Permits	80,825	80,825	68,072	(12,753)
Fines and Forfeitures	699,000	699,000	640,809	(58,191)
Intergovernmental	1,660,628	1,689,807	1,777,635	87,828
Interest	2,050	2,050	3,707	1,657
Rentals	137,200	137,200	161,196	23,996
Franchise Taxes	205,000	205,000	245,454	40,454
Other	68,296	68,296	6,818	(61,478)
<i>Total Revenues</i>	9,484,518	9,499,897	9,038,274	(461,623)
<b>Expenditures</b>				
Current:				
General Government:				
Legislative and Executive	2,545,507	2,530,356	2,408,951	121,405
Judicial System	1,031,691	1,035,546	1,018,667	16,879
Security of Persons and Property:				
Police	2,956,854	3,021,127	2,982,752	38,375
Fire	2,424,907	2,356,215	2,336,626	19,589
Public Health Services	225,961	232,476	225,349	7,127
Street Maintenance and Repairs	2,214	2,179	1,909	270
Housing and Community Development	50,462	54,332	53,109	1,223
Sanitation Services	10,703	31,447	30,227	1,220
Leisure Time Activities	22,000	22,000	22,000	0
<i>Total Expenditures</i>	9,270,299	9,285,678	9,079,590	206,088
<i>Excess of Revenues Over (Under) Expenditures</i>	214,219	214,219	(41,316)	(255,535)
<b>Other Financing Sources (Uses)</b>				
Advances In	0	0	250,000	250,000
Transfers Out	(220,000)	(220,000)	(220,000)	0
<i>Total Other Financing Sources (Uses)</i>	(220,000)	(220,000)	30,000	250,000
<i>Net Change in Fund Balance</i>	(5,781)	(5,781)	(11,316)	(5,535)
<i>Fund Balance Beginning of Year</i>	90,157	90,157	90,157	0
Prior Year Encumbrances Appropriated	16,781	16,781	16,781	0
<i>Fund Balance End of Year</i>	\$101,157	\$101,157	\$95,622	(\$5,535)

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, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$1,957,500	\$1,957,500	\$1,065,477	(\$892,023)
Interest	2,300	2,300	0	(2,300)
<i>Total Revenues</i>	1,959,800	1,959,800	1,065,477	(894,323)
<b>Expenditures</b>				
Current:				
Housing and Community Development	1,926,980	1,962,221	1,193,112	769,109
<i>Net Change in Fund Balance</i>	32,820	(2,421)	(127,635)	(125,214)
<i>Fund Balance Beginning of Year</i>	7,513	7,513	7,513	0
Prior Year Encumbrances Appropriated	201,110	201,110	201,110	0
<i>Fund Balance End of Year</i>	<u>\$241,443</u>	<u>\$206,202</u>	<u>\$80,988</u>	<u>(\$125,214)</u>

See accompanying notes to the basic financial statements

**City of Ashtabula, Ohio**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Sanitation Fund*  
*For the Year Ended December 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for Services	\$1,736,500	\$1,736,500	\$1,803,471	\$66,971
Intergovernmental	102,712	102,712	40,000	(62,712)
Other	6,500	6,500	0	(6,500)
<i>Total Revenues</i>	1,845,712	1,845,712	1,843,471	(2,241)
<b>Expenditures</b>				
Current:				
Sanitation Services	1,845,822	1,845,822	1,692,604	153,218
<i>Net Change in Fund Balance</i>	(110)	(110)	150,867	150,977
<i>Fund Balance Beginning of Year</i>	122,683	122,683	122,683	0
Prior Year Encumbrances Appropriated	110	110	110	0
<i>Fund Balance End of Year</i>	<u>\$122,683</u>	<u>\$122,683</u>	<u>\$273,660</u>	<u>\$150,977</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, 2010*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$15,850	\$15,850	\$16,719	\$869
Intergovernmental	803,000	803,000	773,706	(29,294)
Interest	7,500	7,500	1,372	(6,128)
Other	5,150	5,150	0	(5,150)
<i>Total Revenues</i>	<u>831,500</u>	<u>831,500</u>	<u>791,797</u>	<u>(39,703)</u>
<b>Expenditures</b>				
Current:				
Street Maintenance and Repairs	1,130,000	1,130,000	1,042,483	87,517
<i>Excess of Revenues Under Expenditures</i>	<u>(298,500)</u>	<u>(298,500)</u>	<u>(250,686)</u>	<u>47,814</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	298,500	306,500	279,000	(27,500)
Transfers Out	(5,000)	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>293,500</u>	<u>306,500</u>	<u>279,000</u>	<u>(27,500)</u>
<i>Net Change in Fund Balance</i>	(5,000)	8,000	28,314	20,314
<i>Fund Balance Beginning of Year</i>	27,499	27,499	27,499	0
Prior Year Encumbrances Appropriated	5,000	5,000	5,000	0
<i>Fund Balance End of Year</i>	<u>\$27,499</u>	<u>\$40,499</u>	<u>\$60,813</u>	<u>\$20,314</u>

See accompanying notes to the basic financial statements

**City of Ashtabula, Ohio**  
*Statement of Fund Net Assets*  
*Proprietary Funds*  
*December 31, 2010*

	Business-Type Activity - Wastewater Treatment Fund	Governmental Activities - Internal Service Funds
<b>Assets</b>		
<i>Current Assets:</i>		
Equity in Pooled Cash and Cash Equivalents	\$55,709	\$632,617
Accounts Receivable	2,013,438	0
Interfund Receivable	0	415,578
Materials and Supplies Inventory	2,713	0
Prepaid Items	65,286	0
<i>Total Current Assets</i>	<u>2,137,146</u>	<u>1,048,195</u>
<i>Noncurrent Assets:</i>		
Interfund Receivable	0	250,000
<i>Capital Assets:</i>		
Capital Assets, Nondepreciable	388,383	0
Capital Assets, Depreciable, Net	13,414,099	0
<i>Total Noncurrent Assets</i>	<u>13,802,482</u>	<u>250,000</u>
<i>Total Assets</i>	<u>15,939,628</u>	<u>1,298,195</u>
<b>Liabilities</b>		
<i>Current Liabilities:</i>		
Accounts Payable	79,703	0
Interfund Payable	0	415,578
Accrued Wages	76,321	0
Compensated Absences Payable	113,797	0
Intergovernmental Payable	17,580	108,221
Accrued Interest Payable	34,042	0
Claims Payable	0	259,016
Loans Payable	467,046	0
<i>Total Current Liabilities</i>	<u>788,489</u>	<u>782,815</u>
<i>Long-Term Liabilities (net of current portion):</i>		
Compensated Absences Payable	225,349	0
Claims Payable	0	150,000
Loans Payable	2,720,357	0
<i>Total Long-Term Liabilities</i>	<u>2,945,706</u>	<u>150,000</u>
<i>Total Liabilities</i>	<u>3,734,195</u>	<u>932,815</u>
<b>Net Assets</b>		
Invested in Capital Assets, Net of Related Debt	10,615,079	0
Unrestricted	1,590,354	365,380
<i>Total Net Assets</i>	<u>\$12,205,433</u>	<u>\$365,380</u>

See accompanying notes to the basic financial statements

**City of Ashtabula, Ohio**  
*Statement of Revenues, Expenses  
and Changes in Fund Net Assets  
Proprietary Funds  
For the Year Ended December 31, 2010*

	Business Type Activity - Wastewater Treatment Fund	Governmental Activities - Internal Service Funds
<b>Operating Revenues</b>		
Charges for Services	\$3,645,979	\$2,420,303
Tap-In Fees	12,600	0
Miscellaneous	0	457
<i>Total Revenues</i>	<u>3,658,579</u>	<u>2,420,760</u>
<b>Operating Expenses</b>		
Personal Services	2,051,678	0
Contractual Services	527,766	389,416
Materials and Supplies	395,941	0
Depreciation	547,745	0
Claims	0	2,142,209
<i>Total Operating Expenses</i>	<u>3,523,130</u>	<u>2,531,625</u>
<i>Operating Income (Loss)</i>	135,449	(110,865)
<b>Non Operating Expenses</b>		
Interest and Fiscal Charges	(118,838)	0
<i>Income (Loss) Before Contributions</i>	16,611	(110,865)
Capital Contributions	147,860	0
<i>Change in Net Assets</i>	164,471	(110,865)
<i>Net Assets Beginning of Year</i>	<u>12,040,962</u>	<u>476,245</u>
<i>Net Assets End of Year</i>	<u>\$12,205,433</u>	<u>\$365,380</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, 2010*

	Business Type Activity - Wastewater Treatment Fund	Governmental Activities - Internal Service Funds
<b><i>Increase (Decrease) In Cash and Cash Equivalents</i></b>		
<b>Cash Flows from Operating Activities</b>		
Cash Received from Customers	\$3,523,319	\$0
Cash Received from Tap-In Fees	12,600	0
Cash Received from Other Funds	0	2,431,920
Cash Payments for Employee Services and Benefits	(1,988,969)	0
Cash Payments to Suppliers for Goods and Services	(954,319)	(441,246)
Cash Payments for Claims	0	(2,002,200)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>592,631</u>	<u>(11,526)</u>
<b>Cash Flows from Noncapital Financing Activities</b>		
Advances In	0	78,110
Advances Out	0	(328,110)
<i>Net Cash Used by Noncapital Financing Activities</i>	<u>0</u>	<u>(250,000)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Capital Grants	147,860	0
Principal Paid OWDA Loan	(123,412)	0
Principal Paid EQ Basin Loan	(233,405)	0
Principal Paid on Michigan Ave EQ Basin	(25,000)	0
Principal Paid Key Loan	(50,000)	0
Interest Paid on OWDA Loan	(38,775)	0
Interest Paid on EQ Basin Loan	(77,898)	0
Interest Paid on Key Loan	(7,300)	0
Payments for Capital Acquisitions	(391,339)	0
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>(799,269)</u>	<u>0</u>
<i>Net Decrease In Cash and Cash Equivalents</i>	(206,638)	(261,526)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>262,347</u>	<u>894,143</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$55,709</u>	<u>\$632,617</u>

(continued)

**City of Ashtabula, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds (continued)*  
*For the Year Ended December 31, 2010*

	Business Type Activity - Wastewater Treatment Fund	Governmental Activities - Internal Service Funds
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</b>		
<i>Operating Income (Loss)</i>	\$135,449	(\$110,865)
Adjustments:		
Depreciation	547,745	0
(Increase)/ Decrease in Assets:		
Accounts Receivable	(122,660)	11,160
Materials and Supplies Inventory	(1,356)	0
Prepaid Items	(23,273)	10,626
Increase/ (Decrease) in Liabilities:		
Accounts Payable	(5,983)	(485)
Accrued Wages	61,431	0
Compensated Absences Payable	(14,218)	0
Intergovernmental Payable	15,496	(61,971)
Claims Payable	0	140,009
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$592,631</u>	<u>(\$11,526)</u>

See accompanying notes to the basic financial statements

**City of Ashtabula, Ohio**  
*Statement of Fiduciary Assets and Liabilities*  
*Agency Funds*  
*December 31, 2010*

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<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$57,841</u>
 <b>Liabilities</b>	
Intergovernmental Payable	\$2,089
Deposits Held and Due to Others	<u>55,752</u>
<i>Total Liabilities</i>	<u>\$57,841</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, 2010*

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**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. The charter provides for an elected City Manager-Council form of government, which was adopted on January 1, 1950. Elected officials are the city manager, members of council, and the city solicitor. All serve four-year terms.

***Reporting Entity***

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

Component units are legally separate organizations for which the City is financially accountable (See Note 19). The City is financially accountable for an organization if the City appoints a voting majority of the organization’s governing board; and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization’s resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organizations. Component units may also include organizations for which the City authorizes the issuance of debt or the levying of taxes, or determines the budget.

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

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

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

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2010*

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**Note 2 - Summary of Significant Accounting Policies**

The financial statements of the City of Ashtabula have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The City also applies Financial Accounting Standards Board (FASB) Statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The City has elected not to apply FASB pronouncements issued after November 30, 1989, to its business type activities and enterprise fund. The more significant of the City's accounting policies are described below.

***Basis of Presentation***

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

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

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

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

***Fund Accounting***

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

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

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2010*

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must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balances. The following are the City's major governmental funds:

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

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

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

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

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

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

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

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

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

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

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

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2010*

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

***Measurement Focus***

***Government-wide Financial Statements*** The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the Statement of Net Assets. The Statement of Activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets.

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

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

***Basis of Accounting***

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

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

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 7). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2010*

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

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

Property taxes for which there is an enforceable legal claim as of December 31, 2010, but which were levied to finance year 2011 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

***Budgets***

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the City Auditor. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during 2010.

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

***Cash and Cash Equivalents***

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

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2010*

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During 2010, investments were limited to STAR Ohio. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2010.

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.

Interest is distributed to the general fund and certain special revenue funds of the City. Interest revenue credited to the general fund during 2010 amounted to \$3,707, which includes \$3,475 assigned from other City funds.

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

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

***Restricted Assets***

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

***Inventory***

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

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

***Prepaid Items***

Payments made to vendors for services that will benefit periods beyond December 31, 2010, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of purchase and reflecting the expenditure/expense in the year in which it was consumed.

***Capital Assets***

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

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

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

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

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

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

***Interfund Balances***

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

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

***Compensated Absences***

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

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

**City of Ashtabula, Ohio**  
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***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 contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and long-term loans are recognized as a liability on the governmental fund financial statements when due.

***Fund Balance Reserves and Designations***

The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditure. As a result, encumbrances, unclaimed funds, inventories and loans receivable are recorded as a reservation of fund balance. The permanent improvement capital projects fund has a designation for improvements to roadways at railway crossings in the City. The reserve for unclaimed funds represents cash that, under Ohio law, must remain unclaimed for five years before it becomes available for appropriations.

***Net Assets***

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

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

***Operating Revenues and Expenses***

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for 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.



**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
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***Interfund Activity***

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

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

***Estimates***

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

**Note 3 - Changes in Accounting Principles**

For fiscal year 2010, the City has implemented Governmental Accounting Standard Board (GASB) Statement No. 51, "Accounting and Reporting for Intangible Assets". GASB Statement No. 51 establishes accounting and financial reporting requirements for intangible assets to reduce inconsistencies thereby enhancing the comparability of accounting and financial reporting of such assets among state and local governments. The implementation of this statement did not result in any change to the City's financial statements.

**Note 4 - Accountability and Compliance**

***Accountability***

The food service special revenue fund had a deficit fund balance of \$1,223 as a result of adjustments for accrued liabilities. The general fund is liable for any deficit and provides transfers when cash is required, rather than when accruals occur. The self insurance internal service fund had deficit net assets of \$423,879 as of December 31, 2010. The Acting City Auditor currently monitors the self insurance fund to ensure that expenses are covered each month. The City is also working with its employees to use health care programs to keep the cost of insurance down.

***Compliance***

The following funds had expenditures plus encumbrances in excess of appropriations at the legal level of control contrary to Section 5705.41 of the Ohio Revised Code.

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	Final Appropriations	Expenditures	Excess
General Fund:			
General Government:			
Legislative and Executive			
County Auditor Deductions			
Contractual Services	\$123,533	\$124,924	\$1,391
Self Insurance Fund:			
Contractual Services	111,319	389,416	278,097

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

**Note 5 - 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 a reservation of fund balance (GAAP).
4. Unreported cash represents amounts received but not included as revenue on the budgetary statements, but reported on the operating statements prepared using GAAP.

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

	Net Change in Fund Balance General and Major Special Revenue Funds			
	General	Community Development Block Grant	Sanitation	Street Maintenance And Repair
GAAP Basis	(\$290,050)	(\$158,975)	\$185,294	\$20,882
Net Adjustment for Revenue Accruals	304,143	80,122	(59,400)	(1,053)
Beginning Unrecorded Cash	(41,821)	(1,489)	0	0
Ending Unrecorded Cash	(124,515)	0	0	0
Net Adjustment for Expenditure Accruals	188,494	99,212	36,264	26,835
Encumbrances	(47,567)	(146,505)	(11,291)	(18,350)
Budget Basis	(\$11,316)	(\$127,635)	\$150,867	\$28,314

**City of Ashtabula, Ohio**  
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**Note 6 - Deposits and Investments**

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

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

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

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

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

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

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentality;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that instruments in securities described in this division are made only through eligible institutions; and
7. The State Treasurer's investment pool (STAR Ohio);
8. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 25 percent of the interim monies available.

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

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

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

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

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

### **Investments**

At December 31, 2010, the City had \$100,140 invested in STAR Ohio with an average maturity of 58 days.

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

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

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

### **Note 7 - Receivables**

Receivables at December 31, 2010, consisted primarily of taxes, accounts (billings for utility service), special assessments, accrued interest on investments, amounts due from other governments and loans receivable. Loans receivable represent low interest loans for development projects and home improvements granted to eligible City residents and businesses under the Federal Community Development Block Grant program. The loans bear interest at annual rates ranging between three and seven percent. The loans are to be repaid over periods ranging from five

**City of Ashtabula, Ohio**  
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to fifteen years. The City has also loaned money to the Ashtabula Port Authority (component unit). The loan has an interest rate of 4.5 percent and is to be repaid over twenty years. No allowances for doubtful accounts have been recorded. All receivables, except property taxes, loans and special assessments are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Loans expected to be collected in more than one year amount to \$49,832 and \$75,060 due from the component unit.

Special assessments expected to be collected in more than one year amount to \$69,261 in the debt service fund. At December 31, 2010, the amount of delinquent special assessments was \$376. Collections expected in 2011 amount to \$9,782.

***Property Taxes***

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Property tax revenue received during 2010 for real and public utility property taxes represents collections of the 2009 taxes. Property tax payments received during 2010 for tangible personal property (other than public utility property) are for 2010 taxes.

2010 real property taxes are levied after October 1, 2010, on the assessed value as of January 1, 2010, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2010 real property taxes are collected in and intended to finance 2011. Real property taxes are payable annually or semi-annually. If paid annually, the payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages true value; public utility real property is assessed at 35 percent of true value. 2010 public utility property taxes which became a lien December 31, 2009, are levied after October 1, 2010, and are collected in 2011 with real property taxes.

Tangible personal property tax revenue received during 2010 (other than public utility property tax) represents the collection of 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures, as of 2009, is no longer levied and collected. 2010 is the last year for the collection of tangible personal property taxes from telephone companies; however, the City received no tangible personal property tax revenue from telephone company property. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rate for all City operations for the year ended December 31, 2010, was \$9.31 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2010 property tax receipts were based are as follows:

Real Estate	
Residential/Agricultural	\$147,859,010
Other Real Estate	60,686,260
Tangible Personal Property	
Public Utility	<u>18,910,200</u>
	<u><u>\$227,455,470</u></u>

**City of Ashtabula, Ohio**  
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The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Ashtabula. The County Auditor periodically remits to the City its portion of the taxes collected. Accrued property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2010 and for which there is an enforceable legal claim. In the governmental funds, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2010 operations and the collections of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while on a modified accrual basis it is deferred.

***Income Taxes***

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

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

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

In accordance with the City Charter, any income tax ordinance must be approved by a majority vote at a City election prior to the ordinance becoming effective. The current income tax levy has been renewed through December 2013.

***Intergovernmental Receivables***

A summary of intergovernmental receivables follows:

	<u>Amounts</u>
Governmental Activities	
Grants	\$1,368,725
Local Government	673,827
Gasoline and Excise Tax	204,936
Homestead and Rollback Taxes	124,091
Permissive Tax	54,788
Tangible Personal Property Reimbursement	28,953
Ashtabula Metropolitan Housing Authority	5,399
Liquor Licenses	3,190
Total	<u><u>\$2,463,909</u></u>

**City of Ashtabula, Ohio**  
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**Note 8 - 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 2010, the City contracted with Argonaut Insurance Company for various types of insurance as follows:

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

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

The City provides hospital/medical, dental, drug and vision benefits for its employees through a self-insured program. A third party administrator processes and the City pays the claims. The City is paying self-insurance claims and administrative costs from its insurance internal service fund. An excess coverage insurance (stop loss) policy covers claims in excess of \$50,000 per employee. During 2010, a total of \$2,243,741 was expensed in benefits and administrative costs. The liability for unpaid claims cost of \$8,301, reported in the self insurance internal service fund at December 31, 2010, is based on the requirements of Governmental Accounting Standards Board Statement 30. Statement 30 requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The claims liability was determined by reviewing invoices for claims paid in January and February 2011 which were incurred in 2010.

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 \$400,715 have been accrued as a liability in the workers' compensation internal service fund at December 31, 2010 based on an estimate by the Acting City Auditor.

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

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

	<u>Balance at Beginning</u> <u>of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at</u> <u>End of Year</u>
2009	\$284,703	\$2,339,402	(\$2,355,098)	\$269,007
2010	269,007	2,142,209	(2,002,200)	409,016

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**Note 9 - Capital Assets**

Capital asset activity for the year ended December 31, 2010, was as follows:

	Balance 12/31/2009	Additions	Deductions	Balance 12/31/2010
<b>Governmental Activities:</b>				
Capital Assets, Non-depreciable:				
Land	\$2,001,668	\$0	\$0	\$2,001,668
Construction in Progress	2,782,190	771,184	(379,774)	3,173,600
Total Capital Assets, Non-depreciable	<u>4,783,858</u>	<u>771,184</u>	<u>(379,774)</u>	<u>5,175,268</u>
Capital Assets, Depreciable:				
Buildings and Improvements	11,048,942	13,840	0	11,062,782
Equipment	2,702,669	202,282	(44,234)	2,860,717
Vehicles	3,834,992	249,226	(85,940)	3,998,278
Furniture and Fixtures	5,200	0	0	5,200
Infrastructure:				
Bridges	4,212,612	0	0	4,212,612
Roads	9,847,395	717,582	(233,906)	10,331,071
Storm Sewers	2,533,404	0	0	2,533,404
Traffic Lights	563,138	0	0	563,138
Total Capital Assets, Depreciable	<u>34,748,352</u>	<u>1,182,930</u>	<u>(364,080)</u>	<u>35,567,202</u>
<b>Less Accumulated Depreciation:</b>				
Buildings and Improvements	(5,338,646)	(382,059)	0	(5,720,705)
Equipment	(1,993,129)	(197,688)	43,370	(2,147,447)
Vehicles	(2,993,225)	(250,316)	85,940	(3,157,601)
Furniture and Fixtures	(5,200)	0	0	(5,200)
Infrastructure:				
Bridges	(1,436,736)	(42,551)	0	(1,479,287)
Roads	(6,759,540)	(514,911)	233,906	(7,040,545)
Storm Sewers	(1,156,549)	(25,241)	0	(1,181,790)
Traffic Lights	(91,482)	(5,688)	0	(97,170)
Total Accumulated Depreciation	<u>(19,774,507)</u>	<u>(1,418,454)</u>	<u>363,216</u>	<u>(20,829,745)</u>
Total Capital Assets, Depreciable, net	<u>14,973,845</u>	<u>(235,524)</u>	<u>(864)</u>	<u>14,737,457</u>
<b>Governmental Activities Capital Assets, Net</b>	<u><u>\$19,757,703</u></u>	<u><u>\$535,660</u></u>	<u><u>(\$380,638)</u></u>	<u><u>\$19,912,725</u></u>
<b>Business-Type Activities:</b>				
Capital Assets, Non-depreciable:				
Land	\$57,763	\$0	\$0	\$57,763
Construction in Progress	537,528	330,620	(537,528)	330,620
Total Capital Assets, Non-depreciable	<u>595,291</u>	<u>330,620</u>	<u>(537,528)</u>	<u>388,383</u>
Capital Assets, Depreciable:				
Buildings and Improvements	6,658,650	425,530	0	7,084,180
Equipment	1,940,361	40,319	0	1,980,680
Vehicles	392,958	9,900	0	402,858
Infrastructure:				
Bridges	14,294,650	122,498	0	14,417,148
Total Capital Assets, Depreciable	<u>\$23,286,619</u>	<u>\$598,247</u>	<u>\$0</u>	<u>\$23,884,866</u>



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	Balance 12/31/2009	Additions	Deductions	Balance 12/31/2010
<b>Less Accumulated Depreciation:</b>				
Buildings and Improvements	(\$3,786,627)	(\$193,458)	\$0	(\$3,980,085)
Equipment	(1,415,675)	(157,069)	0	(1,572,744)
Vehicles	(376,404)	(6,014)	0	(382,418)
Infrastructure:				
Sanitary Sewer System	(4,344,316)	(191,204)	0	(4,535,520)
Total Accumulated Depreciation	<u>(9,923,022)</u>	<u>(547,745)</u>	<u>0</u>	<u>(10,470,767)</u>
Total Capital Assets, Depreciable, net	<u>13,363,597</u>	<u>50,502</u>	<u>0</u>	<u>13,414,099</u>
<b>Business-type Activities, Capital Assets, Net</b>	<u><u>\$13,958,888</u></u>	<u><u>\$381,122</u></u>	<u><u>(\$537,528)</u></u>	<u><u>\$13,802,482</u></u>

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

General Government	
Legislative and Executive	\$229,926
Judicial	63,306
Security of Persons and Property	
Police	196,735
Fire	119,314
Public Health Services	3,806
Street Maintenance and Repair	677,166
Sanitation	88,498
Leisure Time Activities	39,703
Total Depreciation Expense	<u><u>\$1,418,454</u></u>

### Note 10 - Long-Term Debt

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

Debt Issue	Original Issue Date	Interest Rate	Original Issue	Year of Maturity
<b>Governmental Activities</b>				
<i>General Obligation Bonds:</i>				
KeyCorp - Building Improvements	2006	4.30 %	\$1,200,000	2010
KeyCorp - Road Improvements	2009	3.60	250,000	2013
US Bank - Bridge Improvements	2010	2.43	325,000	2013
<i>Special Assessment Bonds:</i>				
OPWC Loan - Harbor Heights	2000	0.00	195,647	2022
OPWC Loan - West/Lake Avenue Bridge	2009	0.00	699	2010
<b>Business-Type Activities</b>				
Wastewater Plant Renovation	1999	4.35	1,964,178	2015
Equalization Basin	2007	4.20	2,500,000	2015
OPWC - Morton Drive Siphon Improvement	2008	0.00	183,659	2029
OPWC - Michigan Avenue - EQ Basin	2008	0.00	500,000	2029
KeyCorp - Sewer Improvements	2009	3.60	250,000	2013

**City of Ashtabula, Ohio**  
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A schedule of changes in bonds and other long-term obligations of the City during 2010 follows:

	Principal Outstanding 12/31/2009	Additions	Deductions	Principal Outstanding 12/31/2010	Amounts due in One Year
<b>Governmental Activities</b>					
<b>General Obligation Bonds</b>					
4.30% Building Improvement	\$149,827	\$0	\$149,827	\$0	\$0
3.60% Road Improvements	200,000	0	50,000	150,000	50,000
2.43% Bridge Improvement	0	325,000	0	325,000	105,743
<b>Total General Obligation Bonds</b>	<b>349,827</b>	<b>325,000</b>	<b>199,827</b>	<b>475,000</b>	<b>155,743</b>
<b>Special Assessment</b>					
OPWC Loan - Harbor Heights	102,715	0	9,782	92,933	9,783
OPWC Loan - West/Lake Avenue Bridge	699	0	699	0	0
Claims Payable	269,007	2,142,209	2,002,200	409,016	250,715
Compensated Absences	3,113,766	1,235,710	1,270,643	3,078,833	1,230,961
<b>Total Governmental Activities</b>	<b>3,836,014</b>	<b>3,702,919</b>	<b>3,483,151</b>	<b>4,055,782</b>	<b>1,647,202</b>
<b>Business-type Activities</b>					
<b>OWDA Loan</b>					
4.35% Wastewater Plant Renovation	\$905,831	\$0	\$123,412	\$782,419	\$128,838
<b>EQ Basin Loan</b>					
4.20% Equalization Basin	1,854,730	0	233,405	1,621,325	243,208
<b>OPWC 0% Loan</b>					
Morton Drive Siphon Improvement	183,659	0	0	183,659	20,000
<b>OPWC 0% Loan</b>					
Michigan Avenue - EQ Basin	475,000	0	25,000	450,000	25,000
<b>KeyCorp</b>					
3.60% Sewer Improvements	200,000	0	50,000	150,000	50,000
<b>Total Loans</b>	<b>\$3,619,220</b>	<b>\$0</b>	<b>\$431,817</b>	<b>\$3,187,403</b>	<b>\$467,046</b>
Compensated Absences	353,364	105,353	119,571	339,146	113,797
<b>Total Business-type Activities</b>	<b>\$3,972,584</b>	<b>\$105,353</b>	<b>\$551,388</b>	<b>\$3,526,549</b>	<b>\$580,843</b>

All bonds are secured by the full faith and credit of the City. General obligation bonds are direct obligations of the City and will be repaid from general property taxes levied on all taxable property located within the City. The OPWC loan is secured by the future collection of special assessments. In the event that the benefited property owner would fail to pay the assessment, payment would be made by the City. The amounts due to the Ohio Water Development Authority, Ohio Public Works Commission loans, the EQ Basin loan and the KeyCorp Sewer Improvement loan are payable solely from sewer revenues.

The City has pledged future revenues to repay the five loans. The loans are payable solely from net revenues and are payable through 2029. Annual principal and interest payments on the loans are expected to require 1.23 percent of net revenues. The total principal and interest remaining to be paid on the loans is \$3,550,625. Principal and interest paid for the current year and total net revenues were \$555,790 and \$683,194 respectively.

Compensated absences will be paid from the general fund, the code enforcement, community development block grant, food service, sanitation, street maintenance and repair, special revenue funds and wastewater treatment fund. Claims payable will be paid from the internal service funds (See Note 8).

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The City's overall legal debt margin was \$23,453,685 at December 31, 2010. Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2010, are as follows:

**Governmental Activities**

	General Obligation Bonds				OPWC
	Road Improvements		Bridge Improvements		Loan
	Principal	Interest	Principal	Interest	Harbor Heights
2011	\$50,000	\$5,475	\$105,743	\$7,897	\$9,783
2012	50,000	3,660	108,313	5,328	9,782
2013	50,000	1,825	110,944	2,696	9,783
2014	0	0	0	0	9,782
2015	0	0	0	0	9,782
2016 - 2020	0	0	0	0	39,130
2021 - 2022	0	0	0	0	4,891
<b>Total</b>	<b>\$150,000</b>	<b>\$10,960</b>	<b>\$325,000</b>	<b>\$15,921</b>	<b>\$92,933</b>

**Business-type Activities**

	OWDA Loan		Equalization Basin Loan		Sewer Improvements		OPWC
	Principal	Interest	Principal	Interest	Principal	Interest	Loans
2011	\$128,838	\$32,649	\$243,208	\$68,095	\$50,000	\$5,475	\$45,000
2012	134,505	26,984	253,423	57,881	50,000	3,660	35,000
2013	140,418	21,069	264,067	47,237	50,000	1,825	35,000
2014	146,593	14,895	275,157	36,146	0	0	35,000
2015	232,065	10,167	585,470	37,138	0	0	35,000
2016 - 2020	0	0	0	0	0	0	175,000
2021 - 2025	0	0	0	0	0	0	175,000
2026 - 2029	0	0	0	0	0	0	98,659
<b>Total</b>	<b>\$782,419</b>	<b>\$105,764</b>	<b>\$1,621,325</b>	<b>\$246,497</b>	<b>\$150,000</b>	<b>\$10,960</b>	<b>\$633,659</b>

**Note 11 - Compensated Absences**

All full-time employees of the City earn vacation and sick leave at varying rates depending on length of service. Vacation hours are earned in one year and credited to the employee the following January 1. Vacations are paid as used by employees or paid upon separation from the City. Sick leave is accrued at the rate of 1 1/4 days for each month of service for all full-time employees, except the fire department. The fire department is entitled to 14 hours per month for shift employees and 10 hours per month for "40 hour employees".

Each year the City determines whether a sick leave buy-out option will be offered to employees. This option with a maximum buy-out of 160 hours per year allows employees to receive 100 percent payment for any sick leave balance in excess of 960 hours. This sick leave buy-out was not offered in 2010.

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

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**Note 12 - Leases**

The City, as a lessor, has entered into an agreement to assume the former Dairy Queen Inc. lease by Czup Fowler Limited, dba Hoffman's Pharmacy. The building, owned by the City was razed. The land is being leased to Czup Fowler Ltd for 30 years with five 10-year options to extend the lease. The City is also a lessor of thirteen and one half percent of a building to Keybank National Corporation. The lease with Keybank is for ten years with a five-year extension at Keybank's option, which was exercised in 2008. The following schedule provides an analysis of the leased property at December 31, 2010:

	Czup Fowler Limited, dba Hoffman's Pharmacy	Keybank National Corporation
Land	\$3,415	\$0
Buildings	<u>0</u>	<u>99,201</u>
Leased property, total value	3,415	99,201
Less: Accumulated Depreciation	<u>0</u>	<u>(24,202)</u>
Leased property, net of depreciation	<u><u>\$3,415</u></u>	<u><u>\$74,999</u></u>

The following is a schedule by years of minimum future rentals on the operating leases as of December 31, 2010:

	Hoffman's Pharmacy	Keybank National
2011	\$7,200	\$154,172
2012	7,200	154,172
2013	8,400	154,172
2014	8,400	154,172
2015	8,400	173,443
2016 - 2020	45,600	908,648
2021 - 2025	51,600	1,044,946
2026 - 2030	57,600	773,770
2031 - 2035	63,600	203,214
2036 - 2037	<u>26,400</u>	<u>0</u>
Total minimum lease payments	<u><u>\$284,400</u></u>	<u><u>\$3,720,709</u></u>

**Note 13 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Plan Description – The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and vested

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employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

**Funding Policy** – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for law and public safety employer units. Member contribution rates, as set in the Ohio Revised Code, are not to exceed 10 percent of covered payroll for state and local employer units and 12 percent for law enforcement and public safety members. For the year ended December 31, 2010, members in state and local classifications contributed 10 percent of covered payroll while public safety and law enforcement members contributed 10.5 percent and 11.1 percent, respectively. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan. For 2010, member and employer contribution rates were consistent across all three plans.

The City's 2010 contribution rate was 14.0 percent, except for those plan members in law enforcement or public safety, for whom the City's contribution was 17.87 percent of covered payroll. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of employer contribution allocated to health care for members in the Traditional Plan was 5.5 percent from January 1 through February 28, 2010, and 5 percent from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73 percent from January 1 through February 28, 2010, and 4.23 percent from March 1 through December 31, 2010. Employer contribution rates are actuarially determined.

The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2010, 2009 and 2008 were \$298,348 \$515,473 and \$365,054, respectively. For 2010, 90 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2009 and 2008. Contributions to the Member-Directed Plan for 2010 were \$6,071 made by the City and \$4,336 made by plan members.

As of December 31, 2010, one council member is covered by Social Security rather than OPERS. The employees' liability is 6.2 percent of wages paid.

***Ohio Police and Fire Pension Fund***

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

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

The OP&F Pension Fund is authorized by the Ohio Revised Code to allocate a portion of the employer contributions to retiree health care benefits. The portion of employer contributions used to fund pension benefits was 12.75 percent of covered payroll for police officers and 17.25 percent of covered payroll for firefighters. The City's contributions to OP&F for police and firefighters pension were \$232,607 and \$249,495 for the year ended December 31, 2010, \$372,657 and \$378,570 for the year ended December 31, 2009, and \$369,657 and \$378,688 for the year ended December 31, 2008, respectively. For 2010, 69 percent for police and 69 percent for firefighters has been contributed with the balance for both police and firefighters being reported as an intergovernmental payable. The full amount has been contributed for 2009 and 2008.

## **Note 14 – Postemployment Benefits**

### ***Ohio Public Employees Retirement System***

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

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

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

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

Funding Policy – The post-employment health care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2010, state and local employers contributed at a rate of 14.0 percent of covered payroll, and public safety and law enforcement employers contributed at 17.87 percent. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for law and public safety employer units.

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to

**City of Ashtabula, Ohio**  
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healthcare for members in the Traditional Plan was 5.5 percent from January 1 through February 28, 2010, and 5 percent from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73 percent from January 1 through February 28, 2010, and 4.23 percent from March 1 through December 31, 2010.

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

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2010, 2009 and 2008 were \$239,186, \$367,012 and \$365,054, respectively. For 2010, 90 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2009 and 2008.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased on January 1 of each year from 2006 to 2008. Rates for law and public safety employers increased over a six year period beginning on January 1, 2006, with a final rate increase on January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

***Ohio Police and Fire Pension Fund***

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

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45.

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

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

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

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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 administrated 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 the year ended December 31, 2010, the employer contribution allocated to the health care plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$123,145 and \$97,628 for the year ended December 31, 2010, \$128,997 and \$106,473 for the year ended December 31, 2009, and \$127,958 and \$106,506 for the year ended December 31, 2008. For 2010, 69 percent has been contributed for police and 69 percent has been contributed for firefighters with the balance for both police and firefighters being report as an intergovernmental payable. The full amount has been contributed for 2009 and 2008.

**Note 15 – Interfund Transfers and Balances**

***Interfund Transfers***

Interfund transfers for the year ended December 31, 2010, consisted of the following:

Transfers To	Transfers From			Total
	General	Permanent Improvement	Other Governmental Funds	
Major Funds:				
Street Maintenance and Repair	\$200,000	\$0	\$79,000	\$279,000
Debt Service	0	131,800	0	131,800
Total Major Funds	200,000	131,800	79,000	410,800
Other Governmental Funds:				
Food Service	20,000	0	0	20,000
Total Transfers	\$220,000	\$131,800	\$79,000	\$430,800

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



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***Interfund Balances***

Interfund balances at December 31, 2010, consisted of an advance made from the workers' compensation fund to the general fund due to an overall decrease in revenues in the general fund. The general fund will repay the advance back to the workers' compensation fund in \$25,000 increments over 10 years beginning in 2011.

**Note 16 - Contingent Liabilities**

***Litigation***

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

***Federal and State Grants***

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

**Note 17 - Related Party Transactions**

The Ashtabula Port Authority, a discretely presented component unit of the City of Ashtabula, receives contributions from the City for salaries for the administration, implementation and supervision of its projects. In 2010, these contributions totaled \$10,300. The City of Ashtabula cosigns for debt that the Ashtabula Port Authority issues and also appoints the board of the Ashtabula Port Authority.

**Note 18 - Subsequent Event**

On August 22, 2011, the City received from the Ohio Department of Development a report on the audit and monitoring reviews of the City's Community Development Block Grant Program and Revolving Loan Funds. The audit of the City's Revolving Loan Fund balances, disclosed adjustments of approximately \$309,547 to correct the balances as currently being reported. The City has responded on September 22, 2011 to the findings contained in the audit and monitoring review reports, and has submitted documentation to reduce the adjustment to the Revolving Loan Funds in the amount of \$64,962, to be repaid over a three year period starting in 2012. As of the date of these financial statements, the potential liability to the City is in the range of the two amounts listed above. A final determination is still pending.

**Note 19 - 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).

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***Summary of Significant Accounting Policies***

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

***Due to Primary Government***

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

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

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

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

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

***Deposits and Investments***

The Ashtabula Port Authority follows the same statutory requirements for deposits and investments as the primary government (See Note 6).

At year-end, the carrying amount of the Ashtabula Port Authority's deposits was \$473,397. The entire balance was covered by federal depository insurance.

During 2010, investments for the Ashtabula Port Authority were limited to \$202,880 held in non-negotiable certificates of deposit at year-end.

***Capital Assets***

A summary of the Ashtabula City Port Authority's capital assets at December 31, 2010 follows:

	<u>Balance</u> <u>12/31/2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>12/31/2010</u>
<b>Governmental Activities</b>				
Capital Assets, Non-depreciable				
Land	\$1,679,476	\$0	\$0	\$1,679,476
Capital Assets, Depreciable				
Improvements	538,516	0	0	538,516
Less Accumulated Depreciation				
Improvements	(244,948)	(27,926)	0	(272,874)
Total Assets, Depreciable, Net	<u>293,568</u>	<u>(27,926)</u>	<u>0</u>	<u>265,642</u>
<b>Governmental Activities</b>				
<b>Capital Assets, Net</b>	<u>\$1,973,044</u>	<u>(\$27,926)</u>	<u>\$0</u>	<u>\$1,945,118</u>

**City of Ashtabula, Ohio**  
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***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, 2010, \$67,122 of the City's loan has been repaid leaving a balance of \$82,878.

A schedule of changes in long-term obligations of the Port Authority during 2010 follows:

	Principal Outstanding 12/31/2009	Additions	Deletions	Principal Outstanding 12/31/2010	Amounts Due in One Year
<b>Due to Primary Government:</b>					
City of Ashtabula - Loan	\$90,337	\$0	\$7,459	\$82,878	\$7,818
<b>Other Long-Term Debt:</b>					
Industrial Park Loan	375,000	0	0	375,000	21,657
OWDA Rural Industrial Park	250,921	0	25,414	225,507	27,239
<i>Total Other Long-Term Debt</i>	<u>625,921</u>	<u>0</u>	<u>25,414</u>	<u>600,507</u>	<u>48,896</u>
<i>Total Component Unit Debt</i>	<u>\$716,258</u>	<u>\$0</u>	<u>\$32,873</u>	<u>\$683,385</u>	<u>\$56,714</u>

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

	City of Ashtabula - Loan		Industrial Park Loan		Ohio Water Development Authority Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$7,818	\$3,570	\$21,657	\$7,311	\$27,239	\$6,563
2012	8,177	3,210	33,308	10,145	28,062	5,739
2013	8,553	2,835	34,321	9,131	28,910	4,891
2014	8,946	2,442	35,364	8,088	29,784	4,017
2015	9,357	2,031	36,440	7,012	30,684	3,117
2016-2020	40,027	3,626	199,516	17,746	80,828	3,673
2021	0	0	14,394	90	0	0
Total	<u>\$82,878</u>	<u>\$17,714</u>	<u>\$375,000</u>	<u>\$59,523</u>	<u>\$225,507</u>	<u>\$28,000</u>

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## Combining and Individual Fund Statements and Schedules

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## Combining Statements – Nonmajor Governmental Funds

### *Nonmajor Special Revenue Funds*

To account for the proceeds of specific revenue sources (other than major capital projects) that are restricted by law and administrative action to expenditures for specified purposes.

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

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

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

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

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

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

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

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

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

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

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

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

### *Nonmajor Capital Projects Funds*

Capital Projects Funds are established to account for financial resources to be used for the construction or acquisition of major capital facilities.

***Construction Fund*** - To account for 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, 2010*

	Code Enforcement	Fire Pension	Food Service	Indigent Alcohol
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$134,011	\$204,008	\$1,034	\$25,579
Cash and Cash Equivalents:				
In Segregated Accounts	0	0	0	5,645
Receivables:				
Property Taxes	0	329,758	0	0
Accounts	40,454	0	0	0
Intergovernmental Receivable	0	22,274	0	0
Prepaid Items	0	0	261	0
<i>Total Assets</i>	<u>\$174,465</u>	<u>\$556,040</u>	<u>\$1,295</u>	<u>\$31,224</u>
<b>Liabilities and Fund Balances</b>				
Accrued Wages	\$0	\$0	\$2,027	\$0
Intergovernmental Payable	0	107,920	491	0
Deferred Revenue	33,629	352,032	0	0
Deposits Held and Due to Others	0	0	0	0
<i>Total Liabilities</i>	<u>33,629</u>	<u>459,952</u>	<u>2,518</u>	<u>0</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	0	100,945	498	0
Unreserved, Undesignated, Reported in:				
Special Revenue Funds (Deficit)	140,836	(4,857)	(1,721)	31,224
Capital Projects Fund	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>140,836</u>	<u>96,088</u>	<u>(1,223)</u>	<u>31,224</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$174,465</u>	<u>\$556,040</u>	<u>\$1,295</u>	<u>\$31,224</u>

<u>Law Enforcement Trust</u>	<u>Marina</u>	<u>Motor Vehicle License Tax</u>	<u>Municipal Probation Services</u>	<u>Police Pension</u>	<u>Public Health Nursing</u>	<u>State Highway</u>
\$11,885	\$3,980	\$2,922	\$136,280	\$248,376	\$77,773	\$3,452
195	0	0	5,719	0	0	0
0	0	0	0	329,758	0	0
0	2,250	0	0	0	1,345	0
0	0	19,695	0	22,274	27,031	21,895
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$12,080</u>	<u>\$6,230</u>	<u>\$22,617</u>	<u>\$141,999</u>	<u>\$600,408</u>	<u>\$106,149</u>	<u>\$25,347</u>
\$0	\$0	\$0	\$0	\$0	\$615	\$0
0	0	0	5,000	110,062	127	0
0	0	16,917	0	352,032	27,006	18,155
<u>0</u>	<u>0</u>	<u>0</u>	<u>2,047</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>16,917</u>	<u>7,047</u>	<u>462,094</u>	<u>27,748</u>	<u>18,155</u>
0	0	0	0	99,954	462	0
12,080	6,230	5,700	134,952	38,360	77,939	7,192
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>12,080</u>	<u>6,230</u>	<u>5,700</u>	<u>134,952</u>	<u>138,314</u>	<u>78,401</u>	<u>7,192</u>
<u>\$12,080</u>	<u>\$6,230</u>	<u>\$22,617</u>	<u>\$141,999</u>	<u>\$600,408</u>	<u>\$106,149</u>	<u>\$25,347</u>

(continued)

**City of Ashtabula, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds (continued)*  
*December 31, 2010*

	Walnut Beach	Total Nonmajor Special Revenue Funds	Nonmajor Construction Capital Projects Fund	Total Nonmajor Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$5,227	\$854,527	\$3,311	\$857,838
Cash and Cash Equivalents:				
In Segregated Accounts	0	11,559	0	11,559
Receivables:				
Property Taxes	0	659,516	0	659,516
Accounts	0	44,049	0	44,049
Intergovernmental Receivable	0	113,169	0	113,169
Prepaid Items	0	261	0	261
<i>Total Assets</i>	<u>\$5,227</u>	<u>\$1,683,081</u>	<u>\$3,311</u>	<u>\$1,686,392</u>
<b>Liabilities and Fund Balances</b>				
Accrued Wages	\$0	\$2,642	\$0	\$2,642
Intergovernmental Payable	0	223,600	0	223,600
Deferred Revenue	0	799,771	0	799,771
Deposits Held and Due to Others	0	2,047	0	2,047
<i>Total Liabilities</i>	<u>0</u>	<u>1,028,060</u>	<u>0</u>	<u>1,028,060</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	0	201,859	0	201,859
Unreserved, Undesignated, Reported in:				
Special Revenue Funds (Deficit)	5,227	453,162	0	453,162
Capital Projects Fund	0	0	3,311	3,311
<i>Total Fund Balances (Deficit)</i>	<u>5,227</u>	<u>655,021</u>	<u>3,311</u>	<u>658,332</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$5,227</u>	<u>\$1,683,081</u>	<u>\$3,311</u>	<u>\$1,686,392</u>



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**City of Ashtabula, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Year Ended December 31, 2010*

	Code Enforcement	Fire Pension	Food Service	Indigent Alcohol
<b>Revenues</b>				
Property Taxes	\$0	\$255,352	\$0	\$0
Charges for Services	0	0	0	0
Licenses and Permits	183,915	0	43,401	0
Fines and Forfeitures	0	0	0	18,637
Intergovernmental	0	71,967	575	0
Interest	0	0	0	0
<i>Total Revenues</i>	<u>183,915</u>	<u>327,319</u>	<u>43,976</u>	<u>18,637</u>
<b>Expenditures</b>				
Current:				
General Government:				
Judicial System	0	0	0	14,626
Security of Persons and Property:				
Police	0	0	0	0
Fire	0	365,780	0	0
Public Health Services	0	0	65,430	0
Street Maintenance and Repairs	0	0	0	0
Housing and Community Development	120,968	0	0	0
Leisure Time Activities	0	0	0	0
<i>Total Expenditures</i>	<u>120,968</u>	<u>365,780</u>	<u>65,430</u>	<u>14,626</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>62,947</u>	<u>(38,461)</u>	<u>(21,454)</u>	<u>4,011</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	0	0	20,000	0
Transfers Out	0	0	0	0
<i>Total Other Financing Sources and Uses</i>	<u>0</u>	<u>0</u>	<u>20,000</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	62,947	(38,461)	(1,454)	4,011
<i>Fund Balances Beginning of Year</i>	<u>77,889</u>	<u>134,549</u>	<u>231</u>	<u>27,213</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$140,836</u>	<u>\$96,088</u>	<u>(\$1,223)</u>	<u>\$31,224</u>

Law Enforcement Trust	Marina	Motor Vehicle License Tax	Municipal Probation Services	Police Pension	Public Health Nursing	State Highway
\$0	\$0	\$0	\$0	\$256,048	\$0	\$0
0	0	0	0	0	46,762	0
0	12,550	0	0	0	0	0
31,115	0	0	67,996	0	0	0
0	0	38,873	0	71,966	84,402	56,516
0	0	0	0	0	0	371
<u>31,115</u>	<u>12,550</u>	<u>38,873</u>	<u>67,996</u>	<u>328,014</u>	<u>131,164</u>	<u>56,887</u>
0	0	0	47,044	0	0	0
40,598	0	0	0	377,937	0	0
0	0	0	0	0	0	0
0	0	0	0	0	106,607	0
0	0	0	0	0	0	14,400
0	0	0	0	0	0	0
0	10,300	0	0	0	0	0
<u>40,598</u>	<u>10,300</u>	<u>0</u>	<u>47,044</u>	<u>377,937</u>	<u>106,607</u>	<u>14,400</u>
<u>(9,483)</u>	<u>2,250</u>	<u>38,873</u>	<u>20,952</u>	<u>(49,923)</u>	<u>24,557</u>	<u>42,487</u>
0	0	0	0	0	0	0
0	0	(36,000)	0	0	0	(43,000)
0	0	(36,000)	0	0	0	(43,000)
(9,483)	2,250	2,873	20,952	(49,923)	24,557	(513)
21,563	3,980	2,827	114,000	188,237	53,844	7,705
<u>\$12,080</u>	<u>\$6,230</u>	<u>\$5,700</u>	<u>\$134,952</u>	<u>\$138,314</u>	<u>\$78,401</u>	<u>\$7,192</u>

(continued)

**City of Ashtabula, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds (continued)*  
*For the Year Ended December 31, 2010*

	Walnut Beach	Total Nonmajor Special Revenue Funds	Nonmajor Construction Capital Projects Fund	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Property Taxes	\$0	\$511,400	\$0	\$511,400
Charges for Services	600	47,362	0	47,362
Licenses and Permits	0	239,866	0	239,866
Fines and Forfeitures	0	117,748	0	117,748
Intergovernmental	0	324,299	0	324,299
Interest	0	371	0	371
<i>Total Revenues</i>	<u>600</u>	<u>1,241,046</u>	<u>0</u>	<u>1,241,046</u>
<b>Expenditures</b>				
Current:				
General Government:				
Judicial System	0	61,670	0	61,670
Security of Persons and Property:				
Police	0	418,535	0	418,535
Fire	0	365,780	0	365,780
Public Health Services	0	172,037	0	172,037
Street Maintenance and Repairs	0	14,400	0	14,400
Housing and Community Development	0	120,968	0	120,968
Leisure Time Activities	3,808	14,108	0	14,108
<i>Total Expenditures</i>	<u>3,808</u>	<u>1,167,498</u>	<u>0</u>	<u>1,167,498</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(3,208)</u>	<u>73,548</u>	<u>0</u>	<u>73,548</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	0	20,000	0	20,000
Transfers Out	0	(79,000)	0	(79,000)
<i>Total Other Financing Sources and Uses</i>	<u>0</u>	<u>(59,000)</u>	<u>0</u>	<u>(59,000)</u>
<i>Net Change in Fund Balances</i>	(3,208)	14,548	0	14,548
<i>Fund Balances Beginning of Year</i>	<u>8,435</u>	<u>640,473</u>	<u>3,311</u>	<u>643,784</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$5,227</u></u>	<u><u>\$655,021</u></u>	<u><u>\$3,311</u></u>	<u><u>\$658,332</u></u>

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

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

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

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

**City of Ashtabula, Ohio**  
*Combining Statement of Fund Net Assets*  
*Internal Service Funds*  
*December 31, 2010*

	Self Insurance	Workers' Compensation	Total
<b>Assets</b>			
<i>Current Assets:</i>			
Equity in Pooled Cash and Cash Equivalents	\$0	\$632,617	\$632,617
Interfund Receivable	0	415,578	415,578
<i>Total Current Assets</i>	0	1,048,195	1,048,195
<i>Noncurrent Assets:</i>			
Interfund Receivable	0	250,000	0
<i>Total Assets</i>	0	1,298,195	1,048,195
<b>Liabilities</b>			
<i>Current Liabilities</i>			
Interfund Payable	415,578	0	415,578
Intergovernmental Payable	0	108,221	108,221
Claims Payable	8,301	250,715	259,016
<i>Total Current Liabilities</i>	423,879	358,936	782,815
<i>Long-Term Liabilities (net of current portion)</i>			
Claims Payable	0	150,000	150,000
<i>Total Liabilities</i>	423,879	508,936	932,815
<b>Net Assets</b>			
Unrestricted (Deficit)	(423,879)	789,259	365,380
<i>Total Net Assets (Deficit)</i>	(\$423,879)	\$789,259	\$365,380

**City of Ashtabula, Ohio**  
*Combining Statement of Revenues, Expenses  
and Changes in Fund Net Assets  
Internal Service Funds  
For the Year Ended December 31, 2010*

	Self Insurance	Workers' Compensation	Total
<b>Revenues</b>			
Charges for Services	\$2,310,303	\$110,000	\$2,420,303
Miscellaneous	0	457	457
<i>Total Revenues</i>	<u>2,310,303</u>	<u>110,457</u>	<u>2,420,760</u>
<b>Operating Expenses</b>			
Contractual Services	389,416	0	389,416
Claims	1,854,325	287,884	2,142,209
<i>Total Operating Expenses</i>	<u>2,243,741</u>	<u>287,884</u>	<u>2,531,625</u>
<i>Change in Net Assets</i>	66,562	(177,427)	(110,865)
<i>Net Assets (Deficit) Beginning of Year</i>	<u>(490,441)</u>	<u>966,686</u>	<u>476,245</u>
<i>Net Assets (Deficit) End of Year</i>	<u><u>(\$423,879)</u></u>	<u><u>\$789,259</u></u>	<u><u>\$365,380</u></u>

**City of Ashtabula, Ohio**  
*Combining Statement of Cash Flows*  
*Internal Service Funds*  
For the Year Ended December 31, 2010

	<u>Self Insurance</u>	<u>Workers' Compensation</u>	<u>Total</u>
<b><i>Increase (Decrease) In Cash and Cash Equivalents</i></b>			
<b>Cash Flows from Operating Activities</b>			
Cash Received from Other Funds	\$2,321,463	\$110,457	\$2,431,920
Cash Payments to Suppliers for Goods and Services	(389,416)	(51,830)	(441,246)
Cash Payments for Claims	(1,853,937)	(148,263)	(2,002,200)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>78,110</u>	<u>(89,636)</u>	<u>(11,526)</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Advances In	0	78,110	78,110
Advances Out	(78,110)	(250,000)	(328,110)
<i>Net Cash Used by Noncapital Financing Activities</i>	<u>(78,110)</u>	<u>(171,890)</u>	<u>(250,000)</u>
<i>Net Decrease In Cash and Cash Equivalents</i>	0	(261,526)	(261,526)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>0</u>	<u>894,143</u>	<u>894,143</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$0</u>	<u>\$632,617</u>	<u>\$632,617</u>
<b>Reconciliation of Operating Loss to Net Cash Provided by (Used for) Operating Activities</b>			
<i>Operating Income (Loss)</i>	\$66,562	(\$177,427)	(\$110,865)
Decrease in Assets:			
Accounts Receivable	11,160	0	11,160
Prepaid Items	0	10,626	10,626
Increase (Decrease) in Liabilities:			
Accounts Payable	0	(485)	(485)
Intergovernmental Payable	0	(61,971)	(61,971)
Claims Payable	388	139,621	140,009
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$78,110</u>	<u>(\$89,636)</u>	<u>(\$11,526)</u>



## **Combining Statements – Fiduciary Funds**

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

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

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

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

**City of Ashtabula, Ohio**  
*Combining Statement of Changes in Assets and Liabilities*  
*Agency Funds*  
*For the Year Ended December 31, 2010*

	Balance 12/31/2009	Additions	Reductions	Balance 12/31/2010
<b><i>Fire Deposits</i></b>				
<b>Assets</b>				
Equity Pooled in Cash and Cash Equivalents	\$23,771	\$73,687	\$42,261	\$55,197
<b>Liabilities</b>				
Deposits Held and Due to Others	\$23,771	\$73,687	\$42,261	\$55,197
<b><i>Law Library</i></b>				
<b>Assets</b>				
Equity Pooled in Cash and Cash Equivalents	\$1,089	\$30,482	\$29,482	\$2,089
<b>Liabilities</b>				
Intergovernmental Payable	\$1,089	\$30,482	\$29,482	\$2,089
<b><i>Street Deposits</i></b>				
<b>Assets</b>				
Equity Pooled in Cash and Cash Equivalents	\$555	\$0	\$0	\$555
<b>Liabilities</b>				
Deposits Held and Due to Others	\$555	\$0	\$0	\$555
<b><i>Total Agency</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$25,415	\$104,169	\$71,743	\$57,841
<b>Liabilities</b>				
Intergovernmental Payable	\$1,089	\$30,482	\$29,482	\$2,089
Deposits Held and Due to Others	24,326	73,687	42,261	55,752
<b><i>Total Liabilities</i></b>	<b>\$25,415</b>	<b>\$104,169</b>	<b>\$71,743</b>	<b>\$57,841</b>

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

**City of Ashtabula, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Year Ended December 31, 2010*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$950,519	\$950,519	\$914,359	(\$36,160)
Municipal Income Tax	5,490,000	5,476,200	4,997,133	(479,067)
Charges for Services	191,000	191,000	223,091	32,091
Licenses and Permits	80,825	80,825	68,072	(12,753)
Fines and Forfeitures	699,000	699,000	640,809	(58,191)
Intergovernmental	1,660,628	1,689,807	1,777,635	87,828
Interest	2,050	2,050	3,707	1,657
Rentals	137,200	137,200	161,196	23,996
Franchise Taxes	205,000	205,000	245,454	40,454
Other	68,296	68,296	6,818	(61,478)
<b>Total Revenues</b>	<b>9,484,518</b>	<b>9,499,897</b>	<b>9,038,274</b>	<b>(461,623)</b>
<b>Expenditures</b>				
Current:				
General Government:				
Legislative and Executive:				
Council:				
Personal Services	158,291	157,522	146,565	10,957
Materials and Supplies	3,326	3,326	2,344	982
<b>Total Council</b>	<b>161,617</b>	<b>160,848</b>	<b>148,909</b>	<b>11,939</b>
Administration:				
Personal Services	149,585	149,401	129,326	20,075
Materials and Supplies	3,118	3,118	1,938	1,180
<b>Total Administration</b>	<b>152,703</b>	<b>152,519</b>	<b>131,264</b>	<b>21,255</b>
Auditor:				
Personal Services	215,991	215,138	204,029	11,109
Materials and Supplies	9,856	10,256	9,922	334
Contractual Services	4,000	4,000	4,000	0
<b>Total Auditor</b>	<b>229,847</b>	<b>229,394</b>	<b>217,951</b>	<b>11,443</b>
Treasurer:				
Personal Services	56,148	56,015	53,479	2,536
Materials and Supplies	2,300	2,300	2,232	68
<b>Total Treasurer</b>	<b>58,448</b>	<b>58,315</b>	<b>55,711</b>	<b>2,604</b>
City Income Tax:				
Personal Services	141,206	140,942	135,256	5,686
Materials and Supplies	21,192	21,193	16,521	4,672
<b>Total City Income Tax</b>	<b>\$162,398</b>	<b>\$162,135</b>	<b>\$151,777</b>	<b>\$10,358</b>

(continued)

**City of Ashtabula, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Solicitor:				
Personal Services	\$261,143	\$271,025	\$254,482	\$16,543
Materials and Supplies	4,500	4,500	2,968	1,532
Total Solicitor	<u>265,643</u>	<u>275,525</u>	<u>257,450</u>	<u>18,075</u>
Motor Maintenance:				
Personal Services	112,676	112,422	107,333	5,089
Materials and Supplies	4,000	4,000	3,986	14
Total Motor Maintenance	<u>116,676</u>	<u>116,422</u>	<u>111,319</u>	<u>5,103</u>
Engineering:				
Personal Services	109,740	72,821	63,626	9,195
Materials and Supplies	15,989	15,989	13,425	2,564
Contractual Services	1,000	1,000	0	1,000
Total Engineering	<u>126,729</u>	<u>89,810</u>	<u>77,051</u>	<u>12,759</u>
Affirmative Action:				
Personal Services	2,470	2,545	2,484	61
Materials and Supplies	250	175	0	175
Total Affirmative Action	<u>2,720</u>	<u>2,720</u>	<u>2,484</u>	<u>236</u>
County Auditor Deductions:				
Contractual Services	134,350	123,533	124,924	(1,391)
General Services:				
Street and Viaduct Lighting	420,750	479,150	478,570	580
Legal Advertising	5,134	5,134	2,577	2,557
Photocopy Machine	1,500	1,500	1,468	32
Bus Subsidy	31,000	31,000	31,000	0
Indigent Burials	2,000	2,000	2,000	0
Settlement of Claims	57,919	72,919	69,670	3,249
Membership Fees	7,600	7,600	7,585	15
Visitors Guide	1,250	1,250	20	1,230
Bank Fees	5,500	5,500	2,943	2,557
Total General Services	<u>532,653</u>	<u>606,053</u>	<u>595,833</u>	<u>10,220</u>
Civil Service:				
Personal Services	11,901	11,901	11,338	563
Materials and Supplies	21,600	14,200	13,647	553
Total Civil Service	<u>\$33,501</u>	<u>\$26,101</u>	<u>\$24,985</u>	<u>\$1,116</u>

(continued)

**City of Ashtabula, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2010*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Lands and Buildings:				
Personal Services	\$140,893	\$118,829	\$115,019	\$3,810
Materials and Supplies	66,250	56,250	54,950	1,300
Contractual Services	281,910	272,910	267,791	5,119
<b>Total Lands and Buildings</b>	<b>489,053</b>	<b>447,989</b>	<b>437,760</b>	<b>10,229</b>
Systems Analyst:				
Personal Services	71,733	71,600	65,481	6,119
Materials and Supplies	5,000	5,000	3,889	1,111
<b>Total Systems Analyst</b>	<b>76,733</b>	<b>76,600</b>	<b>69,370</b>	<b>7,230</b>
Water Pollution:				
Personal Services	2,436	2,392	2,163	229
<b>Total Legislative and Executive</b>	<b>2,545,507</b>	<b>2,530,356</b>	<b>2,408,951</b>	<b>121,405</b>
Judicial System:				
Municipal Court/Probation:				
Personal Services	948,573	953,928	945,119	8,809
Materials and Supplies	62,618	61,118	58,451	2,667
Contractual Services	20,500	20,500	15,097	5,403
<b>Total Judicial System</b>	<b>1,031,691</b>	<b>1,035,546</b>	<b>1,018,667</b>	<b>16,879</b>
<b>Total General Government</b>	<b>3,577,198</b>	<b>3,565,902</b>	<b>3,427,618</b>	<b>138,284</b>
Security of Persons and Property:				
Police:				
Law Enforcement:				
Personal Services	2,730,299	2,773,555	2,737,730	35,825
Materials and Supplies	212,805	235,822	233,787	2,035
Contractual Services	13,750	11,750	11,235	515
<b>Total Police</b>	<b>2,956,854</b>	<b>3,021,127</b>	<b>2,982,752</b>	<b>38,375</b>
Fire:				
Fire Prevention:				
Personal Services	2,324,684	2,271,992	2,253,851	18,141
Materials and Supplies	56,223	57,223	55,809	1,414
Contractual Services	44,000	27,000	26,966	34
<b>Total Fire</b>	<b>2,424,907</b>	<b>2,356,215</b>	<b>2,336,626</b>	<b>19,589</b>
<b>Total Security of Persons and Property</b>	<b>\$5,381,761</b>	<b>\$5,377,342</b>	<b>\$5,319,378</b>	<b>\$57,964</b>

(continued)

**City of Ashtabula, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2010*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Health Services:				
Health:				
Personal Services	\$182,587	\$181,902	\$177,729	\$4,173
Materials and Supplies	5,874	5,874	5,180	694
Contractual Services	37,500	44,700	42,440	2,260
Total Public Health Services	225,961	232,476	225,349	7,127
Street Maintenance and Repairs:				
Street:				
Personal Services	2,214	2,179	1,909	270
Housing and Community Development:				
Housing Inspection:				
Personal Services	50,462	54,332	53,109	1,223
Sanitation Services:				
Sanitation:				
Personal Services	10,703	31,447	30,227	1,220
Leisure Time Activities:				
Recreation:				
Materials and Supplies	22,000	22,000	22,000	0
<i>Total Expenditures</i>	9,270,299	9,285,678	9,079,590	206,088
<i>Excess of Revenues Over (Under) Expenditures</i>	214,219	214,219	(41,316)	(255,535)
<b>Other Financing Sources (Uses)</b>				
Advances In	0	0	250,000	250,000
Transfers Out	(220,000)	(220,000)	(220,000)	0
<i>Total Other Financing Sources (Uses)</i>	(220,000)	(220,000)	30,000	250,000
<i>Net Change in Fund Balance</i>	(5,781)	(5,781)	(11,316)	(5,535)
<i>Fund Balance Beginning of Year</i>	90,157	90,157	90,157	0
Prior Year Encumbrances Appropriated	16,781	16,781	16,781	0
<i>Fund Balance End of Year</i>	\$101,157	\$101,157	\$95,622	(\$5,535)

**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, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$1,957,500	\$1,957,500	\$1,065,477	(\$892,023)
Interest	2,300	2,300	0	(2,300)
<i>Total Revenues</i>	<u>1,959,800</u>	<u>1,959,800</u>	<u>1,065,477</u>	<u>(894,323)</u>
<b>Expenditures</b>				
Current:				
Housing and Community Development:				
Community Development Block Grant:				
Personal Services	94,762	90,093	79,611	10,482
Materials and Supplies	21,561	21,561	6,319	15,242
Contractual Services	1,810,657	1,850,567	1,107,182	743,385
<i>Total Expenditures</i>	<u>1,926,980</u>	<u>1,962,221</u>	<u>1,193,112</u>	<u>769,109</u>
<i>Net Change in Fund Balance</i>	32,820	(2,421)	(127,635)	(125,214)
<i>Fund Balance Beginning of Year</i>	7,513	7,513	7,513	0
Prior Year Encumbrances Appropriated	201,110	201,110	201,110	0
<i>Fund Balance End of Year</i>	<u>\$241,443</u>	<u>\$206,202</u>	<u>\$80,988</u>	<u>(\$125,214)</u>



**City of Ashtabula, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Sanitation Fund*  
*For the Year Ended December 31, 2010*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$1,736,500	\$1,736,500	\$1,803,471	\$66,971
Intergovernmental	102,712	102,712	40,000	(62,712)
Other	6,500	6,500	0	(6,500)
<i>Total Revenues</i>	<u>1,845,712</u>	<u>1,845,712</u>	<u>1,843,471</u>	<u>(2,241)</u>
<b>Expenditures</b>				
Current:				
Sanitation Services:				
Sanitation:				
Personal Services	1,112,712	1,112,712	1,006,949	105,763
Materials and Supplies	175,110	180,110	152,250	27,860
Contractual Services	558,000	553,000	533,405	19,595
<i>Total Expenditures</i>	<u>1,845,822</u>	<u>1,845,822</u>	<u>1,692,604</u>	<u>153,218</u>
<i>Net Change in Fund Balance</i>	(110)	(110)	150,867	150,977
<i>Fund Balance Beginning of Year</i>	122,683	122,683	122,683	0
Prior Year Encumbrances Appropriated	110	110	110	0
<i>Fund Balance End of Year</i>	<u>\$122,683</u>	<u>\$122,683</u>	<u>\$273,660</u>	<u>\$150,977</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, 2010*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$15,850	\$15,850	\$16,719	\$869
Intergovernmental	803,000	803,000	773,706	(29,294)
Interest	7,500	7,500	1,372	(6,128)
Other	5,150	5,150	0	(5,150)
<i>Total Revenues</i>	<u>831,500</u>	<u>831,500</u>	<u>791,797</u>	<u>(39,703)</u>
<b>Expenditures</b>				
Current:				
Street Maintenance and Repairs:				
Public Works:				
Personal Services	825,000	775,000	721,950	53,050
Materials and Supplies	265,000	315,000	288,320	26,680
Contractual Services	40,000	40,000	32,213	7,787
<i>Total Expenditures</i>	<u>1,130,000</u>	<u>1,130,000</u>	<u>1,042,483</u>	<u>87,517</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(298,500)</u>	<u>(298,500)</u>	<u>(250,686)</u>	<u>47,814</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	298,500	306,500	279,000	(27,500)
Transfers Out	(5,000)	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>293,500</u>	<u>306,500</u>	<u>279,000</u>	<u>(27,500)</u>
<i>Net Change in Fund Balance</i>	<u>(5,000)</u>	<u>8,000</u>	<u>28,314</u>	<u>20,314</u>
<i>Fund Balance Beginning of Year</i>	27,499	27,499	27,499	0
Prior Year Encumbrances Appropriated	5,000	5,000	5,000	0
<i>Fund Balance End of Year</i>	<u>\$27,499</u>	<u>\$40,499</u>	<u>\$60,813</u>	<u>\$20,314</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, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$80,000	\$80,000	\$0	(\$80,000)
Special Assessments	10,600	10,600	10,334	(266)
<i>Total Revenues</i>	<u>90,600</u>	<u>90,600</u>	<u>10,334</u>	<u>(80,266)</u>
<b>Expenditures</b>				
Current:				
General Government:				
Legislative and Executive:				
Bond Retirement:				
Contractual Services	600	600	301	299
Debt Service:				
Principal Retirement	164,000	214,000	210,308	3,692
Interest and Fiscal Charges	7,000	14,300	8,611	5,689
Total Debt Service	<u>171,000</u>	<u>228,300</u>	<u>218,919</u>	<u>9,381</u>
<i>Total Expenditures</i>	<u>171,600</u>	<u>228,900</u>	<u>219,220</u>	<u>9,680</u>
<i>Excess of Revenues Under Expenditures</i>	(81,000)	(138,300)	(208,886)	(70,586)
<b>Other Financing Sources</b>				
Transfers In	74,500	74,500	131,800	57,300
<i>Net Change in Fund Balance</i>	(6,500)	(63,800)	(77,086)	(13,286)
<i>Fund Balance Beginning of Year</i>	<u>122,947</u>	<u>122,947</u>	<u>122,947</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$116,447</u>	<u>\$59,147</u>	<u>\$45,861</u>	<u>(\$13,286)</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, 2010*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Property Taxes	\$411,328	\$411,328	\$393,385	(\$17,943)
Municipal Income Tax	570,688	570,688	568,924	(1,764)
Fines and Forfeitures	36,000	36,000	41,077	5,077
Intergovernmental	114,972	114,972	177,887	62,915
Franchise Taxes	33,000	33,000	0	(33,000)
Other	20,000	20,000	0	(20,000)
<i>Total Revenues</i>	<u>1,185,988</u>	<u>1,185,988</u>	<u>1,181,273</u>	<u>(4,715)</u>
<b>Expenditures</b>				
Capital Outlay:				
Contractual Services	29,000	31,500	27,107	4,393
Capital Outlay	1,261,689	1,658,927	1,537,258	121,669
Total Capital Outlay	<u>1,290,689</u>	<u>1,690,427</u>	<u>1,564,365</u>	<u>126,062</u>
Debt Service:				
Principal Retirement	111,172	111,172	111,172	0
Interest and Fiscal Charges	6,058	6,058	6,058	0
Total Debt Service	<u>117,230</u>	<u>117,230</u>	<u>117,230</u>	<u>0</u>
<i>Total Expenditures</i>	<u>1,407,919</u>	<u>1,807,657</u>	<u>1,681,595</u>	<u>126,062</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(221,931)</u>	<u>(621,669)</u>	<u>(500,322)</u>	<u>121,347</u>
<b>Other Financing Sources (Uses)</b>				
General Obligation Bonds Issued	0	325,000	325,000	0
Proceeds from Sale of Capital Assets	0	0	15,415	15,415
Transfers Out	(74,500)	(131,800)	(131,800)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(74,500)</u>	<u>193,200</u>	<u>208,615</u>	<u>15,415</u>
<i>Net Change in Fund Balance</i>	(296,431)	(428,469)	(291,707)	136,762
<i>Fund Balance Beginning of Year</i>	164,110	164,110	164,110	0
Prior Year Encumbrances Appropriated	<u>296,431</u>	<u>296,431</u>	<u>296,431</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$164,110</u>	<u>\$32,072</u>	<u>\$168,834</u>	<u>\$136,762</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, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
<b>Revenues</b>				
Charges for Services	\$3,882,337	\$3,882,337	\$3,551,515	(\$330,822)
Tap-In Fees	60,000	60,000	12,600	(47,400)
Capital Grants	0	320,500	147,860	(172,640)
<i>Total Revenues</i>	<u>3,942,337</u>	<u>4,262,837</u>	<u>3,711,975</u>	<u>(550,862)</u>
<b>Expenses</b>				
Personal Services	2,093,200	2,117,200	2,002,738	114,462
Contractual Services	525,801	640,301	613,895	26,406
Materials and Supplies	401,690	516,112	410,271	105,841
Capital Outlay	400,114	467,114	350,985	116,129
Debt Service:				
Principal Retirement	441,912	441,912	431,817	10,095
Interest and Fiscal Charges	125,225	125,225	123,973	1,252
<i>Total Expenses</i>	<u>3,987,942</u>	<u>4,307,864</u>	<u>3,933,679</u>	<u>374,185</u>
<i>Excess of Revenues Under Expenses Before Transfers</i>	(45,605)	(45,027)	(221,704)	(176,677)
Transfers Out	0	(40,309)	0	40,309
<i>Net Change in Fund Equity</i>	(45,605)	(85,336)	(221,704)	(136,368)
<i>Fund Equity Beginning of Year</i>	188,546	188,546	188,546	0
Prior Year Encumbrances Appropriated	45,605	45,605	45,605	0
<i>Fund Equity End of Year</i>	<u>\$188,546</u>	<u>\$148,815</u>	<u>\$12,447</u>	<u>(\$136,368)</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, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Licenses and Permits	\$160,200	\$160,200	\$177,090	\$16,890
<b>Expenditures</b>				
Current:				
Housing and Community Development:				
Code Enforcement:				
Personal Services	150,000	150,000	119,019	30,981
Materials and Supplies	10,007	10,007	6,619	3,388
Contractual Services	2,000	2,000	657	1,343
<i>Total Expenditures</i>	<u>162,007</u>	<u>162,007</u>	<u>126,295</u>	<u>35,712</u>
<i>Net Change in Fund Balance</i>	(1,807)	(1,807)	50,795	52,602
<i>Fund Balance Beginning of Year</i>	81,410	81,410	81,410	0
Prior Year Encumbrances Appropriated	<u>1,806</u>	<u>1,806</u>	<u>1,806</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$81,409</u></u>	<u><u>\$81,409</u></u>	<u><u>\$134,011</u></u>	<u><u>\$52,602</u></u>

**City of Ashtabula, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Fire Pension Fund*  
*For the Year Ended December 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property Taxes	\$258,094	\$258,094	\$255,352	(\$2,742)
Intergovernmental	153,906	153,906	71,967	(81,939)
<i>Total Revenues</i>	<u>412,000</u>	<u>412,000</u>	<u>327,319</u>	<u>(84,681)</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Fire:				
Fire Prevention:				
Personal Services	544,341	543,841	460,929	82,912
Contractual Services	7,000	7,500	7,314	186
<i>Total Expenditures</i>	<u>551,341</u>	<u>551,341</u>	<u>468,243</u>	<u>83,098</u>
<i>Net Change in Fund Balance</i>	(139,341)	(139,341)	(140,924)	(1,583)
<i>Fund Balance Beginning of Year</i>	104,646	104,646	104,646	0
Prior Year Encumbrances Appropriated	139,341	139,341	139,341	0
<i>Fund Balance End of Year</i>	<u>\$104,646</u>	<u>\$104,646</u>	<u>\$103,063</u>	<u>(\$1,583)</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, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Licenses and Permits	\$47,900	\$47,900	\$43,401	(\$4,499)
Intergovernmental	1,000	1,000	575	(425)
<i>Total Revenues</i>	<u>48,900</u>	<u>48,900</u>	<u>43,976</u>	<u>(4,924)</u>
<b>Expenditures</b>				
Current:				
Public Health Services:				
Board of Health:				
Personal Services	62,578	62,578	55,010	7,568
Materials and Supplies	4,000	4,000	3,348	652
Contractual Services	6,500	6,500	6,058	442
<i>Total Expenditures</i>	<u>73,078</u>	<u>73,078</u>	<u>64,416</u>	<u>8,662</u>
<i>Excess of Revenues Under Expenditures</i>	(24,178)	(24,178)	(20,440)	3,738
<b>Other Financing Sources</b>				
Transfers In	12,000	24,000	20,000	(4,000)
<i>Net Change in Fund Balance</i>	(12,178)	(178)	(440)	(262)
<i>Fund Balance Beginning of Year</i>	<u>976</u>	<u>976</u>	<u>976</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$11,202)</u>	<u>\$798</u>	<u>\$536</u>	<u>(\$262)</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, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Fines and Forfeitures	\$10,000	\$10,000	\$13,820	\$3,820
Intergovernmental	10,000	10,000	0	(10,000)
<i>Total Revenues</i>	20,000	20,000	13,820	(6,180)
<b>Expenditures</b>				
Current:				
General Government:				
Judicial System:				
Indigent Alcohol:				
Materials and Supplies	20,000	20,000	14,626	5,374
<i>Net Change in Fund Balance</i>	0	0	(806)	(806)
<i>Fund Balance Beginning of Year</i>	26,385	26,385	26,385	0
<i>Fund Balance End of Year</i>	<u>\$26,385</u>	<u>\$26,385</u>	<u>\$25,579</u>	<u>(\$806)</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, 2010*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines and Forfeitures	\$45,000	\$45,000	\$30,920	(\$14,080)
<b>Expenditures</b>				
Current:				
Security of Persons and Property				
Law Enforcement Trust:				
Materials and Supplies	45,000	45,000	40,598	4,402
<i>Net Change in Fund Balance</i>	0	0	(9,678)	(9,678)
<i>Fund Balance Beginning of Year</i>	21,563	21,563	21,563	0
<i>Fund Balance End of Year</i>	<u>\$21,563</u>	<u>\$21,563</u>	<u>\$11,885</u>	<u>(\$9,678)</u>

**City of Ashtabula, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Marina Fund*  
*For the Year Ended December 31, 2010*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Licenses and Permits	\$11,500	\$11,500	\$10,300	(\$1,200)
<b>Expenditures</b>				
Current:				
Leisure Time Activities:				
Marina:				
Contractual Services	11,500	11,500	10,300	1,200
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	3,980	3,980	3,980	0
<i>Fund Balance End of Year</i>	<u>\$3,980</u>	<u>\$3,980</u>	<u>\$3,980</u>	<u>\$0</u>

**City of Ashtabula, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Motor Vehicle License Tax Fund*  
*For the Year Ended December 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$40,000	\$40,000	\$38,729	(\$1,271)
<b>Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	40,000	40,000	38,729	(1,271)
<b>Other Financing Uses</b>				
Transfers Out	<u>(40,000)</u>	<u>(40,000)</u>	<u>(36,000)</u>	<u>4,000</u>
<i>Net Change in Fund Balance</i>	0	0	2,729	2,729
<i>Fund Balance Beginning of Year</i>	<u>193</u>	<u>193</u>	<u>193</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$193</u></u>	<u><u>\$193</u></u>	<u><u>\$2,922</u></u>	<u><u>\$2,729</u></u>

**City of Ashtabula, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Municipal Probation Services Fund*  
*For the Year Ended December 31, 2010*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Fines and Forfeitures	\$45,000	\$45,000	\$67,876	\$22,876
Intergovernmental	<u>50,000</u>	<u>50,000</u>	<u>0</u>	<u>(50,000)</u>
<i>Total Revenues</i>	<u>95,000</u>	<u>95,000</u>	<u>67,876</u>	<u>(27,124)</u>
<b>Expenditures</b>				
Current:				
General Government:				
Judicial System:				
Municipal Probation Services:				
Materials and Supplies	<u>95,000</u>	<u>95,000</u>	<u>42,044</u>	<u>52,956</u>
<i>Net Change in Fund Balance</i>	0	0	25,832	25,832
<i>Fund Balance Beginning of Year</i>	<u>110,448</u>	<u>110,448</u>	<u>110,448</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$110,448</u></u>	<u><u>\$110,448</u></u>	<u><u>\$136,280</u></u>	<u><u>\$25,832</u></u>

**City of Ashtabula, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Police Pension Fund*  
*For the Year Ended December 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property Taxes	\$258,094	\$258,094	\$256,048	(\$2,046)
Intergovernmental	153,906	153,906	71,966	(81,940)
<i>Total Revenues</i>	<u>412,000</u>	<u>412,000</u>	<u>328,014</u>	<u>(83,986)</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police:				
Law Enforcement:				
Personal Services	548,861	548,361	464,691	83,670
Contractual Services	7,000	7,500	7,314	186
<i>Total Expenditures</i>	<u>555,861</u>	<u>555,861</u>	<u>472,005</u>	<u>83,856</u>
<i>Net Change in Fund Balance</i>	(143,861)	(143,861)	(143,991)	(130)
<i>Fund Balance Beginning of Year</i>	148,552	148,552	148,552	0
Prior Year Encumbrances Appropriated	<u>143,861</u>	<u>143,861</u>	<u>143,861</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$148,552</u></u>	<u><u>\$148,552</u></u>	<u><u>\$148,422</u></u>	<u><u>(\$130)</u></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, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for Services	\$45,000	\$45,000	\$45,437	\$437
Intergovernmental	13,500	45,798	84,377	38,579
<i>Total Revenues</i>	<u>58,500</u>	<u>90,798</u>	<u>129,814</u>	<u>39,016</u>
<b>Expenditures</b>				
Current:				
Public Health Services:				
Public Health Nursing:				
Personal Services	14,400	24,142	23,602	540
Materials and Supplies	55,905	84,017	82,398	1,619
<i>Total Expenditures</i>	<u>70,305</u>	<u>108,159</u>	<u>106,000</u>	<u>2,159</u>
<i>Net Change in Fund Balance</i>	(11,805)	(17,361)	23,814	41,175
<i>Fund Balance Beginning of Year</i>	48,191	48,191	48,191	0
Prior Year Encumbrances Appropriated	5,305	5,305	5,305	0
<i>Fund Balance End of Year</i>	<u>\$41,691</u>	<u>\$36,135</u>	<u>\$77,310</u>	<u>\$41,175</u>

**City of Ashtabula, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*State Highway Fund*  
*For the Year Ended December 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$63,500	\$63,500	\$56,452	(\$7,048)
Interest	1,500	1,500	371	(1,129)
<i>Total Revenues</i>	65,000	65,000	56,823	(8,177)
<b>Expenditures</b>				
Current:				
Street Maintenance and Repairs:				
Public Works:				
Personal Services	14,400	14,400	14,400	0
<i>Excess of Revenues Over Expenditures</i>	50,600	50,600	42,423	(8,177)
<b>Other Financing Uses</b>				
Transfers Out	(50,600)	(50,600)	(43,000)	7,600
<i>Net Change in Fund Balance</i>	0	0	(577)	(577)
<i>Fund Balance Beginning of Year</i>	4,029	4,029	4,029	0
<i>Fund Balance End of Year</i>	<u>\$4,029</u>	<u>\$4,029</u>	<u>\$3,452</u>	<u>(\$577)</u>



**City of Ashtabula, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Walnut Beach Fund*  
*For the Year Ended December 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for Services	\$0	\$0	\$600	\$600
Intergovernmental	<u>7,500</u>	<u>7,500</u>	<u>0</u>	<u>(7,500)</u>
<i>Total Revenues</i>	7,500	7,500	600	(6,900)
<b>Expenditures</b>				
Current:				
Leisure Time Activities:				
Walnut Beach:				
Materials and Supplies	<u>7,500</u>	<u>7,500</u>	<u>3,808</u>	<u>3,692</u>
<i>Net Change in Fund Balance</i>	0	0	(3,208)	(3,208)
<i>Fund Balance Beginning of Year</i>	<u>8,435</u>	<u>8,435</u>	<u>8,435</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$8,435</u></u>	<u><u>\$8,435</u></u>	<u><u>\$5,227</u></u>	<u><u>(\$3,208)</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, 2010*

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

**City of Ashtabula, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Self Insurance Fund*  
*For the Year Ended December 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for Services	\$2,467,000	\$2,467,000	\$2,321,463	(\$145,537)
<b>Expenses</b>				
Contractual Services	0	111,319	389,416	(278,097)
Claims	2,467,276	1,861,993	1,861,993	0
<i>Total Expenses</i>	<u>2,467,276</u>	<u>1,973,312</u>	<u>2,251,409</u>	<u>(278,097)</u>
<i>Net Change in Fund Equity</i>	(276)	493,688	70,054	(423,634)
<i>Fund Equity Beginning of Year</i>	(493,964)	(493,964)	(493,964)	0
Prior Year Encumbrances Appropriated	<u>276</u>	<u>276</u>	<u>276</u>	<u>0</u>
<i>Fund Equity (Deficit) End of Year</i>	<u>(\$493,964)</u>	<u>\$0</u>	<u>(\$423,634)</u>	<u>(\$423,634)</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, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for Services	\$610,000	\$610,000	\$110,000	(\$500,000)
Intergovernmental	500	500	5,700	5,200
<i>Total Revenues</i>	<u>610,500</u>	<u>610,500</u>	<u>115,700</u>	<u>(494,800)</u>
<b>Expenses</b>				
Contractual Services	51,830	51,830	51,830	0
Claims	559,675	559,675	159,943	399,732
<i>Total Expenses</i>	<u>611,505</u>	<u>611,505</u>	<u>211,773</u>	<u>399,732</u>
<i>Excess of Revenues Under Expenses Before Advances</i>	(1,005)	(1,005)	(96,073)	(95,068)
Advances Out	0	(250,000)	(250,000)	0
<i>Net Change in Fund Equity</i>	(1,005)	(251,005)	(346,073)	(95,068)
<i>Fund Equity Beginning of Year</i>	1,381,583	1,381,583	1,381,583	0
Prior Year Encumbrances Appropriated	1,005	1,005	1,005	0
<i>Fund Equity End of Year</i>	<u>\$1,381,583</u>	<u>\$1,131,583</u>	<u>\$1,036,515</u>	<u>(\$95,068)</u>

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# **STATISTICAL SECTION**

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## Statistical Section

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

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

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

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

	2010	2009	2008	2007
<b>Governmental Activities</b>				
Invested in Capital Assets, Net of Related Debt	\$19,344,792	\$19,304,462	\$19,022,629	\$17,985,793
Restricted:				
Capital Projects	519,091	616,317	917,675	992,414
Debt Service	125,280	212,116	141,267	927,528
Community Development	1,330,094	2,266,481	1,073,682	1,466,762
Sanitation	1,010,723	883,394	719,258	648,455
Street Maintenance and Repair	151,130	140,771	97,528	138,087
Other Purposes	947,411	791,656	797,701	880,874
Unrestricted	160,862	841,775	1,312,330	1,871,948
<i>Total Governmental Activities Net Assets</i>	<u>23,589,383</u>	<u>25,056,972</u>	<u>24,082,070</u>	<u>24,911,861</u>
<b>Business Type - Activities</b>				
Invested in Capital Assets, Net of Related Debt	10,615,079	10,339,668	10,343,268	8,637,769
Unrestricted	1,590,354	1,701,294	2,143,693	3,632,203
<i>Total Business-Type Activities Net Assets</i>	<u>12,205,433</u>	<u>12,040,962</u>	<u>12,486,961</u>	<u>12,269,972</u>
<b>Primary Government</b>				
Invested in Capital Assets, Net of Related Debt	29,959,871	29,644,130	29,365,897	26,623,562
Restricted	4,083,729	4,910,735	3,747,111	5,054,120
Unrestricted	1,751,216	2,543,069	3,456,023	5,504,151
<i>Total Primary Government Net Assets</i>	<u>\$35,794,816</u>	<u>\$37,097,934</u>	<u>\$36,569,031</u>	<u>\$37,181,833</u>



2006	2005	2004	2003	2002	2001
\$17,179,586	\$16,519,641	\$16,072,672	\$14,824,413	\$14,016,961	\$13,777,856
1,257,245	768,188	704,115	1,041,588	865,251	1,403,316
842,539	617,568	926,146	776,956	1,609,519	1,234,947
755,325	795,158	N/A	N/A	N/A	N/A
743,242	696,513	N/A	N/A	N/A	N/A
293,245	327,342	N/A	N/A	N/A	N/A
912,937	635,520	2,200,932	2,230,814	1,812,974	2,328,379
2,283,621	2,971,359	2,721,642	2,535,254	3,437,987	3,327,649
24,267,740	23,331,289	22,625,507	21,409,025	21,742,692	22,072,147
9,968,685	9,632,357	8,753,780	8,759,633	7,936,963	7,874,120
1,340,098	1,487,653	1,690,631	1,225,137	1,094,561	1,337,358
11,308,783	11,120,010	10,444,411	9,984,770	9,031,524	9,211,478
27,148,271	26,151,998	24,826,452	23,584,046	21,953,924	21,651,976
4,804,533	3,840,289	3,831,193	4,049,358	4,287,744	4,966,642
3,623,719	4,459,012	4,412,273	3,760,391	4,532,548	4,665,007
\$35,576,523	\$34,451,299	\$33,069,918	\$31,393,795	\$30,774,216	\$31,283,625

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

	2010	2009	2008	2007
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services:				
General Government:				
Legislative and Executive	\$299,400	\$265,773	\$175,970	\$209,086
Judicial System	210,280	759,859	804,117	773,601
Security of Persons and Property:				
Police	404,073	44,108	88,807	60,398
Fire	277,242	51,658	55,518	53,790
Public Health Services	117,408	174,062	187,267	201,688
Street Maintenance and Repairs	59,080	40,554	15,694	25,485
Housing and Community Development	280,833	295,469	221,622	252,889
Sanitation Services	1,866,093	1,801,553	1,799,928	1,656,815
Leisure Time Activities	15,794	13,830	14,280	14,455
Subtotal - Charges for Services	<u>3,530,203</u>	<u>3,446,866</u>	<u>3,363,203</u>	<u>3,248,207</u>
Operating Grants and Contributions:				
General Government:				
Legislative and Executive	0	0	15,251	0
Judicial System	15,708	87,818	15,687	15,189
Security of Persons and Property:				
Police	100,718	381,438	49,140	4,110
Fire	77,269	36,438	35,966	0
Public Health Services	111,983	207,053	25,483	34,604
Street Maintenance and Repairs	779,720	94,120	317,571	97,960
Housing and Community Development	108,985	233,330	59,900	86,300
Sanitation Services	40,000	40,000	46,536	43,513
Leisure Time Activities	0	0	0	0
Subtotal - Operating Grants and Contributions	<u>1,234,383</u>	<u>1,080,197</u>	<u>565,534</u>	<u>281,676</u>
Capital Grants and Contributions:				
General Government:				
Legislative and Executive	184,138	97,318	139,058	0
Judicial System	0	0	34,295	36,140
Security of Persons and Property:				
Police	0	0	0	0
Fire	0	0	0	0
Public Health Services	0	0	0	0
Street Maintenance and Repairs	0	407,687	0	875,500
Housing and Community Development	0	173,444	453,831	840,080
Sanitation Services	0	0	0	0
Leisure Time Activities	0	0	0	0
Subtotal - Capital Grants and Contributions	<u>184,138</u>	<u>678,449</u>	<u>627,184</u>	<u>1,751,720</u>
<i>Total Governmental Activities Program Revenues</i>	<u>\$4,948,724</u>	<u>\$5,205,512</u>	<u>\$4,555,921</u>	<u>\$5,281,603</u>

2006	2005	2004	2003	2002	2001
\$197,913	\$408,108	\$215,617	\$68,975	\$225,179	\$239,782
676,782	632,431	605,898	732,927	732,161	649,760
23,140	18,126	73,923	3,967	0	0
47,862	42,679	67,511	0	0	0
196,130	180,368	148,884	65,937	75,159	59,714
42,047	11,958	3,073	4,188	1,705	4,739
133,221	127,042	86,289	85,366	171,881	80,320
1,353,756	1,335,405	1,304,215	1,184,414	1,100,258	1,115,302
15,392	15,837	13,650	13,650	14,375	14,475
<u>2,686,243</u>	<u>2,771,954</u>	<u>2,519,060</u>	<u>2,159,424</u>	<u>2,320,718</u>	<u>2,164,092</u>
0	0	0	0	0	0
0	0	0	0	0	0
14,963	28,038	14,789	125,104	264,793	125,508
1,000	12,081	11,000	42,943	16,195	0
17,677	4,125	32,504	10,712	8,034	0
99,012	99,130	106,575	96,616	108,139	456,533
25,946	133,135	461,510	484,623	184,646	45,667
39,000	44,765	74,596	36,781	67,041	40,326
0	0	0	0	0	0
<u>197,598</u>	<u>321,274</u>	<u>700,974</u>	<u>796,779</u>	<u>648,848</u>	<u>668,034</u>
633,000	0	0	0	0	500,099
30,632	0	21,565	28,793	33,600	19,934
664	59,040	0	0	0	0
28,368	0	0	8,640	27,000	0
0	814,152	61,089	3,831	0	0
402,400	1,012,062	0	0	184,271	212,000
113,343	50,000	0	0	0	800
0	0	0	0	0	25,000
0	0	0	0	24,325	0
<u>1,208,407</u>	<u>1,935,254</u>	<u>82,654</u>	<u>41,264</u>	<u>269,196</u>	<u>757,833</u>
<u>\$4,092,248</u>	<u>\$5,028,482</u>	<u>\$3,302,688</u>	<u>\$2,997,467</u>	<u>\$3,238,762</u>	<u>\$3,589,959</u>

(continued)

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

	2010	2009	2008	2007
<b>Business-Type Activities:</b>				
Charges for Services:				
Wastewater Treatment	\$3,645,979	\$3,601,213	\$3,871,973	\$3,770,834
Capital Grants and Contributions				
Wastewater Treatment	147,860	231,298	950,371	470,322
<i>Total Business-Type Activities Program Revenues</i>	<u>3,793,839</u>	<u>3,832,511</u>	<u>4,822,344</u>	<u>4,241,156</u>
<i>Total Primary Government Program Revenues</i>	<u>8,742,563</u>	<u>9,038,023</u>	<u>9,378,265</u>	<u>9,522,759</u>
<b>Expenses</b>				
<b>Governmental Activities:</b>				
General Government:				
Legislative and Executive	2,721,988	3,227,472	3,586,747	4,135,051
Judicial System	1,149,058	1,183,400	1,151,790	1,090,892
Security of Persons and Property:				
Police	3,704,992	3,686,839	3,887,527	3,882,495
Fire	2,776,175	3,021,851	3,047,444	2,987,810
Public Health Services	404,670	365,246	370,326	357,245
Street Maintenance and Repairs	1,612,921	1,922,571	2,231,818	1,986,728
Housing and Community Development	1,312,203	601,846	983,231	486,457
Sanitation Services	1,936,483	1,928,179	2,004,214	1,839,276
Leisure Time Activities	75,811	79,793	106,271	86,083
Interest and Fiscal Charges	14,669	31,026	39,292	56,083
<i>Total Governmental Activities Expenses</i>	<u>15,708,970</u>	<u>16,048,223</u>	<u>17,408,660</u>	<u>16,908,120</u>
<b>Business-Type Activities</b>				
Wastewater Treatment	<u>3,641,968</u>	<u>4,230,206</u>	<u>4,596,123</u>	<u>3,160,731</u>
<i>Total Primary Government Program Expenses</i>	<u>19,350,938</u>	<u>20,278,429</u>	<u>22,004,783</u>	<u>20,068,851</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(10,760,246)	(10,842,711)	(12,852,739)	(11,626,517)
Business-Type Activities	<u>151,871</u>	<u>(397,695)</u>	<u>226,221</u>	<u>1,080,425</u>
<i>Total Primary Government Net Expense</i>	<u>(\$10,608,375)</u>	<u>(\$11,240,406)</u>	<u>(\$12,626,518)</u>	<u>(\$10,546,092)</u>

2006	2005	2004	2003	2002	2001
\$3,092,660	\$3,051,895	\$2,879,182	\$2,871,360	\$2,801,467	\$2,587,575
276,649	523,003	618,318	697,293	360,753	256,900
3,369,309	3,574,898	3,497,500	3,568,653	3,162,220	2,844,475
7,461,557	8,603,380	6,800,188	6,566,120	6,400,982	6,434,434
3,174,447	3,049,175	3,025,729	3,037,163	2,867,586	2,744,011
1,030,659	977,279	912,233	963,286	964,850	954,289
3,677,304	3,527,950	3,253,101	3,666,800	3,696,384	3,743,382
2,936,033	2,581,467	2,688,346	2,750,698	2,652,673	2,629,702
331,826	306,416	289,136	285,124	260,491	255,630
2,015,378	3,201,483	1,296,150	1,472,369	2,001,502	1,956,370
376,820	680,192	649,653	617,274	512,695	920,839
1,861,734	1,567,216	1,263,037	1,383,682	1,437,356	1,455,940
110,002	90,413	137,588	134,896	185,589	165,605
54,634	68,093	99,458	128,486	195,014	202,381
15,568,837	16,049,684	13,614,431	14,439,778	14,774,140	15,028,149
3,130,536	3,174,442	2,989,254	3,130,885	3,290,299	3,407,377
18,699,373	19,224,126	16,603,685	17,570,663	18,064,439	18,435,526
(11,476,589)	(11,021,202)	(10,311,743)	(11,442,311)	(11,535,378)	(11,438,190)
238,773	400,456	508,246	437,768	(128,079)	(562,902)
(\$11,237,816)	(\$10,620,746)	(\$9,803,497)	(\$11,004,543)	(\$11,663,457)	(\$12,001,092)

(continued)

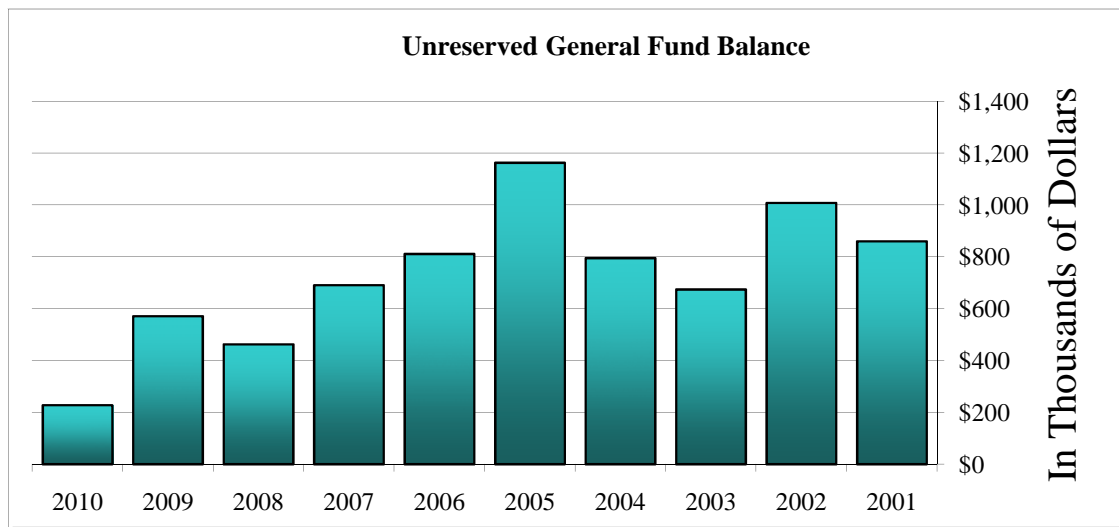
**City of Ashtabula, Ohio**  
*Changes in Net Assets (continued)*  
*Last Ten Years*  
*(Accrual Basis of Accounting)*

	2010	2009	2008	2007
<b>General Revenues and Other Changes in Net Assets</b>				
Governmental Activities				
Taxes:				
Property Taxes Levied For:				
General Purposes	\$1,020,451	\$1,116,701	\$1,064,331	\$1,062,359
Fire and Police Pension	571,202	618,918	588,302	631,644
Debt Service	0	0	1,421	346,265
Capital Outlay	438,820	476,191	452,535	486,482
Income Taxes Levied for:				
General Purposes	4,814,382	5,508,718	6,105,678	6,191,921
Capital Outlay	548,618	622,236	667,685	684,045
Grants and Entitlements not Restricted to				
Specific Programs	1,628,612	3,135,994	2,217,714	2,484,064
Investment Earnings	5,450	11,572	152,306	325,184
Franchise Taxes	242,362	0	0	0
Gain on Sale of Capital Assets	15,415	0	0	0
Other	7,345	250,783	404,117	214,713
Transfers	0	76,500	162,820	50,000
<i>Total Governmental Activities</i>	<u>9,292,657</u>	<u>11,817,613</u>	<u>11,816,909</u>	<u>12,476,677</u>
Business-Type Activities				
Investment Earnings	0	0	0	84,352
Other	12,600	28,196	0	0
Transfers	0	(76,500)	(162,820)	(50,000)
<i>Total Business-Type Activities Expenses</i>	<u>12,600</u>	<u>(48,304)</u>	<u>(162,820)</u>	<u>34,352</u>
<i>Total Primary Government General Revenues and Other Changes in Net Assets</i>	<u>9,305,257</u>	<u>11,769,309</u>	<u>11,654,089</u>	<u>12,511,029</u>
<b>Change in Net Assets</b>				
Governmental Activities	(1,467,589)	974,902	(1,035,830)	850,160
Business-Type Activities	164,471	(445,999)	63,401	1,114,777
<i>Total Primary Government Change in Net Assets</i>	<u><u>(\$1,303,118)</u></u>	<u><u>\$528,903</u></u>	<u><u>(\$972,429)</u></u>	<u><u>\$1,964,937</u></u>

2006	2005	2004	2003	2002	2001
\$1,109,720	\$989,460	\$1,118,036	\$1,131,816	\$1,100,934	\$1,080,441
616,830	548,288	356,657	529,950	444,167	454,740
409,341	374,170	537,367	458,839	505,826	504,298
473,334	418,575	392,721	407,987	395,293	420,359
5,662,945	6,034,703	5,537,537	5,270,568	5,206,572	5,034,519
622,457	662,464	610,803	589,127	580,967	593,497
2,660,157	2,741,453	2,608,872	2,828,530	2,555,737	1,647,229
339,503	212,687	82,469	128,801	184,076	426,662
0	0	0	0	0	0
0	0	0	0	0	0
268,753	20,327	233,763	241,484	180,476	280,423
50,000	(275,143)	50,000	(515,478)	51,875	72,821
<u>12,213,040</u>	<u>11,726,984</u>	<u>11,528,225</u>	<u>11,071,624</u>	<u>11,205,923</u>	<u>10,514,989</u>
0	0	0	0	0	0
0	0	1,395	0	0	0
<u>(50,000)</u>	<u>275,143</u>	<u>(50,000)</u>	<u>515,478</u>	<u>(51,875)</u>	<u>(72,821)</u>
<u>(50,000)</u>	<u>275,143</u>	<u>(48,605)</u>	<u>515,478</u>	<u>(51,875)</u>	<u>(72,821)</u>
<u>12,163,040</u>	<u>12,002,127</u>	<u>11,479,620</u>	<u>11,587,102</u>	<u>11,154,048</u>	<u>10,442,168</u>
736,451	705,782	1,216,482	(370,687)	(329,455)	(923,201)
188,773	675,599	459,641	953,246	(179,954)	(635,723)
<u>\$925,224</u>	<u>\$1,381,381</u>	<u>\$1,676,123</u>	<u>\$582,559</u>	<u>(\$509,409)</u>	<u>(\$1,558,924)</u>

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

	2010	2009	2008	2007
<b>General Fund</b>				
Reserved	\$75,156	\$25,373	\$55,255	\$66,842
Unreserved	227,726	571,410	462,844	690,776
<b>Total General Fund</b>	<b>302,882</b>	<b>596,783</b>	<b>518,099</b>	<b>757,618</b>
<b>All Other Governmental Funds</b>				
Reserved	501,079	978,996	1,015,236	615,157
Unreserved, Designated	247,394	136,120	251,888	412,000
Unreserved, Undesignated, Reported in:				
Special Revenue funds	916,247	592,875	537,689	681,268
Debt Service funds	45,861	122,947	36,696	785,817
Capital Projects funds	3,311	3,311	3,311	345,375
<b>Total All Other Governmental Funds</b>	<b>1,713,892</b>	<b>1,834,249</b>	<b>1,844,820</b>	<b>2,839,617</b>
<b>Total Governmental Funds</b>	<b>\$2,016,774</b>	<b>\$2,431,032</b>	<b>\$2,362,919</b>	<b>\$3,597,235</b>

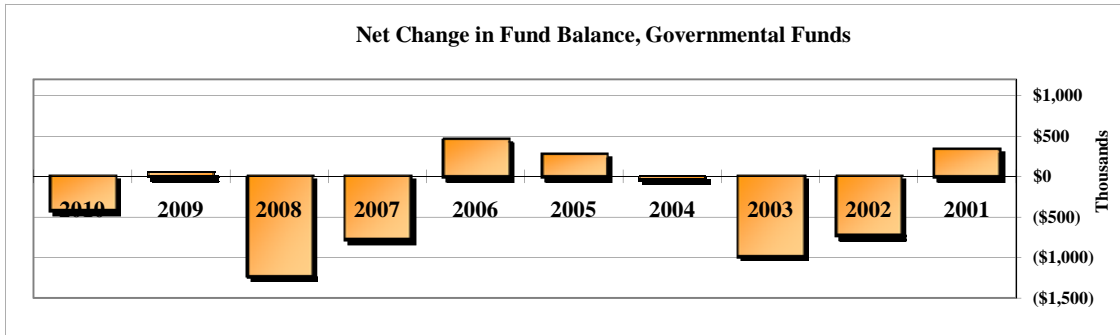




2006	2005	2004	2003	2002	2001
\$73,709	\$33,338	\$60,258	\$66,593	\$97,124	\$143,493
811,664	1,163,327	795,266	674,111	1,008,123	860,350
885,373	1,196,665	855,524	740,704	1,105,247	1,003,843
721,549	912,667	786,323	682,950	756,756	1,212,384
212,000	212,000	212,000	212,000	212,000	212,000
1,069,536	1,127,787	1,063,429	1,288,284	1,336,378	1,798,754
571,960	347,597	590,065	408,641	1,217,065	1,020,925
943,790	115,636	125,109	548,257	228,473	341,304
3,518,835	2,715,687	2,776,926	3,140,132	3,750,672	4,585,367
\$4,404,208	\$3,912,352	\$3,632,450	\$3,880,836	\$4,855,919	\$5,589,210

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

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



2006	2005	2004	2003	2002	2001
\$2,577,355	\$2,320,850	\$2,414,271	\$2,504,284	\$2,417,214	\$2,349,312
6,445,095	6,532,764	6,067,735	5,872,015	5,969,526	5,819,277
1,568,521	1,515,901	1,486,186	1,218,014	1,185,472	1,150,630
228,358	178,677	204,762	168,752	173,739	173,059
726,855	650,045	577,652	656,719	765,761	669,694
4,155,912	5,008,052	3,290,131	3,572,612	3,225,243	4,035,772
35,490	56,489	56,100	22,493	21,613	27,179
339,503	212,687	82,469	128,801	184,076	426,662
136,002	149,115	117,563	127,279	115,262	138,870
0	0	0	0	0	0
268,753	223,645	233,763	241,484	180,476	483,552
16,481,844	16,848,225	14,530,632	14,512,453	14,238,382	15,274,007
2,914,379	2,653,576	2,653,009	2,604,032	2,672,685	2,533,191
919,440	858,153	843,475	850,465	858,364	823,341
3,448,319	3,292,317	3,257,335	3,504,702	3,565,496	3,589,835
2,807,075	2,520,738	2,509,403	2,469,614	2,448,741	2,453,589
324,010	303,789	282,206	275,209	247,001	234,922
1,920,884	1,141,728	1,091,528	1,070,944	1,148,641	1,057,238
436,879	1,145,514	645,029	982,658	502,248	902,070
1,582,296	1,419,457	1,291,793	1,309,650	1,358,517	1,343,669
40,385	35,203	63,520	68,120	75,684	112,933
2,398,576	2,266,481	1,437,938	877,867	1,647,616	2,277,423
435,167	906,514	447,489	1,356,140	447,484	248,777
38,842	72,703	103,418	159,274	201,762	178,157
17,266,252	16,616,173	14,626,143	15,528,675	15,174,239	15,755,145
(784,408)	232,052	(95,511)	(1,016,222)	(935,857)	(481,138)
0	0	0	0	150,000	750,000
6,800	0	6,639	0	0	0
1,200,000	0	0	0	0	0
0	0	0	0	0	3,690
813,500	877,986	641,986	934,881	579,045	799,107
(763,500)	(827,986)	(591,986)	(885,494)	(527,170)	(726,286)
1,256,800	50,000	56,639	49,387	201,875	826,511
\$472,392	\$282,052	(\$38,872)	(\$966,835)	(\$733,982)	\$345,373
2.9%	6.8%	4.4%	11.5%	5.0%	3.3%

**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
2010	\$147,859,010	\$60,686,260	\$595,843,629	\$18,910,200	\$21,488,864
2009	147,855,920	60,329,050	594,814,200	18,409,090	20,919,420
2008	145,229,490	57,272,280	578,576,486	19,626,430	22,302,761
2007	145,005,660	55,991,290	574,277,000	20,032,840	22,764,591
2006	143,492,870	54,692,450	566,243,771	20,029,930	22,761,284
2005	146,829,390	51,818,020	567,564,029	20,403,000	23,185,227
2004	130,673,080	51,290,690	519,896,486	19,956,700	22,678,068
2003	129,384,880	51,654,980	517,256,743	20,640,590	23,455,216
2002	135,524,390	45,600,600	517,499,971	18,870,460	21,443,705
2001	111,252,730	45,461,130	447,753,886	20,506,010	23,302,284

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

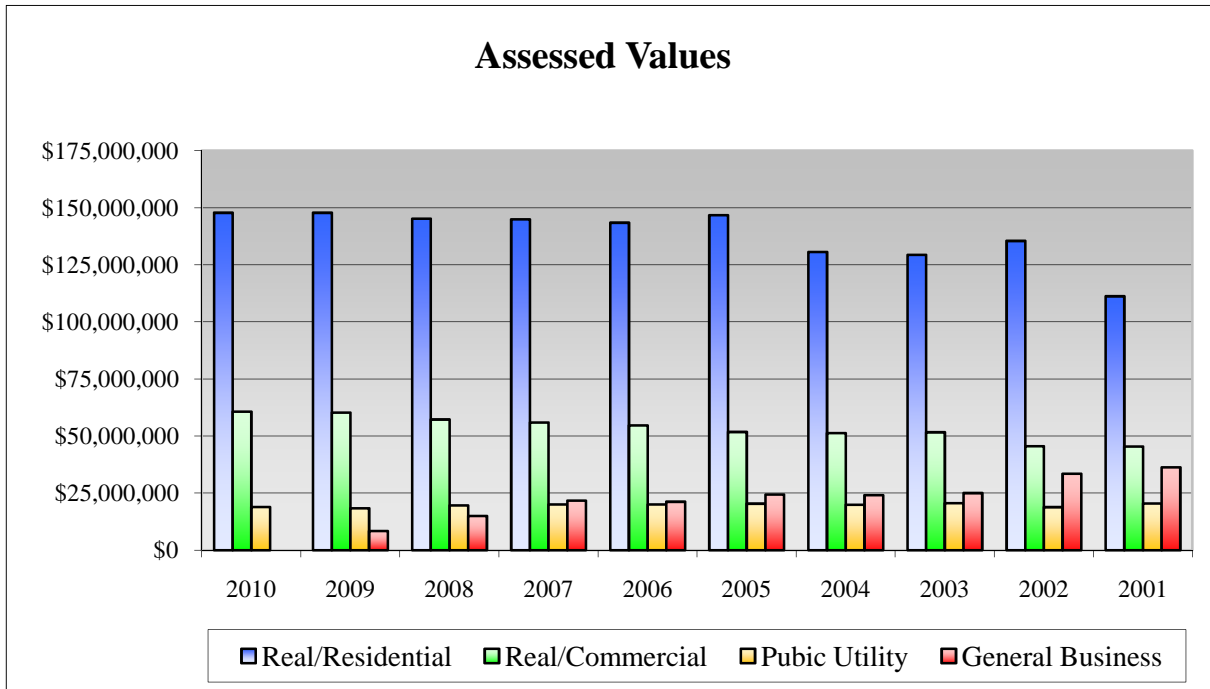
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax was phased out beginning in 2006. Both types of general business tangible personal property were assessed at 12.5 for 2007, 6.25 percent for 2008 and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local and inter-exchange telephone companies. No tangible personal property taxes were levied or collected in 2010 from general business taxpayers (except telephone companies whose last year to pay tangible personal property tax is 2010). The City, however, received no tangible personal property tax revenue from telephone companies.

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

Source: Ashtabula County, Ohio; County Auditor

**Tangible Personal Property**

General Business		Total			Total Direct Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio	
\$0	\$0	\$227,455,470	\$617,332,492	36.84 %	\$9.31
8,407,070	67,256,560	235,001,130	682,990,180	34.41	9.31
14,967,220	119,737,760	237,095,420	720,617,007	32.90	9.31
21,710,950	173,687,600	242,740,740	770,729,191	31.49	9.31
21,268,940	113,434,347	239,484,190	702,439,402	34.09	11.11
24,410,140	97,640,560	243,460,550	688,389,816	35.37	11.11
24,088,000	96,352,000	226,008,470	638,926,554	35.37	11.11
25,041,220	104,338,417	226,721,670	645,050,375	35.15	N/A
33,520,280	134,081,120	233,515,730	673,024,796	34.70	N/A
36,306,920	145,227,680	213,526,790	616,283,850	34.65	N/A



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

	2010	2009	2008	2007
<b>Unvoted Millage</b>				
Operating	\$0.2700	\$0.2700	\$0.2700	\$0.2700
Fire Pension	1.3000	1.3000	1.3000	1.3000
Police Pension	1.3000	1.3000	1.3000	1.3000
<i>Total Unvoted Millage</i>	<u>2.8700</u>	<u>2.8700</u>	<u>2.8700</u>	<u>2.8700</u>
<b>Charter Millage</b>				
General Fund	4.1400	4.1400	4.1400	4.1400
Permanent Improvement Fund	2.0000	2.0000	2.0000	2.0000
Justice Center (Debt Service)	0.0000	0.0000	0.0000	0.0000
Senior Citizens	0.3000	0.3000	0.3000	0.3000
<i>Total Charter Millage</i>	<u>6.4400</u>	<u>6.4400</u>	<u>6.4400</u>	<u>6.4400</u>
<b>Total Millage</b>	<u><u>\$9.3100</u></u>	<u><u>\$9.3100</u></u>	<u><u>\$9.3100</u></u>	<u><u>\$9.3100</u></u>

**Overlapping Rates by Taxing District**

<b>Ashtabula Area City Schools</b>				
Residential/Agricultural Real	\$31.1325	\$31.4467	\$31.4015	\$32.4762
Commerical/Industrial and Public Utility Real	36.8580	37.0858	36.9317	37.8697
General Business and Public Utility Personal	52.0000	52.5000	52.5000	52.5000
<b>Ashtabula County Commissioner</b>				
Residential/Agricultural Real	8.5409	8.5336	8.5375	8.9779
Commerical/Industrial and Public Utility Real	9.4041	9.2995	9.2656	9.0000
General Business and Public Utility Personal	11.0200	11.0200	11.0300	11.0300
<b>Ashtabula Township Park</b>				
Residential/Agricultural Real	1.1697	1.1073	1.1063	1.0790
Commerical/Industrial and Public Utility Real	1.1799	1.1151	1.1126	1.1229
General Business and Public Utility Personal	1.1800	1.1800	1.1800	1.1800

Source: Ashtabula County Auditor

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

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

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

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

(1) Information prior to 2004 is not available

2006	2005	2004
\$0.2700	\$0.2700	\$0.2700
1.3000	1.3000	1.3000
1.3000	1.3000	1.3000
2.8700	2.8700	2.8700
4.1400	4.1400	4.1400
2.0000	2.0000	2.0000
1.8000	1.8000	1.8000
0.3000	0.3000	0.3000
8.2400	8.2400	8.2400
\$11.1100	\$11.1100	\$11.1100

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

8.4057	8.4062	9.0059
9.4487	9.4450	9.8485
11.0300	11.0300	11.0300

1.0769	1.0767	1.1040
1.1307	1.1304	1.1393
1.1800	1.1800	1.1800

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

Year	Total Tax Levy	Current Tax Collections	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections (1)
2010	\$2,182,331	\$1,974,489	90.48 %	\$100,370	\$2,074,859
2009	2,122,541	1,998,790	94.17	123,751	2,122,541
2008	2,081,658	1,962,658	94.28	118,999	2,081,657
2007	2,479,512	2,340,288	94.38	131,671	2,471,959
2006	2,457,892	2,312,705	94.09	131,820	2,444,525
2005	3,180,491	3,043,735	95.70	143,695	3,187,430
2004	3,233,136	3,014,061	93.22	44,238	3,058,299
2003	2,956,252	2,804,509	94.87	99,856	2,904,365
2002	2,945,300	2,797,393	94.98	150,618	2,948,011
2001	2,961,620	2,790,577	94.22	90,090	2,880,667

Source: Ashtabula County, Ohio; County Auditor

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

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



<u>Percent of Total Tax Collections To Tax Levy</u>	<u>Accumulated Outstanding Delinquent Taxes</u>	<u>Percentage of Delinquent Taxes to Total Tax Levy</u>
95.08 %	\$415,173	19.02 %
100.00	164,557	7.75
100.00	132,806	6.38
99.69	270,956	10.92
99.46	245,861	10.00
100.22	220,549	6.93
94.59	327,785	10.14
98.24	273,875	9.26
100.09	199,186	6.76
97.27	191,148	6.45

**City of Ashtabula, Ohio**  
*Principal Real Property Taxpayers*  
 2010 and 2001

<i>2010</i>		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Norfolk Souther Combined	\$4,797,970	2.11 %
Pinney Dock	1,826,680	0.80
Ohio American Water	1,639,730	0.72
Cotswold LTD	1,419,440	0.63
Ashtabula Care Center	1,391,950	0.61
Ash-L Associates	1,348,326	0.59
Molded Fiber Glass	1,319,910	0.58
Ashtabula Towers	1,141,600	0.50
Country Club Center III	1,073,800	0.47
Willo Arms of Ashtabula	972,860	0.43
<b>Total</b>	<b>\$16,932,266</b>	<b>7.44 %</b>
<b>Total Assessed Valuation</b>	<b>\$227,455,470</b>	
<i>2001</i>		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Ohio American Water	\$8,874,104	4.16 %
Cleveland Electric Illuminating	5,410,490	2.53
Western Reserve Telephone	5,110,990	2.39
Consolidated Rail	3,810,800	1.78
Ash-L Associates	2,752,950	1.29
Pinney Dock	1,414,580	0.66
Molded Fiber Glass	1,257,660	0.59
Ashtabula Towers	1,102,960	0.52
Reliance	959,530	0.45
Iten - Hupco	929,830	0.44
<b>Total</b>	<b>\$31,623,894</b>	<b>14.81 %</b>
<b>Total Assessed Valuation</b>	<b>\$213,526,790</b>	

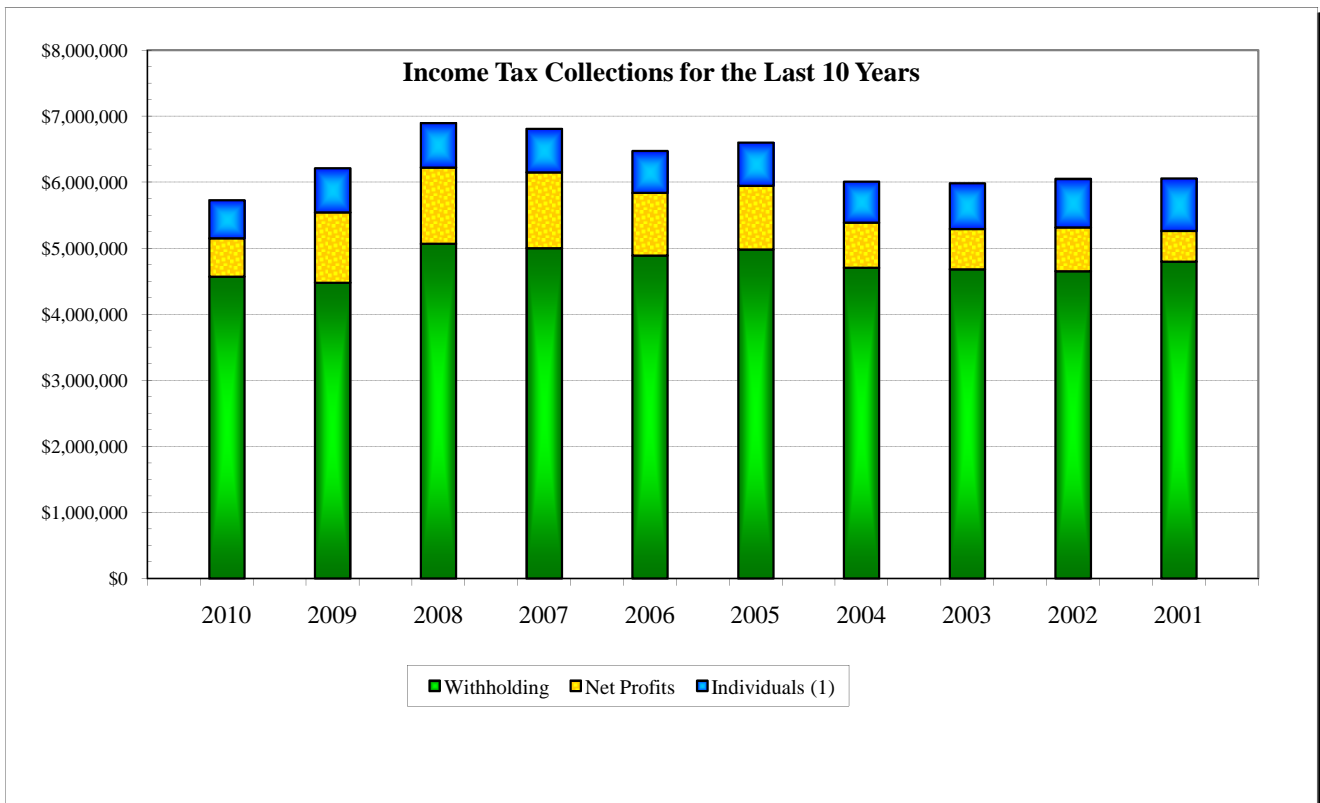
Source: Ashtabula County Auditor

(1) Amounts represent assessed values upon which 2010 and 2001 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
2010	1.80 %	\$5,729,893	\$4,570,158	79.76%	\$580,899	10.14%	\$578,836	10.10%
2009	1.80	6,211,306	4,478,610	72.10	1,065,081	17.15	667,615	10.75
2008	1.80	6,896,798	5,068,292	73.49	1,155,334	16.75	673,172	9.76
2007	1.80	6,809,681	5,001,739	73.45	1,148,864	16.87	659,078	9.68
2006	1.80	6,472,417	4,891,466	75.57	946,007	14.62	634,944	9.81
2005	1.80	6,602,325	4,979,834	75.43	964,776	14.61	657,715	9.96
2004	1.80	6,009,039	4,705,472	78.31	681,872	11.35	621,695	10.35
2003	1.80	5,983,929	4,683,572	78.27	610,621	10.20	689,736	11.53
2002	1.80	6,050,220	4,654,319	76.93	659,986	10.91	735,915	12.16
2001	1.80	6,057,069	4,797,845	79.21	465,020	7.68	794,204	13.11

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



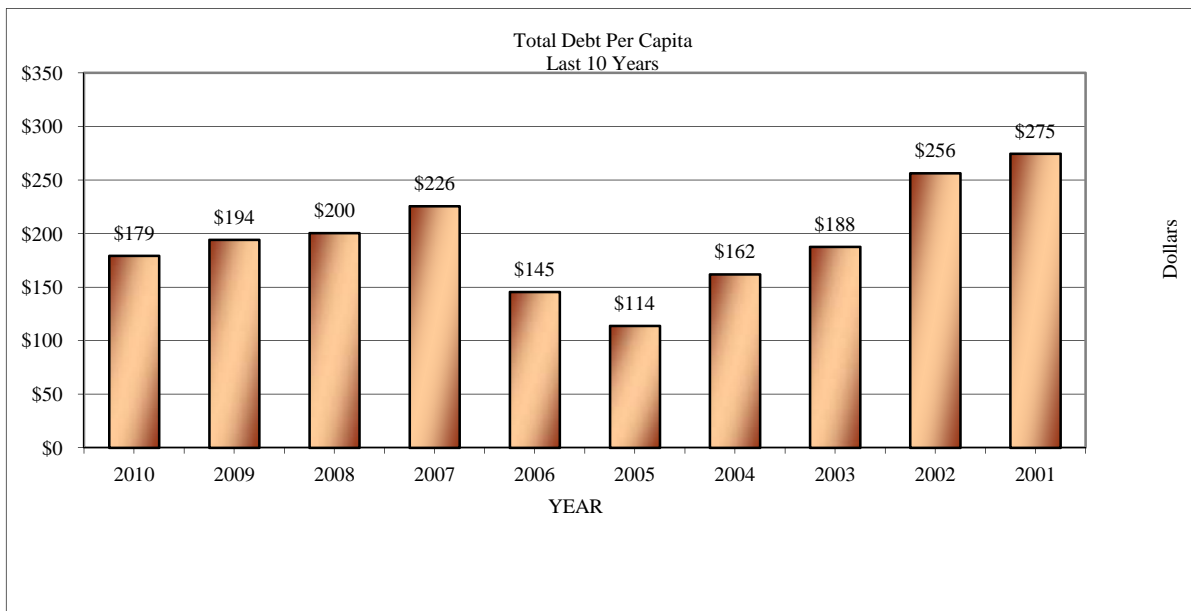
**City of Ashtabula, Ohio**  
*Ratio of Outstanding Debt to  
Total Personal Income and Debt Per Capita  
Last Ten Years*

Year	Governmental Activities				
	General Obligation Bonds	Special Assessment Bonds	OPWC Loans	Police & Fire Loan	Capital Leases
2010	\$475,000	\$0	\$92,933	\$0	\$0
2009	349,827	0	103,414	0	0
2008	300,796	23,984	112,498	0	0
2007	1,027,399	47,061	122,281	102,228	0
2006	1,469,266	0	132,063	201,477	0
2005	592,558	10,000	136,954	297,824	637
2004	1,379,848	20,000	151,627	391,354	1,658
2003	1,719,311	30,000	156,518	481,610	4,537
2002	3,046,293	40,000	171,192	472,929	9,021
2001	3,240,000	50,000	180,974	553,080	12,865

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

Business Type Activities

<u>Equalization Basin Loan</u>	<u>OWDA Loans</u>	<u>OPWC Loans</u>	<u>KeyCorp Bonds</u>	<u>Total Debt</u>	<u>Percentage of Personal Income(1)</u>	<u>Per Capita(1)</u>
\$1,621,325	\$782,419	\$633,659	\$150,000	\$3,755,336	1.28 %	\$179
1,854,730	905,831	658,659	200,000	4,072,461	1.38	194
2,078,727	1,024,045	661,989	0	4,202,039	1.43	200
2,293,696	1,137,279	0	0	4,729,944	1.61	226
0	1,245,743	0	0	3,048,549	1.04	145
0	1,349,639	0	0	2,387,612	0.81	114
0	1,449,159	0	0	3,393,646	1.15	162
0	1,544,487	0	0	3,936,463	1.34	188
0	1,635,801	0	0	5,375,236	1.83	256
0	1,723,268	0	0	5,760,187	1.96	275



**City of Ashtabula, Ohio**

*Legal Debt Margin*

*Last Ten Years*

	2010	2009	2008	2007
Total Assessed Property Value	\$227,455,470	\$235,001,130	\$237,095,420	\$242,740,740
General Bonded Debt Outstanding:				
General Obligation Bonds	\$475,000	\$349,827	\$300,796	\$1,027,399
Equalization Basin Loan	1,621,325	1,854,730	2,078,727	2,293,696
OWDA Loans	782,419	905,831	1,024,045	1,137,279
OPWC Loans	726,592	762,073	774,487	122,281
KeyCorp Loan	150,000	200,000	0	0
Special Assessment Bonds	0	0	23,984	47,061
Total Gross Indebtedness	3,755,336	4,072,461	4,202,039	4,627,716
Less:				
Equalization Basin Loan	(1,621,325)	(1,854,730)	(2,078,727)	(2,293,696)
OWDA Loans	(782,419)	(905,831)	(1,024,045)	(1,137,279)
OPWC Loans	(726,592)	(762,073)	(774,487)	(122,281)
KeyCorp Loan	(150,000)	(200,000)	0	0
Special Assessment Bonds	0	0	(23,984)	(47,061)
General Obligation Bond Retirement Fund Balance	(45,861)	(122,947)	(36,696)	(785,817)
Total Net Debt Applicable to Debt Limit	429,139	226,880	264,100	241,582
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	23,882,824	24,675,119	24,895,019	25,487,778
Legal Debt Margin Within 10 ½ % Limitations	\$23,453,685	\$24,448,239	\$24,630,919	\$25,246,196
Legal Debt Margin as a Percentage of the Debt Limit	98.20%	99.08%	98.94%	99.05%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	\$12,510,051	\$12,925,062	\$13,040,248	\$13,350,741
Total Gross Indebtedness	3,755,336	4,072,461	4,202,039	4,627,716
Less:				
Equalization Basin Loan	(1,621,325)	(1,854,730)	(2,078,727)	(2,293,696)
OWDA Loans	(782,419)	(905,831)	(1,024,045)	(1,137,279)
OPWC Loans	(726,592)	(762,073)	(774,487)	(122,281)
KeyCorp Loan	(150,000)	(200,000)	0	0
Special Assessment Bonds	0	0	(23,984)	(47,061)
General Obligation Bond Retirement Fund Balance	(45,861)	(122,947)	(36,696)	(785,817)
Net Debt Within 5 ½ % Limitations	429,139	226,880	264,100	241,582
Unvoted Legal Debt Margin Within 5 ½ % Limitations	\$12,080,912	\$12,698,182	\$12,776,148	\$13,109,159
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	96.57%	98.24%	97.97%	98.19%

Source: City Financial Records

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

2006	2005	2004	2003	2002	2001
<u>\$239,484,190</u>	<u>\$243,460,550</u>	<u>\$226,008,470</u>	<u>\$226,721,670</u>	<u>\$233,515,730</u>	<u>\$213,526,790</u>
\$1,469,266	\$592,558	\$1,379,848	\$1,719,311	\$3,046,293	\$3,240,000
0	0	0	0	0	0
1,245,743	1,349,639	1,449,159	1,544,487	1,635,801	1,723,268
132,063	136,954	151,627	156,518	171,192	180,974
0	0	0	0	0	0
0	10,000	20,000	30,000	40,000	50,000
<u>2,847,072</u>	<u>2,089,151</u>	<u>3,000,634</u>	<u>3,450,316</u>	<u>4,893,286</u>	<u>5,194,242</u>
0	0	0	0	0	0
(1,245,743)	(1,349,639)	(1,449,159)	(1,544,487)	(1,635,801)	(1,723,268)
(132,063)	(136,954)	(151,627)	(156,518)	(171,192)	(180,974)
0	0	0	0	0	0
0	(10,000)	(20,000)	(30,000)	(40,000)	(50,000)
<u>(571,960)</u>	<u>(347,597)</u>	<u>(590,065)</u>	<u>(408,641)</u>	<u>(1,217,065)</u>	<u>(1,020,925)</u>
<u>897,306</u>	<u>244,961</u>	<u>789,783</u>	<u>1,310,670</u>	<u>1,829,228</u>	<u>2,219,075</u>
<u>25,145,840</u>	<u>25,563,358</u>	<u>23,730,889</u>	<u>23,805,775</u>	<u>24,519,152</u>	<u>22,420,313</u>
<u>\$24,248,534</u>	<u>\$25,318,397</u>	<u>\$22,941,106</u>	<u>\$22,495,105</u>	<u>\$22,689,924</u>	<u>\$20,201,238</u>
96.43%	99.04%	96.67%	94.49%	92.54%	90.10%
<u>\$13,171,630</u>	<u>\$13,390,330</u>	<u>\$12,430,466</u>	<u>\$12,469,692</u>	<u>\$12,843,365</u>	<u>\$11,743,973</u>
2,847,072	2,089,151	3,000,634	3,450,316	4,893,286	5,194,242
0	0	0	0	0	0
(1,245,743)	(1,349,639)	(1,449,159)	(1,544,487)	(1,635,801)	(1,723,268)
(132,063)	(136,954)	(151,627)	(156,518)	(171,192)	(180,974)
0	0	0	0	0	0
0	(10,000)	(20,000)	(30,000)	(40,000)	(50,000)
<u>(571,960)</u>	<u>(347,597)</u>	<u>(590,065)</u>	<u>(408,641)</u>	<u>(1,217,065)</u>	<u>(1,020,925)</u>
<u>897,306</u>	<u>244,961</u>	<u>789,783</u>	<u>1,310,670</u>	<u>1,829,228</u>	<u>2,219,075</u>
<u>\$12,274,324</u>	<u>\$13,145,369</u>	<u>\$11,640,683</u>	<u>\$11,159,022</u>	<u>\$11,014,137</u>	<u>\$9,524,898</u>
93.19%	98.17%	93.65%	89.49%	85.76%	81.10%

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

<u>Year</u>	<u>Population (1)</u>		<u>Estimated Actual Value of Taxable Property (2)</u>	<u>Gross Bonded Debt</u>	<u>Ratio of Bonded Debt to Estimated Actual Value of Taxable Property</u>	<u>Bonded Debt Per Capital</u>
2010	19,680	a	\$617,332,492	\$475,000	0.08 %	\$24.14
2009	20,962	b	682,990,180	349,827	0.05	16.69
2008	20,962	b	720,617,007	300,796	0.04	14.35
2007	20,962	b	770,729,191	1,027,399	0.13	49.01
2006	20,962	b	702,439,402	1,469,266	0.21	70.09
2005	20,962	b	688,389,816	592,558	0.09	28.27
2004	20,962	b	638,926,554	1,379,848	0.22	65.83
2003	20,962	b	645,050,375	1,719,311	0.27	82.02
2002	20,962	b	673,024,796	3,046,293	0.45	145.32
2001	20,962	b	616,283,850	3,240,000	0.53	154.57

Sources:

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

- (2) Ashtabula County Auditor



**City of Ashtabula, Ohio**  
*Computation of Direct and Overlapping Governmental Activities Debt*  
*December 31, 2010*

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of Ashtabula
<b>Direct - City of Ashtabula</b>			
General Obligation Bonds	\$475,000	100.00%	\$475,000
OPWC Loans	<u>92,933</u>	100.00%	<u>92,933</u>
<i>Total Direct Debt</i>	<u>567,933</u> *		<u>567,933</u>
<b>Overlapping</b>			
Ashtabula Area City School District			
General Obligation Bonds	37,203,699	53.40%	19,866,775
Ashtabula County			
General Obligation Bonds	<u>3,297,491</u>	13.30%	<u>438,566</u>
<i>Total Overlapping Debt</i>	<u>40,501,190</u>		<u>20,305,341</u>
<b>Total</b>	<u><u>\$41,069,123</u></u>		<u><u>\$20,873,274</u></u>

Source: Ashtabula County, Ohio; County Auditor

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

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

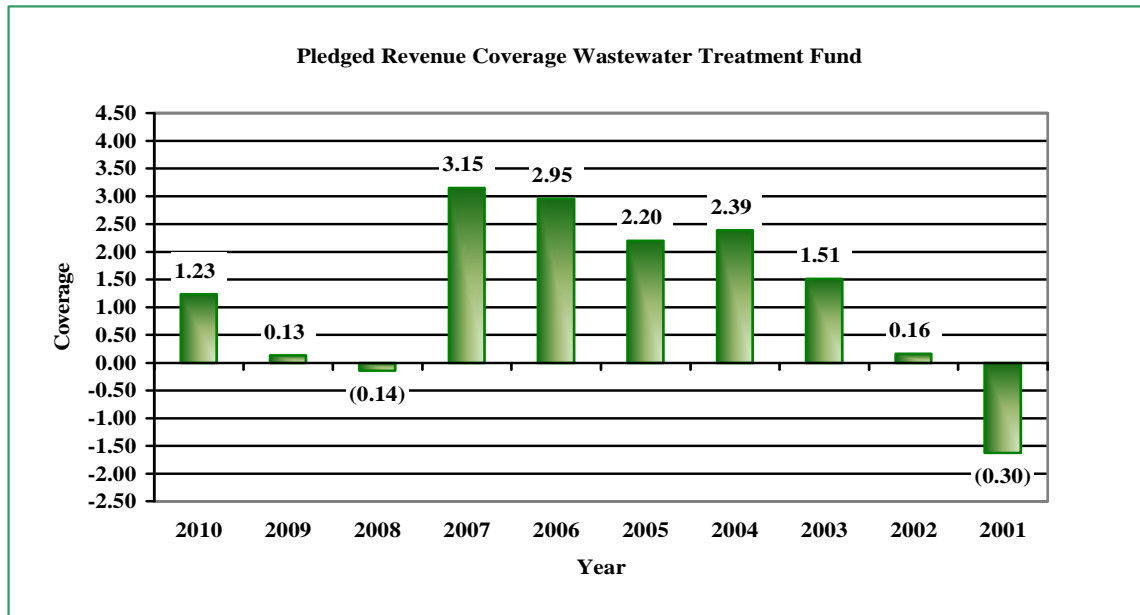
**City of Ashtabula, Ohio**  
*Pledged Revenue Coverage Wastewater Treatment Fund*  
*Last Ten Years*

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

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

(2) Operating expenses do not include depreciation.

Source: Ashtabula City Auditor's office



2006	2005	2004	2003	2002	2001
\$3,092,660	\$3,051,895	\$2,880,449	\$2,871,360	\$2,801,467	\$2,587,575
2,617,005	2,696,070	2,493,765	2,628,308	2,774,960	2,850,199
475,655	355,825	386,684	243,052	26,507	(262,624)
103,896	99,520	95,328	91,314	87,467	83,783
57,592	61,968	66,160	70,174	74,021	77,705
161,488	161,488	161,488	161,488	161,488	161,488
2.95	2.20	2.39	1.51	0.16	(1.63)

**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)
2010	19,680	\$330,801,120	\$16,809	\$29,545	37.3
2009	20,962	294,180,708	14,034	27,354	34.9
2008	20,962	294,180,708	14,034	27,354	34.9
2007	20,962	294,180,708	14,034	27,354	34.9
2006	20,962	294,180,708	14,034	27,354	34.9
2005	20,962	294,180,708	14,034	27,354	34.9
2004	20,962	294,180,708	14,034	27,354	34.9
2003	20,962	294,180,708	14,034	27,354	34.9
2002	20,962	294,180,708	14,034	27,354	34.9
2001	20,962	294,180,708	14,034	27,354	34.9

(1) Source: U. S. Census

Year 2010 The 2010 Federal Census

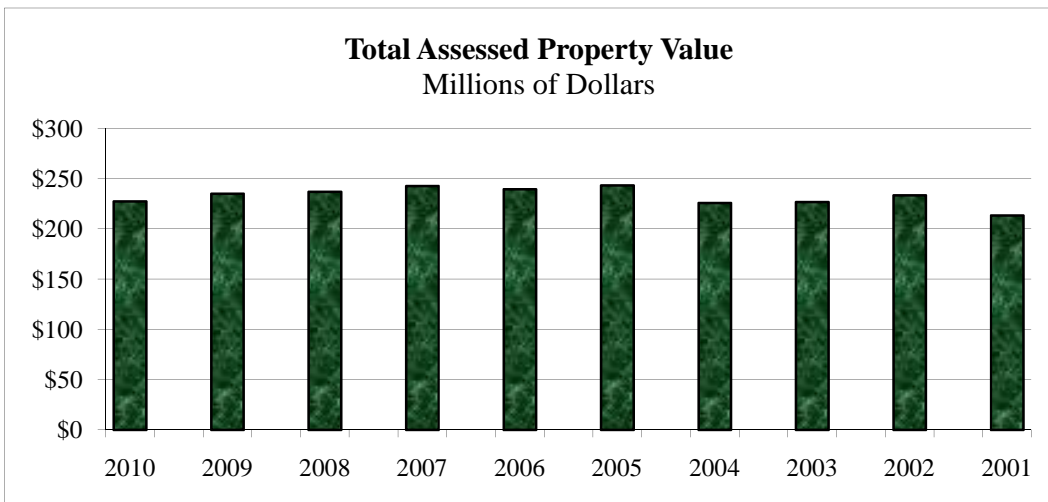
Years 2001 - 2009 The 2000 Federal Census

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

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

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

(5) Source: Ashtabula County Auditor



Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment	Ashtabula County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (5)
10.4	4,277	11.9%	\$46,920	\$227,455,470
10.4	4,463	14.2	35,630	235,001,130
10.4	4,701	8.0	40,484	237,095,420
10.4	4,662	7.0	54,772	242,740,740
10.4	4,686	7.0	85,300	239,484,190
10.4	4,743	7.3	85,200	243,460,550
10.4	5,057	7.3	84,775	226,008,470
10.4	5,170	8.1	n/a	226,721,670
10.4	5,252	8.1	n/a	233,515,730
10.4	5,270	7.2	n/a	213,526,790



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

<b>2010</b>		
Employer	Nature of Activity	Employees
Ashtabula County Medical Center	Medical Center	1,048
Ashtabula Area City Schools	Public Education	684
Molded Fiber Glass	Manufacturing - composites	308
Kent State University - Ashtabula Campus	Public Education/College	263
CHS - Lake Erie	Nursing Home	261
City of Ashtabula	Municipal Government	174
Country Club Retirement Center	Nursing Home/Assisted Living	160
Plasticolors	Manufacturing - pigments	148
Community Care Ambulance	Emergency Services	144
Ashtabula Rubber Company	Manufacturing - rubber components	142
Total		<u>3,332</u>
Total Employment within the City		<u>n/a</u>

<b>2006</b>		
Employer	Nature of Activity	Employees
Ashtabula County Medical Center	Medical Center	966
Ashtabula Area City Schools	Public Education	900
Molded Fiber Glass	Manufacturing - composites	836
CHS - Lake Erie	Nursing Home	272
Kent State University - Ashtabula Campus	Public Education/College	249
Ashtabula Rubber Company	Manufacturing - rubber components	239
Continuum Home Care Inc	Home Health Care	210
Item Industries	Manufacturing - plastic parts	195
Plasticolors	Pigment and additive dispersions	193
Country Club Retirement Center	Nursing Home	178
Total		<u>4,238</u>
Total Employment within the City		<u>n/a</u>

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

(1) Information prior to 2006 is not available  
n/a - Information not available

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

Function/Program	2010	2009	2008	2007	2006
General Government					
Legislative and Executive					
Council	8	8	8	8	8
Administration	2	2	4	3	3
Auditor	6	6	7	7	7
Treasurer	1	1	1	1	1
Income Tax	2	2	3	3	3
Solicitor	4	4	4	4	4
Motor Maintenance	2	2	3	3	3
Engineering	2	2	3	3	3
Civil Service	1	1	1	1	1
Lands and Buildings	2	2	3	3	3
Systems Analyst	1	1	1	1	1
Judicial System					
Municipal Court	12	14	13	13	14
Probation	4	5	4	4	4
Security of Persons and Property					
Police	31	29	32	32	31
Police - Civilian	4	5	9	9	9
Fire	25	25	26	27	25
Fire - Civilian	1	1	1	1	1
Public Health Services					
Food Service	1	1	1	1	1
Nursing	3	5	6	4	4
Street Maintenance and Repair					
Public Works	17	20	22	22	23
Housing and Community Development					
Code Enforcement	2	2	2	2	2
CDBG	2	2	1	2	1
Sanitation Services					
Sanitation	15	15	16	15	16
Leisure Time Activities					
Walnut Beach	0	0	0	0	0
Business Type Activity					
Wastewater Treatment	12	13	14	14	13
Totals:	<u>160</u>	<u>168</u>	<u>185</u>	<u>183</u>	<u>181</u>

(1) Information prior to 2002 not available.

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

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



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

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

Function/Program	2010	2009	2008	2007
<b>General Government</b>				
<b>Legislative and Executive</b>				
<i>Council &amp; Clerk</i>				
Number of Ordinances Passed	161	153	150	161
Number of Resolutions Passed	32	29	47	18
<i>Auditor</i>				
Number of checks/ vouchers issued	2,861	2,998	3,445	5,248
Amount of checks written	\$9,401,527	\$9,167,900	\$12,843,481	\$15,497,472
Number of Budget Adjustments issued	na	na	na	269
Agency Ratings - Standard & Poors	A-	A-	A-	A-
Agency Ratings - Moody's Financial Services	BBA	BBA	BBA	BBA
Health Insurance Costs vs General Fund Expenditures %	16.74%	11.40%	14.50%	13.60%
General Fund Receipts	\$9,471,911	\$9,564,894	\$10,304,586	\$10,239,837
General Fund Expenditures	\$9,439,112	\$9,350,341	\$10,057,413	\$10,015,243
General Fund Cash Balances	\$55,428	\$251,607	\$373,660	\$627,580
<i>Treasurer</i>				
Number of Pay-Ins issued	1,767	1,733	1,679	1,441
Interest earnings for fiscal year (cash basis)	\$5,450	\$10,888	\$146,010	\$394,355
<i>Income Tax Department</i>				
Number of Individual Returns	6,582	6,598	6,775	7,262
Number of Business Returns	1,361	1,296	1,396	1,484
Number of business withholding accounts	648	725	780	735
Amount of Penalties and Interest Collected	\$30,326	\$33,760	\$44,068	\$35,513
Annual number of Corporate withholding forms processed	6,390	6,819	9,120	9,371
Annual number of balance due statements forms processed	655	795	676	749
Annual number of estimated payment forms processed	788	848	844	905
Annual number of reconciliations of withholdings processed	36	51	19	57
<i>Engineering Department Indicators</i>				
Zoning Permits Issued	214	263	291	385
Estimated Value of Construction	\$2,429,018	\$3,150,828	\$14,004,261	\$3,372,076
Number of permits issued	964	968	702	817
Amount of Revenue generated from permits	\$298,863	\$298,149	\$144,385	\$325,886
Number of Planning Commission meetings	9	7	7	2
Number of Administrative/Zoning Board meetings	2	2	3	1
<i>Civil Service</i>				
Number of police entry tests administered	0	0	0	1
Number of fire entry tests administered	0	1	1	1
Number of police promotional tests administered	1	0	0	2
Number of fire promotional tests administered	3	0	0	0
Number of hires of Police Officers from certified lists	0	2	0	7
Number of hires of Fire/Medics from certified lists	1	0	0	1
Number of promotions from police certified lists	2	9	0	2
Number of promotions from fire certified lists	0	2	0	0
<b>Judicial System</b>				
<i>Municipal Court</i>				
Number of Civil Cases	1,215	1,336	1,502	1,588
Number of Criminal cases	6,826	7,410	9,265	10,062
<i>Probation</i>				
Community Diversion participants	285	263	402	143
Community Diversion service hours	6,937	4,447	5,732	5,815

2006	2005	2004
192	103	112
16	15	28
4,312	4,653	3,627
\$20,919,912	\$20,422,342	\$19,055,341
248	222	187
A-	A-	A-
BAA	BAA	BAA
13.99%	13.32%	13.05%
\$10,028,364	\$9,981,777	\$9,245,696
\$9,536,404	\$8,906,539	\$8,802,912
\$657,980	\$708,153	\$354,738
1,574	1,488	1,484
\$339,503	\$212,687	\$82,469
8,495	8,677	8,626
1,347	1,381	1,410
833	799	816
\$30,913	\$28,684	\$29,750
9,440	9,201	8,812
777	676	885
856	922	797
41	389	315
374	311	383
\$11,444,149	\$4,898,765	\$8,347,191
727	631	979
\$341,215	\$128,302	\$454,917
8	8	6
1	2	5
0	0	1
1	0	1
0	2	0
0	4	0
2	1	0
2	0	0
7	11	13
6	4	1
1,519	1,334	1,409
9,564	6,740	5,916
676	667	745
4,205	3,962	9,429

(continued)

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

Function/Program	2010	2009	2008	2007
<b>Security of Persons &amp; Property</b>				
<i>Police</i>				
Total Calls for Services	18,484	20,229	22,485	24,593
Number of traffic citations issued	2,366	2,053	2,213	2,875
Number of parking citations issued	126	163	209	836
Number of criminal arrests	1,172	1,146	1,454	1,718
Operating Motor Vehicle Under the Influence (OMVI) Arrests	119	131	121	120
Adult Driving Under Suspension (DUS) Arrests	444	375	405	549
Prisoners	620	735	1,002	972
Prisoner meal costs	\$10,609	\$22,998	\$49,696	\$41,066
Motor Vehicle Accidents	399	426	640	668
Fatalities from Motor Vehicle Accidents	0	3	1	5
Gasoline costs of fleet	\$65,000	\$61,353	\$91,813	\$67,932
<i>Fire</i>				
EMS/Medical Calls (Mutual Aid, Non Transport)	770	868	925	875
Fire Calls	664	668	916	800
Fire Fatalities	0	0	2	1
Fires with Loss	26	28	43	35
Fires with Losses exceeding \$10K	12	13	14	11
Fire Losses \$	\$758,700	\$421,530	\$3,539,727	\$451,670
Fire Investigations	28	27	20	34
Number of times Mutual Aid given to Fire and EMS	20	23	44	26
Departmental Training Hours	3,992	4,310	4,676	4,552
<b>Public Health &amp; Welfare</b>				
Health Department				
Certificates Filed				
Number of Births	495	518	526	602
Number of Deaths	289	274	274	281
Certificates Issued				
Number of Births	2,192	2,451	2,642	3,203
Number of Deaths	988	1,049	1,118	1,235
Burial Permits Issued	437	407	381	399
Receipts from Certificates Issued	\$79,500	\$73,898	\$71,440	\$84,321
Number of Health Inspections				
Food Service Operations, Licensed/Number of Inspections	81/238	91/207	97/247	86/182
Food Establishments, Licensed/Number of Inspections	44/78	47/66	43/81	44/68
Vending Operations, Licensed/Number of Inspections	13/12	14/13	14/14	15/12
Marinas, Licensed/Number of Inspections	10/10	10/10	10/10	16/10
Manufactured Home Parks, Licensed/Number of Inspections	3/6	3/6	3/6	3/3
Campgrounds, Licensed/Number of Inspections	4/4	4/4	4/4	4/4
Swimming Pools and Spas, Licensed/Number of Inspections	6/17	6/10	6/11	6/12

2006	2005	2004
21,184	n/a	n/a
1,936	1,500	n/a
360	114	n/a
1,212	1,234	n/a
61	58	n/a
356	242	n/a
781	705	n/a
\$46,271	\$36,499	\$29,193
476	550	n/a
0	2	0
\$87,882	\$93,171	\$94,120
852	844	878
141	150	125
0	1	0
31	40	37
10	16	20
\$515,600	\$2,365,150	\$998,450
34	37	40
20	38	22
5,787	5,202	5,304
576	636	541
287	338	341
3,015	2,816	2,780
1,226	1,540	1,542
416	500	491
\$81,827	\$74,910	\$66,303
99/240	101/243	103/245
44/81	45/85	46/78
19/17	23/21	22/23
10/11	10/10	10/11
3/10	3/6	3/6
4/7	4/4	4/5
6/17	6/12	6/17

(continued)

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

Function/Program	2010	2009	2008	2007
<b>Street Maintenance and Repair</b>				
Guardrail Repair (hours)	36	53	68	129
Paint Striping (hours)	505	513	508	510
Street Sweeper (hours)	447	2,047	2,018	2,313
Cold Patch (hours)	2,781	4,026	4,208	4,085
Snow & Ice Removal regular hours	8,194	12,231	12,562	11,768
Snow & Ice Removal overtime hours	471	703	987	823
Sewer and Sanitary calls for service	772	1,151	1,063	949
After hours Sewer Calls (hours)	254	387	433	413
Sewer Crew (hours)	1,808	2,695	2,800	2,908
Sewer jet, Vac-all, other services (hours)	695	1,437	1,700	1,483
Landscaping Stump-Chipper service (hours)	245	359	480	410
Leaf collection (hours)	4,413	4,227	4,833	4,819
Holiday lights setup (hours)	80	80	80	80
Equipment repair/body shop (hours)	4,300	4,300	5,200	5,200
Sign department (hours)	1,200	1,200	1,400	1,500
Tons of snow melting salt purchased (Jan-Dec)	1,875	1,112	3,549	3,792
Cost of salt purchased	\$105,768	\$70,960	\$125,698	\$134,588
<b>Housing and Community Development (2)</b>				
<b>Community Development Block Grant</b>				
Grant amounts received	\$987,000	\$1,154,000	N/S	\$45,834
<b>Code Enforcement</b>				
Number of rental inspections performed	2,072	903	1,345	2,178
Number of exterior inspections	200	1,550	258	1,403
Code Enforcement fees collected	\$155,720	\$150,418	\$171,554	\$158,144
<b>Sanitation (3)</b>				
Residential trash pickup rate (billed every 2 months)	\$15.00	\$15.00	\$15.00	\$15.00
Refuse disposal per year (in tons)	12,475	13,060	13,610	13,937
Refuse disposal costs per year	\$500,000	\$546,000	\$516,000	\$540,000
Annual recycling tonnage (excluding leaf, and compost items)	524	482	480	480
Percentage of waste recycled	4.02%	3.60%	3.80%	3.80%
Revenue generated from sale of recyclables	\$8,350	\$5,874	\$9,000	\$15,595
<b>Wastewater Treatment</b>				
Sewer Rates per unit of water used (1 unit equals 750 gallons)	\$2.66	\$2.61	\$2.61	\$2.45
Total flow of wastewater treatment plant (Billions of Gallons)	1.552	1.644	1.977	1.713
Average daily flow (Millions of gallons per day)	4.254	4.530	5.420	4.693
Tons of dry sludge removed	489.10	504.84	493.95	510.56

- (1) Information prior to 2004 is not available  
(2) No response from department (N/S)  
(3) Fuel charge added to rate in 2009

Source: City Financial Records and Departments

2006	2005	2004
123	87	176
493	512	518
2,240	2,279	2,400
4,160	4,113	3,978
11,520	11,431	12,311
880	913	953
963	946	1,012
416	425	457
2,880	2,764	2,899
1,440	1,456	1,503
413	385	395
4,800	4,768	4,854
40	40	40
5,200	4,160	5,200
1,036	1,058	1,113
2,490	3,726	3,252
\$84,069	\$127,411	\$116,567
\$536,000	\$151,000	\$659,000
480	360	360
n/a	700	673
\$98,950	\$44,352	\$50,636
\$15.00	\$12.00	\$13.00
12,565	12,106	11,901
\$435,814	\$378,744	\$328,931
476	476	414
3.65%	3.79%	3.36%
\$5,233	\$6,736	\$3,895
\$2.45	\$2.40	\$2.40
1.998	2.540	2.262
5.550	6.990	6.170
558.24	612.07	421.34

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

Function/Program	2010	2009	2008	2007
<b>General Government</b>				
Square Footage Occupied	95,943	95,943	95,943	95,943
Administrative Vehicles	3	3	2	4
Inspection Vehicles	0	0	2	6
Municipal Court Vehicles	2	2	2	2
Lands & Buildings Vehicles	3	3	4	4
<b>Police</b>				
Stations	1	1	1	1
Square Footage of Building	14,491	14,491	14,491	14,491
Vehicles	34	32	40	33
<b>Fire</b>				
Stations	1	1	1	1
Square Footage of Building	11,560	11,560	11,560	11,560
Vehicles	9	10	8	8
<b>Street Maintenance and Repairs</b>				
Square Footage of Building	25,050	25,050	25,050	25,050
Streets (miles)	97	97	97	97
Bridges	6	6	6	6
Traffic Signals	53	53	54	54
Service Vehicles	29	29	29	28
<b>Sanitation Services</b>				
Square Footage of Building	9,100	9,100	9,100	9,100
Vehicles	9	9	10	10
<b>Leisure Time Activities</b>				
Number of Parks	8	8	8	8
Number of Tennis Courts	2	2	2	2
Number of Skateboarding Areas	1	1	1	1
Number of Baseball Diamonds	4	4	4	4
Number of Soccer Fields	1	1	1	1
Square Footage of Walnut Beach Building	6,420	6,420	6,420	6,420
Square Footage of Smith Field Building	336	336	336	336
Square Footage of Massucci Building	1,944	1,944	1,944	1,944
<b>Wastewater Treatment</b>				
Square Footage of Building	22,344	22,344	22,344	22,344
Sanitary Sewers (miles)	92	92	92	92
Storm Sewers (miles)	76	76	76	76
Vehicles	6	5	5	6

Source: City of Ashtabula Auditor's Office

(1) Information prior to 2004 is not available.



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

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Sewer Billings (1)	\$2,499,499	\$2,480,146	\$2,556,295	\$2,668,957
Residential Trash Billings	<u>1,268,641</u>	<u>1,260,253</u>	<u>1,221,559</u>	<u>1,303,059</u>
Total Utility Billing	<u>\$3,768,140</u>	<u>\$3,740,399</u>	<u>\$3,777,854</u>	<u>\$3,972,016</u>
Sewer Collections (1)(2)	\$1,931,758	\$1,929,394	\$2,215,775	\$2,119,014
Residential Trash Collections(2)	<u>1,085,080</u>	<u>1,043,043</u>	<u>995,106</u>	<u>980,335</u>
Total Utility Billing Collections	<u>\$3,016,838</u>	<u>\$2,972,437</u>	<u>\$3,210,881</u>	<u>\$3,099,349</u>
Percentage Collected from Billings Before Outstanding Balances are Certified to Property Taxes	80.06%	79.47%	84.99%	78.03%
Delinquent Sewer Collections(2)	\$492,898	\$520,624	\$469,732	\$498,674
Delinquent Residential Trash Collections(2)	<u>306,864</u>	<u>314,738</u>	<u>261,030</u>	<u>257,230</u>
Total Delinquent Collections	<u>\$799,762</u>	<u>\$835,362</u>	<u>\$730,762</u>	<u>\$755,904</u>

Source: City of Ashtabula Auditor's Office

(1) Amount billed does not include \$2.00 per month service charge or any other special project fees assessed.

(2) Delinquent collections are one year behind, ie: delinquent amounts collected in 2010 were for the amounts certified in 2009.

(3) Information prior to 2004 is not available.

<u>2006</u>	<u>2005</u>	<u>2004</u>
\$2,669,897	\$2,792,173	\$2,337,816
<u>1,073,613</u>	<u>1,056,604</u>	<u>927,328</u>
<u>\$3,743,510</u>	<u>\$3,848,777</u>	<u>\$3,265,144</u>
\$1,989,073	\$2,065,929	\$1,858,330
<u>786,512</u>	<u>833,520</u>	<u>776,486</u>
<u>\$2,775,585</u>	<u>\$2,899,449</u>	<u>\$2,634,816</u>
74.14%	75.33%	80.70%
\$458,820	\$487,751	\$408,230
<u>239,361</u>	<u>244,018</u>	<u>207,596</u>
<u>\$698,181</u>	<u>\$731,769</u>	<u>\$615,826</u>

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**CITY OF ASHTABULA**

*Ashtabula County*

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CITY OF ASHTABULA  
ASHTABULA COUNTY

FEDERAL AWARDS EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2010

FEDERAL GRANTOR Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</b>			
<i>Passed Through Ohio Department of Development:</i>			
<i>CDBG -State Administered Small Cities Program Cluster:</i>			
Community Development Block Grant - 2008 Formula Grant	A-F-08-085-1	14.228	\$85,927
Community Development Block Grant - 2009 Formula Grant	A-F-09-085-1	14.228	131,929
Community Housing Improvement Program (CHIP)		14.228	<u>83,051</u>
Subtotal CDBG - Formula Grant			<b>300,907</b>
<i>Passed through Ashtabula County:</i>			
Neighborhood Stabilization Program	B-Z-08-004-1	14.228	<u>412,817</u>
Total - CDBG State Administered Small Cities Program Cluster			<b>713,724</b>
Home Investment Partnership Program - (CHIP)	A-C-02-085-1	14.239	<u>171,684</u>
Total U.S. Department of Housing and Urban Development			<b>885,408</b>
<b>U.S. ENVIROMENTAL PROTECTION AGENCY:</b>			
<i>Direct Program:</i>			
Brownfield Assessment and Cleanup Cooperative Agreements	n/a	66.818	<b>138,311</b>
<b>U.S. DEPARTMENT OF TRANSPORTATION:</b>			
<i>Passed Through the Ohio Department of Public Safety/ Passed Through University Hospitals Geneva Medical Center:</i>			
<i>Highway Safety Cluster:</i>			
Alcohol Impaired Driving Countermeasures Incentive Grants - OVI	OVITF-2010-4	20.601	<b>8,609</b>
<b>U.S. DEPARTMENT OF JUSTICE:</b>			
<i>Direct Program:</i>			
ARRA - COPS Hiring Recovery Program	n/a	16.710	<b>143,403</b>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY:</b>			
<i>Passed Through the Ohio Department of Public Safety/ Passed Through the City of Cleveland Department of Public Safety:</i>			
<i>Homeland Security Cluster:</i>			
Law Enforcement Terrorism Prevention Program	#0000016623	97.067	<b>25,511</b>
<i>Passed Through Ohio Department of Emergency Management/ Passed Through Cuyahoga County Department of Justice Affairs:</i>			
State Homeland Security - Talon Shield Exercise Program	AG1000291-01	97.004	<u>1,347</u>
Total Homeland Security Cluster			<b>26,858</b>
<b>EXECUTIVE OFFICE OF THE PRESIDENT:</b>			
<i>Passed Through the Ohio Department of Highway Safety/ Passed Through the City of Shaker Heights:</i>			
High Intensity Drug Trafficking Areas Program	19OH0001A	95.001	<b>13,216</b>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY:</b>			
<i>Passed Through the Federal Emergency Management Agency: Direct Program:</i>			
Assistance to Firefighters Grant	EMW-2009-FO-0623:	97.044	<b>27,698</b>
<b>U.S DEPARTMENT OF HEALTH AND HUMAN SERVICES:</b>			
<i>Passed Through the Ohio Department of Health/Passed Through Ashtabula County General Health District:</i>			
Public Health Emergency Preparedness Grant (PHEP)	00410012PH0110	93.069	7,875
	00410012PH0211		<u>2,625</u>
Subtotal - PHEP Grant			10,500
Public Health Emergency Response Grant (PHER)	00410012PH0110	93.069	71,476
<i>Passed Through the City of Cleveland - Cuyahoga County:</i>			
Cities Readiness Initiative Grant	01820012P10209	93.069	<u>3,075</u>
Total Public Health Grants 93.069			<b>85,051</b>
<i>Passed through Ashtabula County General Health District:</i>			
Maternal and Child Health Services Block Grant to States (CFHS)	00410011MC0310	93.994	4,750
	00410011MC0411		<u>4,750</u>
Total - CFHS Grant			<b>9,500</b>
Total U.S. Department of Health and Human Services			<u>94,551</u>
<b>TOTAL FEDERAL ASSISTANCE</b>			<b><u>\$1,338,054</u></b>

The accompanying notes are an integral part of this schedule.

**CITY OF ASHTABULA  
ASHTABULA COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE  
FISCAL YEAR ENDED DECEMBER 31, 2010**

**NOTE A – SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

Activity in the CDBG revolving loan fund during 2010 is as follows:

Beginning Loan Receivable Balance as of January 1, 2010	\$155,488
Loans Made	0
Loan Principal Repaid	<u>11,181</u>
Ending Loans Receivable Balance as of December 31, 2010	<u>\$144,307</u>
Cash Balance on Hand in the Revolving Loan Fund as of December 31, 2010	\$ 144,235
Administrative Costs Expended During 2010	0

**NOTE C – MATCHING REQUIREMENTS**

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





20 E. McKinley Way, Suite 4  
Poland, Ohio 44514  
Ph: 330.707.9035  
Fax: 888.516.1186

CERTIFIED PUBLIC ACCOUNTANTS

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

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

To the City Council:

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Ashtabula, Ashtabula County, (the City) as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements and have issued our report thereon dated September 30, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not for opining on the effectiveness of the City's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the City's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings that we consider a significant deficiency in internal control over financial reporting. We consider finding 2010-01 to be a significant deficiency. 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.

### **Compliance and Other Matters**

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2010-02.

We did note certain matters not requiring inclusion in this report that we reported to the City's management in a separate letter dated September 30, 2011.

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

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



**Canter & Associates**

September 30, 2011



20 E. McKinley Way, Suite 4  
Poland, Ohio 44514  
Ph: 330.707.9035  
Fax: 888.516.1186

CERTIFIED PUBLIC ACCOUNTANTS

WWW.CANTERCPA.NET

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

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

To the City Council:

**Compliance**

We have audited the compliance of City of Ashtabula (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the City of Ashtabula's major federal program for the year ended December 31, 2010. The summary of auditor's results section of the accompanying schedule of findings identifies the City's major federal program. The City's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

As described in finding 2010-03 and 2010-04 in the accompanying schedule of findings, the City did not comply with requirements regarding allowable costs and reporting applicable to its Community Development Block Grant major federal program. Compliance with these requirements is necessary, in our opinion, for the City to comply with requirements applicable to this program.

In our opinion, except for the noncompliance described in the preceding paragraph, the City of Ashtabula complied, in all material respects, with the requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2010.

### **Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, we cannot assure we have identified all deficiencies, significant deficiencies, or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and a deficiency that we consider to be a significant deficiency

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings as items 2010-03 and 2010-04 to be material weaknesses.

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a federal program compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings as item 2010-01 to be a significant deficiency.

### **Federal Awards Expenditures Schedule**

We have also audited the financial statements of the governmental activities, the business-type activities, the discretely-presented component unit, each major fund and the aggregate remaining fund information of the City of Ashtabula (the City) as of and for the year ended December 31, 2010, and have issued our report thereon dated September 30, 2011. Our audit was performed to form [an opinion] on the financial statements that collectively comprise City's basic financial statements taken as a whole. The accompanying federal awards expenditures schedule provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

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



**Canter & Associates**

September 30, 2011

**CITY OF ASHTABULA  
ASHTABULA COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
FOR THE YEAR ENDED DECEMBER 31, 2010**

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

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

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

**FINDING NUMBER 2010-01**

**Significant Deficiency**

**Intergovernmental Revenue and Expenditures**

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

**CITY OF ASHTABULA  
ASHTABULA COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
FOR THE YEAR ENDED DECEMBER 31, 2010**

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

**FINDING NUMBER 2010-01  
(Continued)**

The federal awards expenditures schedule filed with the City's annual report, lists the federal expenditures per grant that the City received in 2010. The majority of these grant monies are within the General Fund of the City. The revenues are identified by a cost center for each grant per City department, but the expenditures are commingled within the expenditures of that department.

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

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

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

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

**CITY OF ASHTABULA  
ASHTABULA COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
FOR THE YEAR ENDED DECEMBER 31, 2010**

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

**FINDING NUMBER 2010-02**

**Noncompliance Citation**

**Expenditures exceeding Appropriations**

Ohio Revised Code § 5705.41 (B) states that no subdivision or taxing unit is to expend money unless it has been appropriated.

The Self Insurance fund had appropriations of \$1,985,588 and expenditures plus encumbrances of \$2,312,630, for a negative variance of \$327,042 of expenditures plus encumbrances exceeding appropriations.

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

**3. FINDINGS FOR FEDERAL AWARDS**

**1. Allowable Cost**

<b>Finding Number</b>	2010-03
<b>CFDA Title and Number</b>	Community Development Block Grant – CFDA # 14.228,
<b>Federal Award Number / Year</b>	Economic Revolving Loan Fund, and the CDBG/Home Revolving Loan Fund
<b>Federal Agency</b>	United States Department of Housing and Urban Development
<b>Pass-Through Agency</b>	Ohio Department of Development (ODOD)

**Noncompliance and Material Weakness**

2 C.F.R. Part 225, Appendix A, Section C (1) (j) provides that for a cost to be allowable, the expenditure must be adequately documented.

OMB Circular A-133, Section .300 (b)-(c) states that the auditee shall:

- Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.



**CITY OF ASHTABULA  
ASHTABULA COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
FOR THE YEAR ENDED DECEMBER 31, 2010**

<b>3. FINDINGS FOR FEDERAL AWARDS</b>
---------------------------------------

**FINDING NUMBER 2010-03  
(Continued)**

- Comply with law, regulations and the provisions of contracts or grant agreements related to each of its Federal programs.

There were various instances of undocumented transfer of funds between the City's Economic Development Revolving Loan Fund (RLF) and the Housing RLF. There were also instances of transfers from the RLF to City accounts that did not bear prior approval from the ODOD Ohio Department of Housing and Community Partnership (OHCP), nor provided documentation on the use of the funds in regards to these transfers.

Governments that maintain RLF are required to treat the funds as additional CDBG funds, and are subject to all applicable requirement of the CDBG program.

In order to determine if a cost is allowable, including administrative charges, support documentation must be maintained on file and if need be, prior approval by the oversight agency. The laws and regulations of the two RLFs that the City maintains differ in their use and guidelines and so disbursements from each should be properly documented. The RLFs should only be used for their intended purposes and not be allocated, transferred or advanced for any other purposes.

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

**2. Reporting**

<b>Finding Number</b>	2010-04
<b>CFDA Title and Number</b>	Community Development Block Grant – CFDA # 14.228,
<b>Federal Award Number / Year</b>	A-F-09-2AD-1, A-C-09-2AD-1, A-C-09-2AD-2, Economic Revolving Loan Fund, and the CDBG/Home Revolving Loan Fund
<b>Federal Agency</b>	United States Department of Housing and Urban Development
<b>Pass-Through Agency</b>	Ohio Department of Development (ODOD)

**Noncompliance and Material Weakness**

24 C.F.R Part 85 provides that a grantee's management system provide for accurate, complete and current accounting information for each federal fund. The Ohio Department of Development OHCP *Financial Management Rules and Regulations* also requires (a) Form DS5 - Request for Payment and Status of Funds Report and; (b) Final Performance Report (FPR) to be utilized in the execution of monies received and expended for CDBG grants.

**CITY OF ASHTABULA  
ASHTABULA COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
FOR THE YEAR ENDED DECEMBER 31, 2010**

<b>3. FINDINGS FOR FEDERAL AWARDS</b>
---------------------------------------

**FINDING NUMBER 2010-04  
(Continued)**

Financial reports that were submitted to ODOD did not always agree with the City's accounting ledgers. Revolving Loan Fund activity reported, and fund balances stated were also found to be inaccurate. Reports were not filed on a timely basis or on the dates required per the grant agreements. The Final Performance Report for grant A-F-09-2AD-1 and the Final Performance Report for the City's FY 2009 Formula Allocation Program did not agree to the total drawn and expended.

In order to determine that the required reports are filed timely and accurate, the following should be in place:

- Written policies should exist that establishes responsibilities and provides the procedures for periodic monitoring, verification, and reporting of program progress and accomplishments.
- A tracking system should be developed which reminds staff when reports are due.
- A general ledger or other reliable records are used and verified as accurate when completing reports.
- There are supervisory reviews of reports performed to assure the accuracy and completeness of data and information included in the reports.

In regards to the Revolving Loan Funds, the RLF should be separated to provide proper accountability and the following additional provisions are also required:

- The City to submit to OHCP at least annually, a status report on program income received and expended for the previous 12 month period as well as projected levels of program income for the upcoming 12 month period. The City also administers a RLF for economic development must also report on a semiannual basis a form entitled Semi-Annual RLF Status Report.
- Maintain proper records for the receipt and use of all program income, and ensure that the requirements of CDBG laws and regulations are followed for these monies.
- The City may expend up to 20% or \$50,000, whichever is less, based on certain provisions, of program income received in a calendar year for administrative expenses directly related to managing those funds. Housing activities must include implementation costs within the allowable administrative expenditures. Time sheets and proper source documentation must be maintained substantiating these expenses, as well as demonstrating a direct relationship between the expenses and the administration of the program income activities.

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

**CITY OF ASHTABULA  
ASHTABULA COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
OMB CIRCULAR A -133 § .315 (b)  
DECEMBER 31, 2010**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2009-1	Recording of Payments made directly to vendor for ODOT monies	Yes	
2009-2	ORC 5705.41(B) – expenditures exceeding appropriations in the PI fund	Yes	
2009-3	Federal Reporting Compliance in regards to finding 2009-1 above	Yes	

**CITY OF ASHTABULA  
ASHTABULA COUNTY**

**CORRECTIVE ACTION PLAN  
OMB CIRCULAR A -133 § .315 (c)  
DECEMBER 31, 2010**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2010-01	The City will implement procedures to assure that all federal and state grants are properly reported and accounted for on the accounting records of the City	12/31/2011	Karen Jury – acting City Auditor
2010-02	The City will comply with budgetary laws.	9/30/2011	Karen Jury – acting City Auditor
2010-03	The City has addressed these in responses to the ODOD monitoring reviews and has implemented steps in the CDBG department to stay abreast of the regulations of the various grants.	9/30/2011	Anthony Cantagallo – City Manager Mary Church - CDBG Department
2010-04	Same as Finding 2010-002	9/30/2011	Same as 2010-002



# Dave Yost • Auditor of State

CITY OF ASHTABULA

ASHTABULA COUNTY

## CLERK'S CERTIFICATION

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
DECEMBER 6, 2011