



Dave Yost • Auditor of State

CITY OF ASHTABULA
ASHTABULA COUNTY

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**CITY OF ASHTABULA
ASHTABULA COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2013**

FEDERAL GRANTOR Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:			
<i>Passed Through Ohio Department of Development:</i>			
<i>CDBG -State Administered Small Cities Program Cluster:</i>			
Community Development Block Grant - 2012 Formula Grant	A-F-10-2AD-1	14.228	\$121,648
Community Housing Improvement Program (CHIP)	A-C-11-2AD-1	14.228	<u>55,962</u>
Subtotal CDBG - Formula Grants and CHIP Program			177,610
<i>Passed through Ashtabula County:</i>			
Neighborhood Stabilization Program	B-Z-08-004-1	14.228	113,193
Neighborhood Stabilization Program	B-Z-12-004-1	14.228	<u>3,216</u>
Total - CDBG State Administered Small Cities Program Cluster			294,019
Home Investment Partnership Program - (HOME)	A-C-11-2AD-2	14.239	<u>258,584</u>
Total U.S. Department of Housing and Urban Development			552,603
U.S. ENVIRONMENTAL PROTECTION AGENCY:			
<i>Direct Program:</i>			
Brownfield Assessment and Cleanup Cooperative Agreements	n/a	66.818	5,015
U.S. DEPARTMENT OF HOMELAND SECURITY:			
<i>Passed Through the Ohio Department of Highway Safety/ Passed Through the City of Cleveland, Public Safety:</i>			
Law Enforcement Terrorism Prevention - ALPRS	000016623	97.067	40,000
Law Enforcement Terrorism Prevention - Mobile Data Terminals	000016623	97.067	<u>89,399</u>
Total Law Enforcement Terrorism Prevention Grant			129,399
EXECUTIVE OFFICE OF THE PRESIDENT:			
<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	35,400
U.S. DEPARTMENT OF HOMELAND SECURITY:			
<i>Passed Through the Federal Emergency Management Agency: Direct Program:</i>			
Assistance to Firefighters Grant	EMW-2013-FO-02142	97.044	2,500
U.S DEPARTMENT OF HEALTH AND HUMAN SERVICES:			
<i>Passed Through the Ohio Department of Health/Passed Through Ashtabula County General Health District:</i>			
Public Health Emergency Preparedness Grant (PHEP)	00410012PH0212	93.069	4,375
<i>Passed Through the City of Cleveland - Cuyahoga County:</i>			
Cities Readiness Initiative Grant	01820012PH0112	93.069	<u>3,091</u>
Total Public Health Grants			7,466
<i>Passed through Ashtabula County General Health District:</i>			
Maternal and Child Health Services Block Grant to States (CFHS)	00410011MC0412	93.994	1,950
Total U.S. Department of Health and Human Services			<u>9,416</u>
Total Federal Awards Expenditures			<u>\$734,333</u>

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, 2013**

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 2013 is as follows:

Beginning Loan Receivable Balance as of January 1, 2013	\$81,074
Loans Made	0
Loan Principal Repaid	<u>18,093</u>
Ending Loans Receivable Balance as of December 31, 2013	\$62,981
Cash Balance on Hand in the Revolving Loan Fund as of December 31, 2013	\$80,250
Administrative Costs Expended During 2013	\$47,079.00**
**Required for 2011 Formula Grant	

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.



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

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

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Ashtabula, Lake County, (the City) as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 24, 2014.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the City's internal control. Accordingly, we have not opined on it.

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 a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the City's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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, opining 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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Lausche Building, 615 Superior Ave., NW, Twelfth Floor, Cleveland, Ohio 44113-1801
Phone: 216-787-3665 or 800-626-2297 Fax: 216-787-3361

www.ohioauditor.gov

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

June 24, 2014



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES

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

To the City Council:

Report on Compliance for the Major Federal Program

We have audited the City of Ashtabula's (the City) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the City of Ashtabula's major federal programs for the year ended December 31, 2013. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the City's major federal programs.

Management's Responsibility

The City's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the City's compliance for each of the City's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the City's major programs. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Ashtabula complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2013.

Report on Internal Control Over Compliance

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

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's applicable 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable 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.

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

This report only describes the scope of our internal control compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

Report on Federal Awards Expenditures Schedule Required by OMB Circular A-133

We have also audited the financial statements of governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of City of Ashtabula (the City) as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our unmodified report thereon dated June 24, 2014. We conducted our audit to opine on the City's basic financial statements. The accompanying federal awards expenditures schedule presents additional analysis 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 management used to prepare the basic financial statements.

City of Ashtabula
Ashtabula County
Independent Auditor's Report on Compliance with Requirements
Applicable to Each Major Federal Program and on Internal Control Over
Compliance Required by OMB Circular A-133 and The Schedule of
Federal Awards Expenditures
Page 3

We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule 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 schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

Dave Yost
Auditor of State
Columbus, Ohio

June 24, 2014

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**CITY OF ASHTABULA
ASHTABULA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2013**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under § .510(a)?	No
(d)(1)(vii)	Major Programs (list): Community Development Block Grant Home Investment Partnerships Program (Home)	CFDA Number: 14.228 14.239
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

**CITY OF ASHTABULA
ASHTABULA COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 § .315 (b)
DECEMBER 31, 2013**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2012-001	Properly accounting for Federal and State grant activity in the City's accounting system.	No	Not Corrected; Management Letter Non-Compliance with Ohio Revised Code 5705.10(D).
2012-002	Appropriations exceeded Total Estimated Resources in the Self Insurance fund.	Yes	
2012-003	The Self Insurance fund and Waste Water fund had negative fund balance at year end.	Yes	

City of Ashtabula, Ohio



Comprehensive Annual Financial Report

For The Year Ended
December 31, 2013

Prepared by the Offices of Auditor and Treasurer

INTRODUCTORY SECTION

City of Ashtabula, Ohio

Comprehensive Annual Financial Report

For The Year Ended December 31, 2013

Prepared by:
The Offices of Auditor and Treasurer

City of Ashtabula, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2013
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CITY OF ASHTABULA
FINANCE DEPARTMENT

MUNICIPAL BUILDING
4717 MAIN AVENUE
ASHTABULA, OHIO 44004

DANA PINKERT
FINANCE DIRECTOR



PHONE: 440.992.7197
FAX: 440.992.9306
dpinkert@ashtabulacity.com

June 24, 2014

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

I am pleased to present the City of Ashtabula's (the City) Comprehensive Annual Financial Report (CAFR). This CAFR represents the City of Ashtabula's operations and financial position for the calendar year ended December 31, 2013, and accurately details the status of City finances to Ashtabula residents and elected officials, investment banks and underwriters, rating agencies and all other interested parties. This report enables the City to comply with Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38 which requires the cities reporting on a GAAP basis to file an un-audited annual report with the Auditor of State within one hundred and fifty days of fiscal year end.

Preparing this report reflects the ongoing commitment of the City of Ashtabula to follow nationally recognized standards of excellence in financial reporting, a commitment shared by a growing number of governmental entities in Ohio. 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 my 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. Disclosures are included as necessary to enable the reader to gain an understanding of the City's financial activities.

In accordance with Ohio law, regular audits are required to be performed on all financial related operations of the City. These audits may be done by either the State Auditor's Office or, if the State Auditor permits, an independent public accounting firm. The State Auditor's Office has issued an unqualified ("clean") opinion on the City of Ashtabula's financial statements for the year ended December 31, 2013. State Auditor 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 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.

Legislative authority is vested in a seven-member Council consisting of five ward and two at-large representatives, and is elected to serve for four-year terms. The at-large candidate receiving the most votes becomes the council president, and the other at-large candidate becomes the vice president. City Council holds its regular bi-monthly council meetings on the first and third Mondays of each month. The Council appoints the Clerk of Council, City Auditor and City Treasurer. Effective January 1, 2014 the City Auditor and City Treasurer position were combined into the Finance Director which is appointed by the City Council. Good government is reflected in the City's low property tax rate of \$9.31 per \$1,000 of assessed valuation.

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

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

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

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

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

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

Building Maintenance personnel keep all City buildings clean and safe for employees as well as the public who visit our offices.

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

The Solicitor's Department advises the City Council, the City Manager and all departments on legal matters concerning the City. The 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 44th Street.

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

The City Council is the legislative branch of the City. All legislative matters of the City are brought to the Council for their approval. The Council as a whole oversees the Clerk of Council, the Treasurer and the Auditor's departments. Department under the direction City Council are located at 4717 Main Ave, 2nd floor.

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

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 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 Auditor advises the City Council and City Manager on financial matters.

The Income Tax Department is responsible for the collection of municipal income tax from 6,582 resident returns, 1,361 business net profits returns and the collection from 648 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.

Effective January 1, 2014, the Departments of the Auditor and Treasurer were combined to create a single Finance Department. The Finance Department prepares the Comprehensive Annual Financial Report.

Accounting Systems and Budgetary Control

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

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

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

The Finance Director certifies the availability of the funds. Upon such certification, 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. The City entered into agreements for two Joint Economic Development Districts in 2013. In addition, the City has four (4) Community Reinvestment Agreements in place. City Council will execute such agreements with certain businesses for the purpose of establishing, expanding, renovating or occupying facilities, hiring new employees and preserving jobs within the enterprise zone, in exchange for specified local tax incentives granted by the City. 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.

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

The City of Ashtabula also has one of the finest harbors on the Great Lakes. In terms of tonnage shipped in and out, Ashtabula is one of the largest coal and iron ore ports on the Great Lakes. The 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. 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 Ashtabula Harbor area is host to the Beach Glass Festival held in June, Wine and Walleye Festival held in August of each year as well as Bands at the Beach all summer long. There is a fishing tournament which has over 100 boats participate, a wine tasting event, and foods of many varieties including perch and walleye being deep fried right outdoors. The crowds are huge and many people enjoy the festivals.

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

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

The Walnut Beach area comprises approximately twenty-two acres with one thousand feet of Lake Erie frontage. This area is important to the City as a prime site for recreation, accommodating over a thousand boats yearly from the Ashtabula River and adjacent marinas. A roped-off swimming area, with anchor docking, does make Walnut Beach attractive to the fast growing boating population. To enhance the area, a revitalization program to clean the beach area continues. Improvements to the existing bathhouse, the building of more pavilions, the construction of a public docking facility, repairs to the boardwalk and additional lighting continue to be implemented. The City completed a \$125,000 concession building rehabilitation project in 2013.

Private donations are accepted 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. In 2012, Chromaflo Technologies Corporation the largest independent global colorant provider to the Coatings and Thermoset Plastics markets, created by the integration of Colortrend and Plasticolors a business already located in the City announced the location of their headquarters in the City.

City residents purchase water service from the Aqua Ohio Water Company. 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 and Conneaut Telephone provide local telephone service, and residents can choose between Time Warner, Direct TV and/or Dish Network for cable or satellite television services.

Major Initiatives

Street resurfacing and repair of Main Ave took place during 2013. Phase II of the rehabilitation of the existing West Avenue overpass which spans the main CSX railroad lines was completed in 2013. The City's share of the cost is \$250,056 with the total project cost in excess of 2 million dollars; the balance funded by State and Federal funds.

Sewer improvement projects continue with the West Harbor Tributary Project Phase I at a cost of \$495,700. The Ohio Public Works Commission will fund 50 percent of the project through a grant and an interest free loan with the City having an initial local match of 50 percent or \$247,850.

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, houses are demolished after each structure is determined to be functionally deteriorated to the degree that rehabilitation was not financially feasible; the houses are dangerous to the public and produce an extreme blight to the community. These activities contribute to the health and safety of the community through rehabilitation and code enforcement efforts. The programs offered and administered by the Division of Planning and Community Development demonstrates the City's commitment to safe, decent and sanitary housing within the community.

The Fire Department answered 1,702 alarms in 2013, a slight decrease from 1,744 in 2012 attributed to EMS calls. There were 56 structure fires in 2013, up 11 from 2012. The Fire Division is full partner in the City's EMS system, responding to 821 ambulance calls, transporting over 560 patients and collecting over \$154,000.

The Sanitation Department services approximately 7,000 households and 160 commercial accounts per week. Pick-up is mandatory for all residents, and businesses have the option of City pick-up or private hauler. The City contracted with Waste Management for landfill costs of \$679,000 for the rubbish collected by our trucks and the rubbish collected at our transfer station.

The City constructed a state-of-the-art-recycling center with grant monies from the Ashtabula County Solid Waste District. This center will handle all types of recyclables. The goal for the recycling center is to reduce the tonnage that is hauled to the landfill, and reduce the amount of Waste Management landfill fees paid during the year. In 2013, the City utilized a tire recycling grant to offer a tire amnesty day.

The Police Department, in conjunction with a Homeland Security grant, received a boat to be able to assist the US Coast Guard in patrolling our coastline. The grant also provides for reimbursements for the officer's wages as well as fuel, maintenance and repairs to the boat. Crime and drug related offenses in our City are a top priority for the administration. The department is diligent in finding available grant funding for equipment and personnel annually. Future increased funding will allow more officers on the streets, at any given the time.

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, 2012. This was the City of Ashtabula's twenty-sixth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The preparation of this report depends on the contributions of many dedicated employees. Our gratitude of those primarily responsible for its completion is extended to all contributors, especially the employees in the Finance Department who have spent their time and energy on various parts of the project and to the Local Government Services section of Auditor of State's office for their assistance in the organization and final review of our 2013 Comprehensive Annual Financial Report.

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

Respectfully submitted,



Dana D. Pinkert
Finance Director

City of Ashtabula, Ohio

List of Principal Officials

December 31, 2013

Elected City Officials

City Council

J P Ducro IV President
Christopher J. McClure..... Vice President
Richard F. Balog..... Ward I
August A. Pugliese Ward II
Alice T. Cook..... Ward III
Josephine Misener..... Ward IV
Kris E. Hamrick Ward V

City Manager

James M Timonere

City Solicitor

Michael Franklin

Municipal Court Judge

Albert S. Camplese

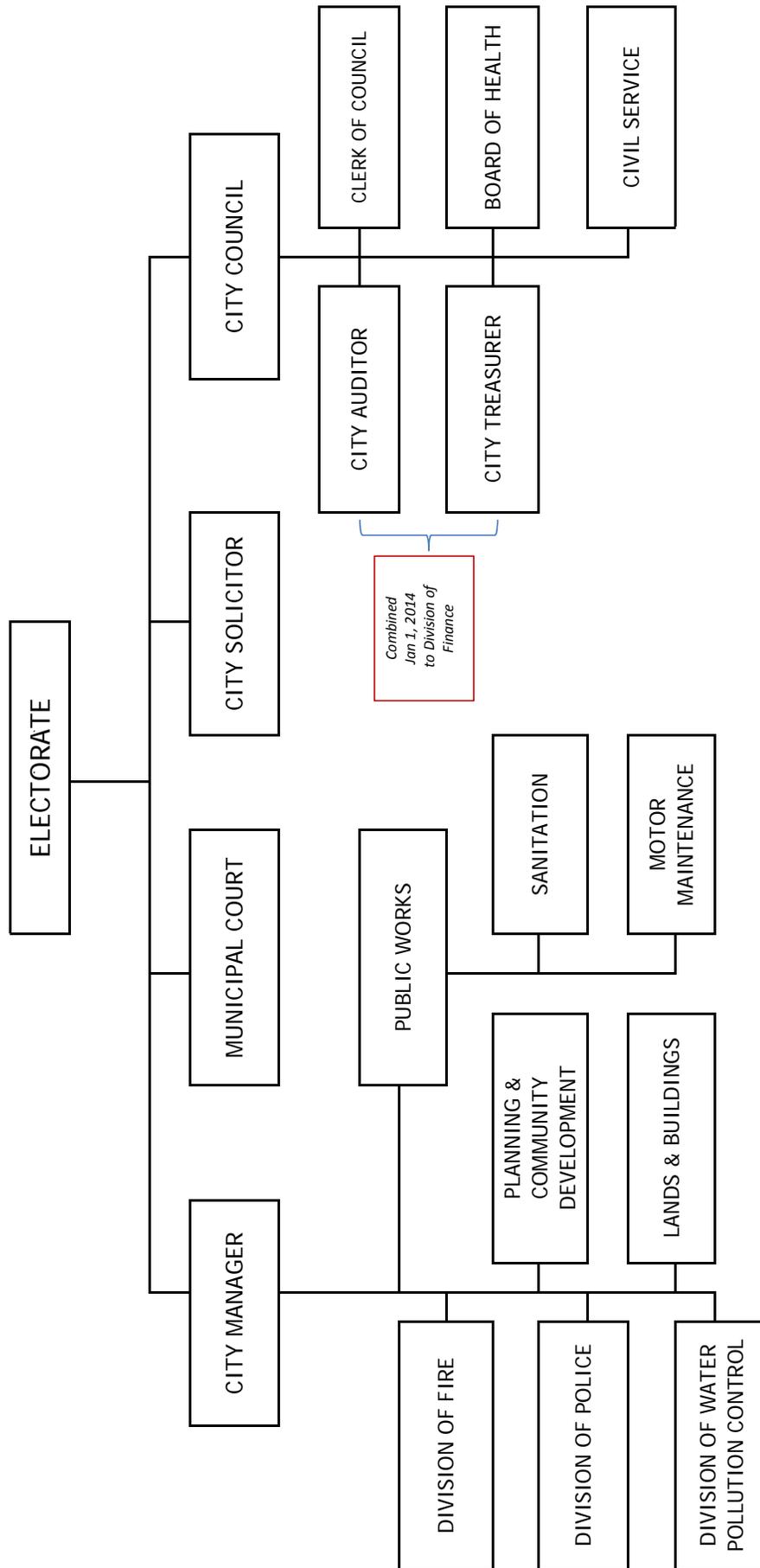
Appointed City Officials

LaVette E. Hennigan..... Clerk of Council
Dana D. Pinkert..... City Auditor/Treasurer*
Ronald F. Pristera Chief of Fire
Robert D. Stell Chief of Police
Christine L. Hill Health Commissioner
Luciana Ratermann..... Director of Planning and Community Development
Dominic J. Iarocci..... Superintendent of Public Works and Sanitation
Michael A. Mearini..... Superintendent of Wastewater Treatment Plant

*Effective January 1, 2014, the City Auditor and Treasurer’s Office was combined into one Finance Department.

CITY OF ASHTABULA, OHIO ORGANIZATIONAL CHART

December 31, 2013





Government Finance Officers Association

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

Presented to

**City of Ashtabula
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO

FINANCIAL SECTION

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the City Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business 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, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business 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, 2013, and the respective changes in financial position and where applicable, cash flows thereof and the respective budgetary comparisons for the General, Community Development Block Grant and Street Maintenance and Repair Funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require 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 applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the City's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund schedules, the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules 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, these statements and schedules are 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2014, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

June 24, 2014

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City of Ashtabula, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2013
Unaudited

The discussion and analysis of The City of Ashtabula's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2013. 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 2013, income tax collections were seventeen percent higher than 2012 due to realizing the effect of a reduction of income tax credit resident's receive for taxes paid to other municipalities
- ◆ During 2013, the City's property valuation was increased and as a result, property tax collections increased sixteen percent from 2012.
- ◆ The City' Bond rating was upgraded to A/Stable by Standard & Poors.
- ◆ The City continued to work diligently to operate within the limitations of the annual budget. Through conservative budgeting and long term planning the City was able to eliminate the deficit in the medical insurance fund.

Using this Annual Financial Report

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

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

Reporting the City of Ashtabula as a Whole

Statement of Net Position and the Statement of Activities

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and ask the question, "Is the City as a whole better off or worse off as a result of the year's activities during 2013?" The Statement of Net Position and the Statement of Activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by the private sector companies. The accrual basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

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

City of Ashtabula, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2013
Unaudited

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

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

- ◆ **Governmental Activities** - Most of the City's services are reported here including police, fire, administration, and all departments with the exception of our Wastewater Treatment Plant and the Sanitation Facility.
- ◆ **Business-Type Activities** - These services have a charge based upon usage. The City charges fees to recoup the cost of the entire operations of our Wastewater Treatment Plant as well as all capital expenses associated with the facility. The City also charges a fee for residential and commercial trash pickup. The Sanitation facility's operations are covered by these fees.
- ◆ **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 10. Fund financial reports provide detailed information about the City's major funds. Based on restrictions on the use of monies, the City has established many funds which account for the multitude of services provided to our residents. However, these fund financial statements focus on the City's most significant funds. In the case of the City of Ashtabula, our major funds are the general, community development block grant, street maintenance and repair, debt service, and permanent improvement.

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

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

City of Ashtabula, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2013
Unaudited

The City of Ashtabula as a Whole

Recall that the Statement of Net Position looks at the City as a whole. Table 1 provides a summary of the City's net assets for 2013 compared to 2012.

(Table 1)
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Assets						
Current and Other Assets	\$9,358,949	\$7,884,748	\$3,612,981	\$3,150,208	\$12,971,930	\$11,034,956
Capital Assets	27,233,001	26,465,709	13,890,336	13,986,171	41,123,337	40,451,880
<i>Total Assets</i>	<u>36,591,950</u>	<u>34,350,457</u>	<u>17,503,317</u>	<u>17,136,379</u>	<u>54,095,267</u>	<u>51,486,836</u>
Liabilities						
Current and Other Liabilities	816,072	609,268	718,181	150,324	1,534,253	759,592
Long-Term Liabilities						
Due Within One Year	1,175,974	1,221,722	702,716	673,921	1,878,690	1,895,643
Due in More Than One Year	2,017,828	1,818,603	1,647,405	2,235,492	3,665,233	4,054,095
<i>Total Liabilities</i>	<u>4,009,874</u>	<u>3,649,593</u>	<u>3,068,302</u>	<u>3,059,737</u>	<u>7,078,176</u>	<u>6,709,330</u>
Deferred Inflows of Resources	<u>1,744,170</u>	<u>1,738,895</u>	<u>0</u>	<u>0</u>	<u>1,744,170</u>	<u>1,738,895</u>
Net Position						
Invested in Capital Assets, Net of Related Debt	26,927,369	26,144,204	11,960,613	11,545,705	38,887,982	37,689,909
Restricted for:						
Capital Projects	1,578,684	1,038,535	0	0	1,578,684	1,038,535
Debt Service	114,585	103,521	0	0	114,585	103,521
Community Development	280,633	768,002	0	0	280,633	768,002
Street Maintenance and Repair	442,393	180,727	0	0	442,393	180,727
Public Safety	289,776	230,784	0	0	289,776	230,784
Municipal Court	112,153	84,473	0	0	112,153	84,473
Other Purposes	22,458	19,915	0	0	22,458	19,915
Unrestricted	1,069,855	391,808	2,474,402	2,530,937	3,544,257	2,922,745
<i>Total Net Position</i>	<u>\$30,837,906</u>	<u>\$28,961,969</u>	<u>\$14,435,015</u>	<u>\$14,076,642</u>	<u>\$45,272,921</u>	<u>\$43,038,611</u>

Net position for governmental activities saw an increase in 2013. Current liabilities increased due to wage increases with new union contract agreements. The City's capital assets in the governmental activities increased during 2013. These capital assets reflect major street improvements, the purchase of police vehicles equipment as well as facility improvements.

The net position of the City's business type activities increased as well in 2013. Current assets increased as fund cash balance increased due to a rate increase. Current liabilities also increased due to the wage increases from the new contract agreements. With the usage rates generating revenue which reasonably matches operating expenses and most capital expenditures annually, the financial condition of the business type activities is relatively constant.

City of Ashtabula, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2013
Unaudited

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

(Table 2)
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues						
Program Revenues						
Charges for Services	\$2,046,706	\$1,875,273	\$4,923,248	\$5,092,657	\$6,969,954	\$6,967,930
Operating Grants, Contributions and Interest	1,150,482	2,029,824	0	0	1,150,482	2,029,824
Capital Grants and Contributions	1,668,993	13,250	459,177	630,308	2,128,170	643,558
Total Program Revenues	4,866,181	3,918,347	5,382,425	5,722,965	10,248,606	9,641,312
General Revenues						
Property Taxes	1,927,438	1,665,209	0	0	1,927,438	1,665,209
Income Taxes	6,669,694	5,704,019	0	0	6,669,694	5,704,019
Grants and Entitlements	863,451	811,927	0	0	863,451	811,927
Investment Earnings	60	190	0	0	60	190
Franchise Fees	221,520	252,342	0	0	221,520	252,342
Other	164,581	113,856	5,333	9,975	169,914	123,831
Total General Revenues	9,846,744	8,547,543	5,333	9,975	9,852,077	8,557,518
Total Revenues	14,712,925	12,465,890	5,387,758	5,732,940	20,100,683	18,198,830
Program Expenses						
General Government						
Legislative and Executive	2,503,864	2,821,885	0	0	2,503,864	2,821,885
Judicial System	977,180	995,974	0	0	977,180	995,974
Security of Persons and Property						
Police	3,799,246	3,372,417	0	0	3,799,246	3,372,417
Fire	2,515,373	2,687,460	0	0	2,515,373	2,687,460
Public Health Services	338,346	334,693	0	0	338,346	334,693
Street Maintenance and Repairs	1,678,580	2,529,822	0	0	1,678,580	2,529,822
Housing and Community						
Development	902,972	1,012,690	0	0	902,972	1,012,690
Sanitation Services	1,853	38,831	0	0	1,853	38,831
Leisure Time Activities	75,701	68,873	0	0	75,701	68,873
Interest and Fiscal Charges	3,118	5,972	0	0	3,118	5,972
Sanitation			2,001,720	1,943,508	2,001,720	1,943,508
Wastewater Treatment	0	0	3,068,420	3,060,797	3,068,420	3,060,797
Total Expenses	\$12,796,233	\$13,868,617	\$5,070,140	\$5,004,305	\$17,866,373	\$18,872,922

City of Ashtabula, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2013
Unaudited

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
<i>Increase (Decrease) in Net Assets Before Transfers</i>	\$1,916,692	(\$1,402,727)	\$317,618	\$728,635	\$2,234,310	(\$674,092)
Transfers	(40,755)	(39,275)	40,755	39,275	0	0
<i>Change in Net Assets</i>	1,875,937	(1,442,002)	358,373	767,910	2,234,310	(674,092)
<i>Net Position Beginning of Year</i>	28,961,969	30,403,971	14,076,642	13,308,732	43,038,611	43,712,703
<i>Net Position End of Year</i>	\$30,837,906	\$28,961,969	\$14,435,015	\$14,076,642	\$45,272,921	\$43,038,611

Governmental Activities

Several revenue sources fund our Governmental Activities with the City income tax being the biggest contributor at 45 percent of program and general revenues. The income tax rate of 1.8 percent was renewed by a vote of our citizens in May of 2013 and will be in effect thru December 31, 2016. This is significant as the City income tax funds approximately 52 percent of all expenses in the Governmental Activities.

Income taxes received during the year increased primarily due to a voter approved reduction of the income tax credit to a 50 percent tax credit for residents working outside the City went into being realized; residents previously received a 100 percent credit against their tax liability. Property taxes received increased by \$262,000 due to the City's valuation being increased by the County Auditor. Charges for emergency management services and street lighting assessments increased for the second year in a row. In addition, the City contracted with a surrounding village for dispatch services collecting \$75,000 more than in 2012.

Business-Type Activities

The City's business-type activities include the Wastewater Treatment Facility and the Sanitation Facility. The Wastewater Treatment Facility receives no support from tax revenues. This plant treats sewage from the City of Ashtabula and surrounding townships. This facility generated charges for service revenues of \$3,089,877 and had expenses of \$3,068,420 during 2013. The City continues looking at ways to improve cash flow by reducing costs of operation. The City doesn't have the option of discontinuing sewer service for nonpayment; the water is provided by a privately owned company. Delinquent sewer bills are certified to the County Auditor for assessment as part of the property tax bill. The City has been able to keep sewer rates low because of increased revenues from additional flow from new construction of businesses and homes in our area.

The Sanitation Facility receives charges for service revenue from residential rubbish pickup, commercial containers and from individuals dumping at the transfer station. In 2013, the facility generated revenues of \$1,838,704 and expenses of \$2,001,720. The cost of landfill fees was in excess of \$500,000 for 2013; recycling is encouraged as an effort to keep such landfill costs low. Delinquent trash bills are certified to the County Auditor for assessment on the property tax bill. Build up of trash creates a health hazard and blight to the neighborhoods therefore the residential trash collection service is not discontinued for lack of payment.

City of Ashtabula, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2013
Unaudited

The City's Funds

As of December 31, 2013, the City's governmental funds reported a combined fund balance of \$3,258,980. Of that amount, \$224,704 represents unassigned fund balances, which is available for spending at the City's discretion and \$94,683 is nonspendable because it has already been allocated to liquidate contracts and purchases of the prior period. The remaining \$2,939,593 fund balance is reported as restricted, committed or assigned to indicate that it is not available for new spending because it has already been restricted, committed or assigned to a specified purpose or it cannot be used to liquidate future liabilities because it will not be in a spendable form in the next year. Information about the City's major governmental funds begins on page 18. These funds are accounted for using the modified accrual basis of accounting.

The City's major governmental funds are the general fund, two special revenue funds; community development block grant and street maintenance and repair as well as the debt service fund and the permanent improvement capital projects fund. The general fund realized an increase in fund balance during the year with revenues exceeding expenditures by \$63,374 in 2013. This is largely due to the City closely monitoring their spending as well as implementing cost saving measures.

The community development block grant saw a decrease in fund balance of \$252,991, in 2013. Primarily due to completion of the 2011 CHIP grant as well as pending reimbursements for demolition expenses from the Moving Ohio Forward funds. Grant money was used to demolish a number of homes throughout the City in 2013 and will continue throughout 2014. The street maintenance and repair fund saw an increase in fund balance during the year due to a reduction in force through attrition. The debt service fund increased in fund balance during the year due to unspent note proceeds however, other long term obligations were still being paid down. The permanent improvement capital projects fund increased by \$848,802 due to leveraging City fund's against grant funds for capital improvements and funds in escrow for the purchase of capital equipment.

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 2013, 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.

City of Ashtabula, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2013
Unaudited

Capital Assets and Debt Administration

Capital Assets

Table 3
 Capital Assets at December 31, 2013

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Capital Assets, Non Depreciable						
Land	\$1,963,558	\$1,972,568	\$86,863	\$86,863	\$2,050,421	\$2,059,431
Construction in Progress	1,491,537	75,542	271,757	37,988	1,763,294	113,530
Total Capital Assets, Non Depreciable	3,455,095	2,048,110	358,620	124,851	3,813,715	2,172,961
Capital Assets, Being Depreciated						
Buildings and Improvements	11,007,440	10,802,212	8,082,439	8,047,439	19,089,879	18,849,651
Equipment	2,742,588	2,582,637	2,531,891	2,404,191	5,274,479	4,986,828
Vehicles	3,105,851	3,058,848	1,314,125	1,308,125	4,419,976	4,366,973
Furniture and Fixtures	5,200	5,200	0	0	5,200	5,200
Infrastructure						
Bridges	15,069,086	15,069,086	0	0	15,069,086	15,069,086
Roads	11,565,205	11,485,066	0	0	11,565,205	11,485,066
Storm Sewers	2,543,996	2,543,996	0	0	2,543,996	2,543,996
Traffic Lights	551,036	551,036	0	0	551,036	551,036
Sanitary Sewers	0	0	14,715,199	14,700,324	14,715,199	14,700,324
Total Capital Assets, being Depreciated	46,590,402	46,098,081	26,643,654	26,460,079	73,234,056	72,558,160
Accumulated Depreciation	(22,812,496)	(21,680,482)	(13,111,938)	(12,598,759)	(35,924,434)	(34,279,241)
Total Capital Assets, Depreciable, Net	23,777,906	24,417,599	13,531,716	13,861,320	37,309,622	38,278,919
Total Capital Assets	\$27,233,001	\$26,465,709	\$13,890,336	\$13,986,171	\$41,123,337	\$40,451,880

The primary increase in governmental capital assets occurred in construction in progress however, increases for improvements, equipment, vehicles and roads are also notable. The increase in construction in progress in the governmental activities capital assets can be attributed to the West Avenue Bridge and the Traffic Signalization projects. While the increases in improvements, equipment and vehicles can be attributed to Walnut Beach concession building, police cruisers and communication equipment respectively. The City of Ashtabula aggressively seeks grant dollars and leverages dollars designated for permanent improvements for matching funds.

Projects for 2013 include paving Main Avenue which cost approximately \$101,000, preliminary engineering for the Traffic Signalization with \$50,000 in expenditures. The City reinforced its strong commitment to recreation with \$8,000 for work on Nappi Field and improvements to the Walnut Beach Concession building in the amount of \$160,000.

City of Ashtabula, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2013
Unaudited

The increase in construction in process for capital assets in business-type activities was primarily due to the West Harbor Sanitary Sewer Improvement Project. As part of the City's plan to renovate and upgrade the entire plant within ten years, \$77,000 was expended for improvements and equipment. Increases for equipment also \$48,000 for the purchase of a scale for the Sanitation Department.

See Note 13 for additional information about the City's capital assets.

Debt

Table 4
 Outstanding Long-term Liabilities at Year End

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
General Obligation Bonds	\$0	\$160,944	\$0	\$0	\$0	\$160,944
Special Assessments:						
OPWC Loan - Harbor Heights	63,586	73,369	0	0	63,586	73,369
Notes Payable	357,291	0	392,709	0	750,000	0
Claims Payable	318,498	403,706	0	0	318,498	403,706
Capital Leases Payable	657,658	87,192	108,258	141,391	765,916	228,583
Compensated Absences	2,154,060	2,315,114	420,398	468,947	2,574,458	2,784,061
OPWC Loans:						
Morton Drive Siphon	0	0	165,293	174,476	165,293	174,476
Michigan Avenue/EQ Basin	0	0	375,000	400,000	375,000	400,000
Phase II Chemical Feed Building	0	0	41,887	30,828	41,887	30,828
KeyCorp Loan	0	0	0	50,000	0	50,000
OWDA Loan	0	0	378,657	519,076	378,657	519,076
EQ Basin Loan	0	0	860,628	1,124,695	860,628	1,124,695
Total Outstanding Debt	\$3,551,093	\$3,040,325	\$2,742,830	\$2,909,413	\$6,293,923	\$5,949,738

The OPWC Loan – Harbor Heights is secured by future collections of special assessments. The Harbor Heights residents have agreed to be assessed on their property taxes for a 20 year period commencing January 1, 1999 and ending July 2018. In the event that the benefited property owner would fail to pay the assessment, payment would be made by the City.

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

The City's overall legal debt margin was \$23,414,953 at December 31, 2013. See Notes 15 and 17 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 the preceding information shows, the City is heavily reliant on income and property taxpayers. The General Fund had an increase in income and property tax collections, which is a very positive sign for the City. However the General Fund will continue to be negatively affected by the State's decision to

City of Ashtabula, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2013
Unaudited

reduce the Local Government Fund revenue sharing and the elimination of the inheritance tax. The Enterprise funds have generally experienced a positive cash flow as the result of consistent billing thereby creating a regular schedule of revenues.

The City continued a conservative spending pattern in 2013. The General Fund budget was reduced by 1.3 percent compared to 2012. Positions were eliminated through attrition due to the City implementing an Early Retirement Incentive Plan. Only capital items that management and City Council determined necessary, or had off-setting grant revenues were appropriated. A close watch of current economic conditions is ongoing to determine if increased revenues, or further reductions in expenditures, are necessary in order to maintain fiscal stability.

However, the City of Ashtabula is in a period posing both significant challenges and opportunities. State funding issues are constantly monitored to determine the impact on the City and all of the City's financial abilities will be needed to meet the challenges of the future. Management is committed to working with all stakeholders to craft solutions that will most effectively use the available resources to continue to provide excellent services to the residents of the City.

Contacting the City's Finance Department

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

Basic Financial Statements

City Of Ashtabula, Ohio

Statement of Net Position

December 31, 2013

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,927,745	\$721,565	\$3,649,310	\$0
Cash and Cash Equivalents in Segregated Accounts	92,365	0	92,365	324,316
Cash and Cash Equivalents with Escrow	524,399	0	524,399	0
Accounts Receivable	527,114	2,806,554	3,333,668	0
Accrued Interest	0	0	0	2,977
Intergovernmental Receivable	1,022,327	0	1,022,327	39,697
Materials and Supplies Inventory	40,390	1,624	42,014	0
Prepaid Items	32,260	83,238	115,498	0
Due from Component Unit	58,330	0	58,330	0
Loans Receivable	9,255	0	9,255	0
Property Taxes Receivable	2,387,068	0	2,387,068	0
Income Taxes Receivable	1,675,711	0	1,675,711	0
Special Assessments Receivable	61,985	0	61,985	0
Capital Assets, Nondepreciable	3,455,095	358,620	3,813,715	1,890,222
Capital Assets, Depreciable, Net	23,777,906	13,531,716	37,309,622	229,940
<i>Total Assets</i>	<u>36,591,950</u>	<u>17,503,317</u>	<u>54,095,267</u>	<u>2,487,152</u>
Liabilities				
Accounts Payable	15,045	4,668	19,713	0
Contracts Payable	44,462	179,991	224,453	0
Accrued Wages	143,097	39,509	182,606	241
Intergovernmental Payable	249,153	78,232	327,385	110,000
Deposits Held and Due to Others	3,980	0	3,980	0
Accrued Interest Payable	3,044	23,072	26,116	0
Notes Payable	357,291	392,709	750,000	0
Due to Primary Government	0	0	0	58,330
Long-Term Liabilities:				
Due Within One Year	1,175,974	702,716	1,878,690	64,709
Due Within More Than One Year	2,017,828	1,647,405	3,665,233	376,865
<i>Total Liabilities</i>	<u>4,009,874</u>	<u>3,068,302</u>	<u>7,078,176</u>	<u>610,145</u>
Deferred Inflows of Resources				
Property Tax	1,744,170	0	1,744,170	0
Net Position				
Net Investment in Capital Assets	26,927,369	11,960,613	38,887,982	1,678,588
Restricted for:				0
Capital Projects	1,578,684	0	1,578,684	0
Debt Service	114,585	0	114,585	0
Community Development	280,633	0	280,633	0
Street Maintenance and Repair	442,393	0	442,393	0
Public Safety	289,776	0	289,776	0
Municipal Court	112,153	0	112,153	0
Other Purposes	22,458	0	22,458	0
Unrestricted	1,069,855	2,474,402	3,544,257	198,419
<i>Total Net Position</i>	<u>\$30,837,906</u>	<u>\$14,435,015</u>	<u>\$45,272,921</u>	<u>\$1,877,007</u>

See accompanying notes to the basic financial statements

City of Ashtabula, Ohio
Statement of Activities
For the Year Ended December 31, 2013

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions and Interest	Capital Grants and Contributions
Governmental Activities				
General Government:				
Legislative and Executive	\$2,503,864	\$411,518	\$0	\$0
Judicial System	977,180	265,461	0	0
Security of Persons and Property:				
Police	3,799,246	552,112	35,112	0
Fire	2,515,373	339,718	35,112	0
Public Health Services	338,346	118,555	11,073	0
Street Maintenance and Repairs	1,678,580	63,763	849,842	1,668,993
Housing and Community Development	902,972	295,579	219,343	0
Sanitation Services	1,853	0	0	0
Leisure Time Activities	75,701	0	0	0
Interest and Fiscal Charges	3,118	0	0	0
<i>Total Governmental Activities</i>	<u>12,796,233</u>	<u>2,046,706</u>	<u>1,150,482</u>	<u>1,668,993</u>
Business-Type Activities				
Sanitation	2,001,720	1,833,371	0	3,945
Wastewater Treatment	3,068,420	3,089,877	0	455,232
<i>Total Business-Type Activities</i>	<u>5,070,140</u>	<u>4,923,248</u>	<u>0</u>	<u>459,177</u>
<i>Total Primary Government</i>	<u>\$17,866,373</u>	<u>\$6,969,954</u>	<u>\$1,150,482</u>	<u>\$2,128,170</u>
Component Unit				
Ashtabula Port Authority	<u>\$210,020</u>	<u>\$37,009</u>	<u>\$174,258</u>	<u>\$17,667</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

Other

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Unit
(\$2,092,346)	\$0	(\$2,092,346)	\$0
(711,719)	0	(711,719)	0
(3,212,022)	0	(3,212,022)	0
(2,140,543)	0	(2,140,543)	0
(208,718)	0	(208,718)	0
904,018	0	904,018	0
(388,050)	0	(388,050)	0
(1,853)	0	(1,853)	0
(75,701)	0	(75,701)	0
(3,118)	0	(3,118)	0
<u>(7,930,052)</u>	<u>0</u>	<u>(7,930,052)</u>	<u>0</u>
0	(164,404)	(164,404)	0
0	476,689	476,689	0
0	312,285	312,285	0
<u>(\$7,930,052)</u>	<u>\$312,285</u>	<u>(\$7,617,767)</u>	<u>\$0</u>
0	0	0	18,914
964,733	0	964,733	0
551,687	0	551,687	0
411,018	0	411,018	0
6,006,298	0	6,006,298	0
663,396	0	663,396	0
863,451	0	863,451	0
60	0	60	171
221,520	0	221,520	0
164,581	5,333	169,914	288
9,846,744	5,333	9,852,077	459
(40,755)	40,755	0	0
9,805,989	46,088	9,852,077	459
1,875,937	358,373	2,234,310	19,373
28,961,969	14,076,642	43,038,611	1,857,634
<u>\$30,837,906</u>	<u>\$14,435,015</u>	<u>\$45,272,921</u>	<u>\$1,877,007</u>

City of Ashtabula, Ohio

Balance Sheet

Governmental Funds

December 31, 2013

	General	Community Development Block Grant	Street Maintenance and Repair	Debt Service
Assets				
Equity in Pooled Cash and Cash Equivalents	\$518,505	\$79,919	\$51,907	\$53,211
Cash and Cash Equivalents In Segregated Accounts	81,042	0	0	0
Cash and Cash Equivalents With Escrow	0	0	0	0
Receivables:				
Property Taxes	1,201,481	0	0	0
Income Taxes	1,508,140	0	0	0
Accounts	195,515	76,044	116,171	0
Special Assessments	0	0	0	61,985
Intergovernmental Receivable	485,419	70,299	342,625	0
Materials and Supplies Inventory	5,076	0	32,234	0
Prepaid Items	14,711	0	2,594	0
Due from Component Unit	0	58,330	0	0
Loans Receivable	0	9,255	0	0
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	22,458	0	0	0
<i>Total Assets</i>	<u>\$4,032,347</u>	<u>\$293,847</u>	<u>\$545,531</u>	<u>\$115,196</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$14,638	\$0	\$50	\$0
Contracts Payable	39,226	3,864	0	0
Accrued Wages	123,843	3,357	14,167	0
Intergovernmental Payable	35,671	1,382	6,994	0
Interfund Payable	200,000	0	0	0
Accrued Interest Payable	2,433	0	0	0
Notes Payable	357,291	0	0	0
Deposits Held and Due to Others	0	0	0	0
<i>Total Liabilities</i>	<u>773,102</u>	<u>8,603</u>	<u>21,211</u>	<u>0</u>
Deferred Inflows of Resources				
Property Tax	878,043	0	0	0
Unavailable Revenue	1,673,038	135,145	342,303	61,985
<i>Total Deferred Inflows of Resources</i>	<u>2,551,081</u>	<u>135,145</u>	<u>342,303</u>	<u>61,985</u>
Fund Balances				
Nonspendable	42,245	0	34,828	0
Restricted	357,291	150,099	147,189	53,211
Committed	0	0	0	0
Assigned	74,561	0	0	0
Unassigned (Deficit)	234,067	0	0	0
<i>Total Fund Balances</i>	<u>708,164</u>	<u>150,099</u>	<u>182,017</u>	<u>53,211</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$4,032,347</u>	<u>\$293,847</u>	<u>\$545,531</u>	<u>\$115,196</u>

See accompanying notes to the basic financial statements

City of Ashtabula, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 December 31, 2013*

Permanent Improvement	Other Governmental Funds	Total Governmental Funds		
			Total Governmental Funds Balances	\$3,258,980
			<i>Amounts reported for governmental activities in the statement of net position are different because</i>	
\$1,035,491	\$520,023	\$2,259,056	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	27,233,001
0	11,323	92,365		
524,399	0	524,399	Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
515,473	670,114	2,387,068	Delinquent Property Taxes	\$642,898
167,571	0	1,675,711	Municipal Income Taxes	1,035,643
0	139,384	527,114	Intergovernmental	690,048
0	0	61,985	Fees, Licenses and Permits	57,840
26,931	80,591	1,005,865	Special Assessments	61,985
0	3,080	40,390	Charges for Services	318,088
0	14,530	31,835	Total	2,806,502
0	0	58,330	Two internal service funds are used by management to charge the costs of insurance and workers' compensation to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position	
0	0	9,255	Net Position	415,338
0	0	22,458	Claims Payable	318,498
<u>\$2,269,865</u>	<u>\$1,439,045</u>	<u>\$8,695,831</u>	Total	733,836
\$0	\$357	\$15,045	In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(611)
0	122	43,212		
0	1,338	142,705	Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	
0	77,466	121,513	Special Assessments	(63,586)
0	0	200,000	Capital Lease	(657,658)
0	0	2,433	Compensated Absences	(2,154,060)
0	0	357,291	Claims Payable	(318,498)
0	3,980	3,980	Total	(3,193,802)
<u>0</u>	<u>83,263</u>	<u>886,179</u>		
376,577	489,550	1,744,170	<i>Net Position of Governmental Activities</i>	<u><u>\$30,837,906</u></u>
269,391	324,640	2,806,502		
<u>645,968</u>	<u>814,190</u>	<u>4,550,672</u>		
0	17,610	94,683		
1,623,897	312,655	2,644,342		
0	220,690	220,690		
0	0	74,561		
0	(9,363)	224,704		
<u>1,623,897</u>	<u>541,592</u>	<u>3,258,980</u>		
<u>\$2,269,865</u>	<u>\$1,439,045</u>	<u>\$8,695,831</u>		

City of Ashtabula, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2013

	General	Community Development Block Grant	Street Maintenance and Repair	Debt Service
Revenues				
Property Taxes	\$895,264	\$0	\$0	\$0
Municipal Income Tax	5,946,563	0	0	0
Charges for Services	698,902	0	10,828	0
Licenses and Permits	14,403	0	0	0
Fines and Forfeitures	501,626	0	0	0
Intergovernmental	958,528	461,668	725,454	0
Special Assessments	0	0	0	10,901
Interest	41	0	19	0
Rentals	164,069	0	0	0
Franchise Taxes	213,422	0	0	0
Other	95,213	6,424	0	0
<i>Total Revenues</i>	<u>9,488,031</u>	<u>468,092</u>	<u>736,301</u>	<u>10,901</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive	2,538,050	0	0	355
Judicial System	961,665	0	0	0
Security of Persons and Property:				
Police	3,335,413	0	0	0
Fire	2,088,157	0	0	0
Public Health Services	224,391	0	0	0
Street Maintenance and Repairs	189,504	0	851,033	0
Housing and Community Development	0	721,083	0	0
Sanitation Services	1,853	0	0	0
Leisure Time Activities	0	0	0	0
Capital Outlay	0	0	0	0
Debt Service:				
Principal Retirement	20,306	0	0	170,727
Interest and Fiscal Charges	4,878	0	0	4,543
<i>Total Expenditures</i>	<u>9,364,217</u>	<u>721,083</u>	<u>851,033</u>	<u>175,625</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>123,814</u>	<u>(252,991)</u>	<u>(114,732)</u>	<u>(164,724)</u>
Other Financing Sources (Uses)				
Inception of Capital Lease	175,160	0	0	0
Transfers In	22,750	0	196,850	167,650
Transfers Out	(258,350)	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(60,440)</u>	<u>0</u>	<u>196,850</u>	<u>167,650</u>
<i>Net Change in Fund Balances</i>	63,374	(252,991)	82,118	2,926
<i>Fund Balances Beginning of Year</i>	<u>644,790</u>	<u>403,090</u>	<u>99,899</u>	<u>50,285</u>
<i>Fund Balances End of Year</i>	<u>\$708,164</u>	<u>\$150,099</u>	<u>\$182,017</u>	<u>\$53,211</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, 2013*

Permanent Improvement	Other Governmental Funds	Total Governmental Funds		
			Net Change in Fund Balances - Total Governmental Funds	\$906,909
			<i>Amounts reported for governmental activities in the statement of activities are different because</i>	
\$380,964	\$512,619	\$1,788,847	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.	
656,759	0	6,603,322	Capital Outlay	\$2,102,500
0	40,830	750,560	Depreciation	(1,333,708)
0	277,000	291,403	Total	768,792
0	141,311	642,937		
1,668,733	177,634	3,992,017	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.	(1,500)
0	0	10,901		
0	0	60		
0	0	164,069		
0	8,098	221,520		
57,857	5,087	164,581		
<u>2,764,313</u>	<u>1,162,579</u>	<u>14,630,217</u>		
			Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
			Property Taxes	138,591
			Municipal Income Tax	66,372
0	0	2,538,405	Intergovernmental	(309,091)
0	11,300	972,965	Special Assessments	2,506
			Charges for Services	126,490
			Fees, Licenses & Permits	57,840
			Total	82,708
0	393,605	3,729,018		
0	358,558	2,446,715	Repayment of bonds, OPWC loan and capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	299,785
0	107,635	332,026		
0	0	1,040,537		
0	187,065	908,148		
0	0	1,853		
0	35,057	35,057		
2,039,647	30,000	2,069,647	In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	6,303
108,752	0	299,785		
0	0	9,421	Compensated absences reported in the statement of activities, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	161,054
<u>2,148,399</u>	<u>1,123,220</u>	<u>14,383,577</u>		
615,914	39,359	246,640	Inception of capital leases in the governmental funds increases long-term liabilities on the statement of net position.	(699,524)
524,364	0	699,524		
0	200,171	587,421	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.	351,410
(291,476)	(76,850)	(626,676)		
232,888	123,321	660,269		
848,802	162,680	906,909		
775,095	378,912	2,352,071	<i>Change in Net Position of Governmental Activities</i>	<u>\$1,875,937</u>
<u>\$1,623,897</u>	<u>\$541,592</u>	<u>\$3,258,980</u>		

City of Ashtabula, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$843,391	\$843,391	\$895,264	\$51,873
Municipal Income Tax	5,588,000	5,582,355	5,686,207	103,852
Charges for Services	672,200	672,200	697,734	25,534
Licenses and Permits	43,700	43,700	42,928	(772)
Fines and Forfeitures	627,318	627,318	504,784	(122,534)
Intergovernmental	885,083	995,083	1,002,700	7,617
Interest	0	0	41	41
Rentals	164,600	164,600	164,069	(531)
Francise Fees	215,000	215,000	199,047	(15,953)
Other	71,169	101,169	108,913	7,744
<i>Total Revenues</i>	9,110,461	9,244,816	9,301,687	56,871
Expenditures				
Current:				
General Government:				
Legislative and Executive	2,643,442	2,631,826	2,540,006	91,820
Judicial System	1,014,714	999,120	979,432	19,688
Security of Persons and Property:				
Police	3,059,915	3,176,061	3,157,384	18,677
Fire	2,149,570	2,156,755	2,094,149	62,606
Public Health Services	212,133	233,967	229,782	4,185
Street Maintenance and Repairs	226,167	226,167	189,504	36,663
Sanitation Services	2,017	2,017	1,853	164
Debt Service:				
Principal Retirement	15,250	20,317	20,306	11
Interest and Fiscal Charges	1,894	2,527	2,445	82
<i>Total Expenditures</i>	9,325,102	9,448,757	9,214,861	233,896
<i>Excess of Revenues Over (Under) Expenditures</i>	(214,641)	(203,941)	86,826	290,767
Other Financing Sources (Uses)				
Proceeds of Notes	357,291	357,291	357,291	0
Advances Out	(25,000)	(25,000)	(25,000)	0
Transfers In	60,000	72,750	22,750	(50,000)
Transfers Out	(147,000)	(272,000)	(258,350)	13,650
<i>Total Other Financing Sources (Uses)</i>	245,291	133,041	96,691	(36,350)
<i>Net Change in Fund Balance</i>	30,650	(70,900)	183,517	254,417
<i>Fund Balance Beginning of Year</i>	278,424	278,424	278,424	0
Prior Year Encumbrances Appropriated	44,120	44,120	44,120	0
<i>Fund Balance End of Year</i>	\$353,194	\$251,644	\$506,061	\$254,417

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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$869,532	\$947,532	\$570,870	(\$376,662)
Other	0	0	6,424	6,424
<i>Total Revenues</i>	869,532	947,532	577,294	(370,238)
Expenditures				
Current:				
Housing and Community Development	1,174,692	1,177,784	824,873	352,911
<i>Net Change in Fund Balance</i>	(305,160)	(230,252)	(247,579)	(17,327)
<i>Fund Balance Beginning of Year</i>	104,848	104,848	104,848	0
Prior Year Encumbrances Appropriated	183,830	183,830	183,830	0
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$16,482)</u>	<u>\$58,426</u>	<u>\$41,099</u>	<u>(\$17,327)</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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$8,000	\$8,000	\$10,828	\$2,828
Intergovernmental	734,500	734,500	705,945	(28,555)
Interest	0	0	19	19
<i>Total Revenues</i>	<u>742,500</u>	<u>742,500</u>	<u>716,792</u>	<u>(25,708)</u>
Expenditures				
Current:				
Street Maintenance and Repairs:				
Public Works	783,160	928,525	892,098	36,427
<i>Excess of Revenues Under Expenditures</i>	<u>(40,660)</u>	<u>(186,025)</u>	<u>(175,306)</u>	<u>10,719</u>
Other Financing Sources (Uses)				
Transfers In	100,000	220,000	196,850	(23,150)
Transfers Out	(62,900)	(2,280)	0	2,280
<i>Total Other Financing Sources (Uses)</i>	<u>37,100</u>	<u>217,720</u>	<u>196,850</u>	<u>(20,870)</u>
<i>Net Change in Fund Balance</i>	(3,560)	31,695	21,544	(10,151)
<i>Fund Balance Beginning of Year</i>	5,067	5,067	5,067	0
Prior Year Encumbrances Appropriated	3,661	3,661	3,661	0
<i>Fund Balance End of Year</i>	<u><u>\$5,168</u></u>	<u><u>\$40,423</u></u>	<u><u>\$30,272</u></u>	<u><u>(\$10,151)</u></u>

See accompanying notes to the basic financial statements

City of Ashtabula, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2013

	Business-Type Activities			Governmental Activities - Internal Service Funds
	Enterprise Funds			
	Sanitation	Wastewater Treatment	Total	
Assets				
<i>Current Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$238,550	\$483,015	\$721,565	\$646,231
Accounts Receivable	974,244	1,832,310	2,806,554	0
Interfund Receivable	0	0	0	200,000
Materials and Supplies Inventory	643	981	1,624	0
Prepaid Items	33,238	50,000	83,238	425
Intergovernmental Receivable		0	0	16,462
<i>Total Current Assets</i>	<u>1,246,675</u>	<u>2,366,306</u>	<u>3,612,981</u>	<u>863,118</u>
<i>Noncurrent Assets:</i>				
Capital Assets:				
Capital Assets, Nondepreciable	29,100	329,520	358,620	0
Capital Assets, Depreciable, Net	654,731	12,876,985	13,531,716	0
<i>Total Noncurrent Assets</i>	<u>683,831</u>	<u>13,206,505</u>	<u>13,890,336</u>	<u>0</u>
<i>Total Assets</i>	<u>1,930,506</u>	<u>15,572,811</u>	<u>17,503,317</u>	<u>863,118</u>
Liabilities				
<i>Current Liabilities:</i>				
Accounts Payable	4,668	0	4,668	0
Contracts Payable	50,993	128,998	179,991	1,250
Accrued Wages	17,580	21,929	39,509	392
Intergovernmental Payable	9,730	68,502	78,232	127,640
Accrued Interest Payable	3,732	19,340	23,072	0
Notes Payable	89,135	303,574	392,709	0
Compensated Absences Payable	118,906	91,141	210,047	0
Claims Payable	0	0	0	143,498
Capital Leases Payable	34,588	0	34,588	0
Loans Payable	0	458,081	458,081	0
<i>Total Current Liabilities</i>	<u>329,332</u>	<u>1,091,565</u>	<u>1,420,897</u>	<u>272,780</u>
<i>Long-Term Liabilities (net of current portion):</i>				
Compensated Absences Payable	104,552	105,799	210,351	0
Claims Payable	0	0	0	175,000
Capital Leases Payable	73,670	0	73,670	0
Loans Payable	0	1,363,384	1,363,384	0
<i>Total Long-Term Liabilities</i>	<u>178,222</u>	<u>1,469,183</u>	<u>1,647,405</u>	<u>175,000</u>
<i>Total Liabilities</i>	<u>507,554</u>	<u>2,560,748</u>	<u>3,068,302</u>	<u>447,780</u>
Net Position				
Net Investment in Capital Assets	575,573	11,385,040	11,960,613	0
Unrestricted	847,379	1,627,023	2,474,402	415,338
<i>Total Net Position</i>	<u>\$1,422,952</u>	<u>\$13,012,063</u>	<u>\$14,435,015</u>	<u>\$415,338</u>

See accompanying notes to the basic financial statements

City of Ashtabula, Ohio
*Statement of Revenues, Expenses
and Changes in Fund Net Position*
Proprietary Funds
For the Year Ended December 31, 2013

	Business-Type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
	Wastewater			
	Sanitation	Treatment	Total	
Operating Revenues				
Charges for Services	\$1,833,371	\$3,084,877	\$4,918,248	\$2,117,421
Tap-In Fees	0	5,000	5,000	0
Miscellaneous	5,333	0	5,333	0
<i>Total Revenues</i>	<u>1,838,704</u>	<u>3,089,877</u>	<u>4,928,581</u>	<u>2,117,421</u>
Operating Expenses				
Personal Services	1,114,754	1,809,110	2,923,864	392
Contractual Services	616,767	455,892	1,072,659	304,460
Materials and Supplies	192,040	262,192	454,232	0
Depreciation	77,384	472,997	550,381	0
Claims	0	0	0	1,461,159
<i>Total Operating Expenses</i>	<u>2,000,945</u>	<u>3,000,191</u>	<u>5,001,136</u>	<u>1,766,011</u>
<i>Operating Income (Loss)</i>	(162,241)	89,686	(72,555)	351,410
Non Operating Revenues (Expenses)				
Capital Grants	3,945	455,232	459,177	0
Interest and Fiscal Charges	(775)	(68,229)	(69,004)	0
<i>Income (Loss) Before Capital Contributions and Transfers</i>	(159,071)	476,689	317,618	351,410
Capital Contributions	0	1,500	1,500	0
Transfers In	39,255	0	39,255	0
<i>Change in Net Position</i>	(119,816)	478,189	358,373	351,410
<i>Net Position Beginning of Year</i>	<u>1,542,768</u>	<u>12,533,874</u>	<u>14,076,642</u>	<u>63,928</u>
<i>Net Position End of Year</i>	<u><u>\$1,422,952</u></u>	<u><u>\$13,012,063</u></u>	<u><u>\$14,435,015</u></u>	<u><u>\$415,338</u></u>

See accompanying notes to the basic financial statements

City of Ashtabula, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2013

	Business-Type Activities			Governmental Activities - Internal Service Funds
	Enterprise Funds			
	Sanitation	Wastewater Treatment	Total	
<i>Increase (Decrease) In Cash and Cash Equivalents</i>				
Cash Flows from Operating Activities				
Cash Received from Customers	\$1,924,248	\$3,097,809	\$5,022,057	\$0
Cash Received from Tap-In Fees	0	5,000	5,000	0
Cash Received from Other Funds	0	0	0	2,100,959
Cash Payments Received from Other Operating Sources	5,333	0	5,333	0
Cash Payments for Employee Services and Benefits	(1,112,241)	(1,862,928)	(2,975,169)	0
Cash Payments to Suppliers for Goods and Services	(758,475)	(620,918)	(1,379,393)	(305,188)
Cash Payments for Claims	0	0	0	(1,546,367)
<i>Net Cash Provided by Operating Activities</i>	<u>58,865</u>	<u>618,963</u>	<u>677,828</u>	<u>249,404</u>
Cash Flows from Noncapital Financing Activities				
Financing Activities:				
Advances In	0	0	0	348,172
Advances Out	0	0	0	(323,172)
Transfers In	39,255	0	39,255	0
<i>Net Cash Provided by Noncapital Financing Activities</i>	<u>39,255</u>	<u>0</u>	<u>39,255</u>	<u>25,000</u>
Cash Flows from Capital and Related Financing Activities				
Capital Grants	3,945	455,232	459,177	0
Proceeds of Notes	89,135	303,574	392,709	0
Proceeds of OPWC Loan	0	12,133	12,133	0
Principal Paid on OWDA Loans	0	(140,419)	(140,419)	0
Principal Paid on EQ Basin Loan	0	(264,067)	(264,067)	0
Principal Paid OPWC Loans	0	(35,257)	(35,257)	0
Principal Paid Key Loan	0	(50,000)	(50,000)	0
Interest Paid on OWDA Loan	0	(21,069)	(21,069)	0
Interest Paid on EQ Basin Loan	0	(47,237)	(47,237)	0
Interest Paid on Key Loan	0	(1,825)	(1,825)	0
Principal Paid on Capital Lease	(33,133)	0	(33,133)	0
Interest Paid on Capital Lease	(6,122)	0	(6,122)	0
Payments for Capital Acquisitions	(75,434)	(377,612)	(453,046)	0
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>(21,609)</u>	<u>(166,547)</u>	<u>(188,156)</u>	<u>0</u>
<i>Net Increase In Cash and Cash Equivalents</i>	76,511	452,416	528,927	274,404
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>162,039</u>	<u>30,599</u>	<u>192,638</u>	<u>371,827</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$238,550</u></u>	<u><u>\$483,015</u></u>	<u><u>\$721,565</u></u>	<u><u>\$646,231</u></u>

(continued)

City of Ashtabula, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2013

	Business-Type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
	Wastewater		Total	
	Sanitation	Treatment		
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities				
<i>Operating Income (Loss)</i>	(\$162,241)	\$89,686	(\$72,555)	\$351,410
Adjustments:				
Depreciation	77,384	472,997	550,381	0
(Increase)/ Decrease in Assets:				
Accounts Receivable	90,877	12,932	103,809	0
Intergovernmental Receivable	0	0	0	(16,462)
Materials and Supplies Inventory	29,133	(217)	28,916	0
Prepaid Items	(33,238)	(33,333)	(66,571)	0
Increase/ (Decrease) in Liabilities:				
Accounts Payable	3,444	(17,779)	(14,335)	(600)
Contracts Payable	50,993	93,311	144,304	1,250
Accrued Wages	1,165	(3,167)	(2,002)	392
Compensated Absences Payable	167	(48,716)	(48,549)	0
Intergovernmental Payable	1,181	53,249	54,430	(1,378)
Claims Payable	0	0	0	(85,208)
<i>Net Cash Provided by Operating Activities</i>	<u>\$58,865</u>	<u>\$618,963</u>	<u>\$677,828</u>	<u>\$249,404</u>

Noncash Capital Financing Activities

In 2013, governmental activities transferred capital assets to the Wastewater Treatment enterprise fund, in the amount of \$1,500.

See accompanying notes to the basic financial statements

City of Ashtabula, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2013

Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$40,106</u>
Liabilities	
Intergovernmental Payable	\$9,409
Deposits Held and Due to Others	<u>30,697</u>
<i>Total Liabilities</i>	<u>\$40,106</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, 2013

Note 1 - Description of the City and Reporting Entity

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

Reporting Entity

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

Component units are legally separate organizations for which the City is financially accountable (See Note 23). The City is financially accountable for an organization if the City appoints a voting majority of the organization’s governing board; and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization’s resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organizations. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City.

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

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

Information in the following notes to the basic financial statements is applicable to the primary government. Information relative to the Ashtabula City Port Authority is presented in Note 23.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2013

Note 2 - Summary of Significant Accounting Policies

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

Basis of Presentation

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

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

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

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

Fund Accounting

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

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

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2013

The following are the City's major governmental funds:

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

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

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

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

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

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

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

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

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

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

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

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

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2013

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

Measurement Focus

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

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

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

Basis of Accounting

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

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

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 10). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2013

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 Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The City does not have any deferred outflows for the current year.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, special assessments and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2013, but which were levied to finance year 2014 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Special assessments and unavailable revenue are reported only on the governmental funds balance sheet, and represent receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, special assessments, intergovernmental grants and ambulance charges. These amounts are deferred and recognized as an inflow of resources in the period the amounts became available.

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 2013.

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.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2013

Cash and Cash Equivalents

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

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

The City of Ashtabula has invested in the State Treasury Asset Reserve of Ohio (STAR Ohio) during 2013. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's net asset value per share which is the price the investment could be sold at December 31, 2013.

Interest is distributed to the general fund and certain special revenue funds of the City. Interest revenue credited to the general fund during 2013 amounted to \$41, which includes \$32 assigned from other City funds.

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

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

Restricted Assets

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

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, 2013, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of purchase and reflecting the expenditure/expense in the year in which it was consumed.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2013

Capital Assets

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

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

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

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

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

Interfund Balances

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

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

Compensated Absences

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

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2013

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.

Accrued Liabilities and Long-Term Obligations

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

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

Fund Balance

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

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

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

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

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

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2013

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

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

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

Net Position

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

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

Operating Revenues and Expenses

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

Contributions of Capital

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

Interfund Activity

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

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2013

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 2013, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 61, “The Financial Reporting Entity: Omnibus an amendment of GASB 14 and 34.” This Statement modifies existing requirements for the assessment of potential component units in determining what should be included in the financial reporting entity and financial reporting entity display and disclosure requirements. The implementation of the Statement did not result in any change in the City’s financial statements.

Note 4 – Accountability

The food service and police pension special revenue funds had deficit fund balances as of December 31, 2013 in the amount of \$858 and \$8,244, respectively. These deficits are caused by revenues being insufficient to cover expenditures on a modified accrual basis of accounting. The general fund is liable for any deficits in the funds and provides transfers when cash is required, not when accruals occur.

Note 5 – Fund Balances

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

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2013

Fund Balances	General	Community Development Block Grant	Street Maintenance and Repair	Debt Service	Permanent Improvement	Nonmajor Governmental Funds	Total
<i>Nonspendable</i>							
Prepays	\$14,711	\$0	\$2,594	\$0	\$0	\$14,530	\$31,835
Inventory	5,076	0	32,234	0	0	3,080	40,390
Unclaimed Monies	22,458	0	0	0	0	0	22,458
<i>Total Nonspendable</i>	<u>42,245</u>	<u>0</u>	<u>34,828</u>	<u>0</u>	<u>0</u>	<u>17,610</u>	<u>94,683</u>
<i>Restricted for</i>							
Road Improvements	0	0	147,189	0	0	30,664	177,853
Public Safety	0	0	0	0	0	60,557	60,557
Municipal Probation Services	0	0	0	0	0	112,153	112,153
Police and Fire Pension	0	0	0	0	0	21,887	21,887
Economic Development	0	150,099	0	0	0	0	150,099
Debt Service Payments	0	0	0	53,211	0	0	53,211
Capital Improvement	0	0	0	0	1,623,897	3,311	1,627,208
Municipal Court Projects	0	0	0	0	0	84,083	84,083
Early Retirement Payments	357,291	0	0	0	0	0	357,291
<i>Total Restricted</i>	<u>357,291</u>	<u>150,099</u>	<u>147,189</u>	<u>53,211</u>	<u>1,623,897</u>	<u>312,655</u>	<u>2,644,342</u>
<i>Committed to</i>							
Recreation	0	0	0	0	0	53,219	53,219
Code Enforcement	0	0	0	0	0	134,634	134,634
Public Health Nursing	0	0	0	0	0	32,837	32,837
<i>Total Committed</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>220,690</u>	<u>220,690</u>
<i>Assigned to</i>							
Purchases on Order	74,561	0	0	0	0	0	74,561
<i>Unassigned (Deficit)</i>	<u>234,067</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(9,363)</u>	<u>224,704</u>
<i>Total Fund Balances</i>	<u>\$708,164</u>	<u>\$150,099</u>	<u>\$182,017</u>	<u>\$53,211</u>	<u>\$1,623,897</u>	<u>\$541,592</u>	<u>\$3,258,980</u>

Note 6 - Budgetary Basis of Accounting

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

The major differences between the budget basis and GAAP basis are as follows:

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

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2013

5. Proceeds from short-term notes and inception of capital leases and principal payment on capital leases are reported on the operating statement (budget) rather than on the balance sheet (GAAP).
6. Advances-out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).

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

	Net Change in Fund Balance		
	General	Community Development Block Grant	Street Maintenance And Repair
GAAP Basis	\$63,374	(\$252,991)	\$82,118
Net Adjustment for Revenue Accruals	(547,219)	109,202	(19,509)
Beginning Unrecorded Cash	10,555	0	0
Proceeds of Notes	357,291	0	0
Inception of Capital Lease	175,160	0	0
Net Adjustment for Expenditure Accruals	204,564	(64,970)	(19,430)
Advances	(25,000)	0	0
Principal Retirement	(20,306)	0	0
Encumbrances	(34,902)	(38,820)	(21,635)
Budget Basis	<u>\$183,517</u>	<u>(\$247,579)</u>	<u>\$21,544</u>

Note 7 – Interfund Transfers and Balances

Interfund Transfers

Interfund transfers for the year ended December 31, 2013, consisted of the following:

Transfers To	Transfers From			Total
	General	Permanent Improvement	Other Governmental Funds	
Major Funds:				
General	\$0	\$22,750	\$0	\$22,750
Street Maintenance and Repair	120,000	0	76,850	196,850
Debt Service	0	167,650	0	167,650
Sanitation	0	39,255	0	39,255
Total Major Funds	<u>120,000</u>	<u>229,655</u>	<u>76,850</u>	<u>426,505</u>
Other Governmental Funds:				
Fire Pension	78,000	0	0	78,000
Food Service	13,250	0	0	13,250
Police Pension	47,100	0	0	47,100
Municipal Court Special Projects	0	61,821	0	61,821
Total Other Governmental Funds	<u>138,350</u>	<u>61,821</u>	<u>0</u>	<u>200,171</u>
Total Transfers	<u>\$258,350</u>	<u>\$291,476</u>	<u>\$76,850</u>	<u>\$626,676</u>

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

Interfund Balances

Interfund balances consisted of a \$225,000 advance made in 2010 from the workers' compensation fund to the general fund due to an overall decrease in revenues in the general fund. The general fund will repay the advance back to the workers' compensation fund in \$25,000 increments over 10 years beginning in 2012. As of December 31, 2013, the balance was \$200,000.

Note 8 - Deposits and Investments

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

Active 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.

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. 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
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio;

City of Ashtabula, Ohio
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6. The State Treasurer's investment pool (STAR Ohio); and
7. 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 for investment at any one time if training requirements have been met, and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

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.

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

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

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

Deposits

Custodial Credit Risk Custodial credit risk for deposits is the risk that, in the event of the failure of the counterparty, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$3,676,994 of the City's bank balance of \$4,519,359 was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

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

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Investments

At December 31, 2013, the City had \$100,312 invested in STAR Ohio with an average maturity of 53.4 days.

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

Credit Risk Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The 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 9 - 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 10 - Receivables

Receivables at December 31, 2013, consisted primarily of taxes, accounts (billings for utility service), special assessments, accrued interest on investments, amounts due from other governments and loans receivable. Loans receivable represent low interest loans for development projects and home improvements granted to eligible City residents and businesses under the Federal Community Development Block Grant program. The loans bear interest at annual rates ranging between three and seven percent. The loans are to be repaid over periods ranging from five to fifteen years. The City has also loaned money to the Ashtabula Port Authority (component unit). The loan has an interest rate of 4.5 percent and is to be repaid over twenty years. No allowances for doubtful accounts have been recorded. All receivables, except property taxes, loans and special assessments are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

City of Ashtabula, Ohio
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Loans expected to be collected in more than one year amount to \$9,255 and \$58,330 due from the component unit.

Special assessments expected to be collected in more than one year amount to \$51,500 in the debt service fund. At December 31, 2013, the amount of delinquent special assessments was \$185. Collections expected in 2014 amount to \$10,300.

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2013 for real and public utility property taxes represents collections of 2012 taxes.

2013 real property taxes are levied after October 1, 2013 on the assessed value as of January 1, 2013 the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2013 real property taxes are collected in and intended to finance 2014.

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

Public utility personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2013 public utility property taxes which became a lien December 31, 2012, are levied after October 1, 2013, and are collected in 2014 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2013, was \$9.31 per \$1,000 of assessed value. The assessed values of real property and public utility property upon which 2013 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Estate	
Residential/Agricultural	\$132,014,600
Other Real Estate	67,840,860
Public Utility Property	23,144,090
Total Assessed Values	<u><u>\$222,999,550</u></u>

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which are measurable as of December 31, 2013 and for which there is an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2013 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collective delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

Income Taxes

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

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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.

Intergovernmental Receivables

A summary of intergovernmental receivables follows:

	Amounts
Governmental Activities	
Local Government	\$349,213
Gasoline and Excise Tax	276,752
Homestead and Rollback Taxes	124,762
Grants	106,434
Auto License Tax	56,884
Permissive Tax	51,018
School Resource Officers	24,964
County Employee Insurance	16,462
Dispatch Services	7,500
Estate and Lodging Taxes	5,486
Liquor Licenses	2,852
Total	\$1,022,327

Note 11 - 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 2013, the City contracted with Argonaut Insurance Company for various types of insurance as follows:

Type of Coverage	Coverage Amounts	Deductible
General Liability	\$3,000,000	\$10,000
Law Enforcement Liability	1,000,000	25,000
Business Auto - Comprehensive	1,000,000	500
Business Auto - Collision	Actual cash value	1,000
Public Officials' Liability	1,000,000	25,000
Employment Practices Liability	1,000,000	25,000

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

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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 member. During 2013, a total of \$1,649,511 was expensed in benefits and administrative costs. The liability for unpaid claims cost of \$20,850, reported in the self insurance internal service fund at December 31, 2013, 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 2014 which were incurred in 2013.

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 \$297,648 have been accrued as a liability in the workers' compensation internal service fund at December 31, 2013 based on an estimate by the Acting City Auditor.

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

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

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2012	\$478,903	\$2,096,474	(\$2,171,671)	\$403,706
2013	403,706	1,461,159	(1,546,367)	318,498

Note 12 - Compensated Absences

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

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

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

Beginning in 2012 a sick time buyout option was offered to AFSCME employee members. Employees with ten or more years of service and at least 960 hours of accumulated sick time are eligible for a cash payment or contribution to Deferred Compensation of up to 160 hours of their accumulated sick time. The hours converted to cash are deducted from the amount of terminal benefit due upon retirement. In 2013, a memorandum of understanding was signed by all unions to place the sick buyout program on hold for 2013.

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

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

Note 13 - Capital Assets

Capital asset activity for the year ended December 31, 2013, was as follows:

	Balance 12/31/2012	Additions	Deductions	Balance 12/31/2013
Governmental Activities:				
Capital Assets, Non-depreciable:				
Land	\$1,972,568	\$0	(\$9,010)	\$1,963,558
Construction in Progress	75,542	1,577,609	(161,614)	1,491,537
Total Capital Assets, Non-depreciable	<u>2,048,110</u>	<u>1,577,609</u>	<u>(170,624)</u>	<u>3,455,095</u>
Capital Assets, Depreciable:				
Buildings and Improvements	10,802,212	213,291	(8,063)	11,007,440
Equipment	2,582,637	173,111	(13,160)	2,742,588
Vehicles	3,058,848	207,974	(160,971)	3,105,851
Furniture and Fixtures	5,200	0	0	5,200
Infrastructure:				
Bridges	15,069,086	0	0	15,069,086
Roads	11,485,066	101,139	(21,000)	11,565,205
Storm Sewers	2,543,996	0	0	2,543,996
Traffic Lights	551,036	0	0	551,036
Total Capital Assets, Depreciable	<u>46,098,081</u>	<u>695,515</u>	<u>(203,194)</u>	<u>46,590,402</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(6,216,021)	(315,320)	8,063	(6,523,278)
Equipment	(2,116,024)	(143,000)	13,160	(2,245,864)
Vehicles	(2,501,146)	(139,477)	159,471	(2,481,152)
Furniture and Fixtures	(5,200)	0	0	(5,200)
Infrastructure:				
Bridges	(1,595,264)	(152,209)	0	(1,747,473)
Roads	(7,910,571)	(552,711)	21,000	(8,442,282)
Storm Sewers	(1,232,284)	(25,251)	0	(1,257,535)
Traffic Lights	(103,972)	(5,740)	0	(109,712)
Total Accumulated Depreciation	<u>(21,680,482)</u>	<u>(1,333,708)</u>	<u>201,694</u>	<u>(22,812,496)</u>
Total Capital Assets, Depreciable, net	<u>24,417,599</u>	<u>(638,193)</u>	<u>(1,500)</u>	<u>23,777,906</u>
Governmental Activities Capital Assets, Net	<u>\$26,465,709</u>	<u>\$939,416</u>	<u>(\$172,124)</u>	<u>\$27,233,001</u>

City of Ashtabula, Ohio
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	Balance 12/31/2012	Additions	Deductions	Balance 12/31/2013
Business-Type Activities:				
Capital Assets, Non-depreciable:				
Land	\$86,863	\$0	\$0	\$86,863
Construction in Progress	37,988	268,769	(35,000)	271,757
Total Capital Assets, Non-depreciable	<u>124,851</u>	<u>268,769</u>	<u>(35,000)</u>	<u>358,620</u>
Capital Assets, Depreciable:				
Buildings and Improvements	8,047,439	35,000	0	8,082,439
Equipment	2,404,191	164,902	(37,202)	2,531,891
Vehicles	1,308,125	6,000	0	1,314,125
Infrastructure:				
Sanitary Sewer System	<u>14,700,324</u>	<u>14,875</u>	<u>0</u>	<u>14,715,199</u>
Total Capital Assets, Depreciable	<u>26,460,079</u>	<u>220,777</u>	<u>(37,202)</u>	<u>26,643,654</u>
Less Accumulated Depreciation				
Buildings and Improvements	(4,635,045)	(225,781)	0	(4,860,826)
Equipment	(2,012,851)	(89,347)	37,202	(2,064,996)
Vehicles	(1,057,290)	(58,102)	0	(1,115,392)
Infrastructure:				
Sanitary Sewer System	<u>(4,893,573)</u>	<u>(177,151)</u>	<u>0</u>	<u>(5,070,724)</u>
Total Accumulated Depreciation	<u>(12,598,759)</u>	<u>(550,381)</u>	<u>37,202</u>	<u>(13,111,938)</u>
Total Capital Assets, Depreciable, net	<u>13,861,320</u>	<u>(329,604)</u>	<u>0</u>	<u>13,531,716</u>
Business-type Activities, Capital Assets, Net	<u><u>\$13,986,171</u></u>	<u><u>(\$60,835)</u></u>	<u><u>(\$35,000)</u></u>	<u><u>\$13,890,336</u></u>

* Depreciation expense was charged to governmental functions as follows:

General Government	
Legislative and Executive	\$158,833
Judicial	54,698
Security of Persons and Property	
Police	194,685
Fire	103,930
Public Health Services	3,186
Street Maintenance and Repair	777,732
Leisure Time Activities	<u>40,644</u>
Total Depreciation Expense	<u><u>\$1,333,708</u></u>

Note 14 - Related Party Transactions

The Ashtabula Port Authority, a discretely presented component unit of the City of Ashtabula, receives contributions from the City for salaries for the administration, implementation and supervision of its projects. In 2013, these contributions totaled \$9,700. The City of Ashtabula cosigns for debt that the Ashtabula Port Authority issues and also appoints the board of the Ashtabula Port Authority.

City of Ashtabula, Ohio
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Note 15 – Short-Term Debt

A summary of note transactions for the year ended December 31, 2013, follows:

	Outstanding 12/31/2012	Additions	(Reductions)	Outstanding 12/31/2013
Governmental Activities				
<i>General Fund</i>				
Early Retirement Incentive	\$0	\$357,291	\$0	\$357,291
Business-Type Activities				
<i>Sanitation</i>				
Early Retirement Incentive	0	89,135	0	89,135
<i>Wastewater Treatment</i>				
Early Retirement Incentive	0	303,574	0	303,574
<i>Total Business-Type Activities</i>	0	392,709	0	392,709
Total Notes Payable	\$0	\$750,000	\$0	\$750,000

In 2013, the City issued \$750,000 in early retirement incentive notes at a rate of 1.09 percent to help finance early retirement pension buyouts. The notes mature on May 16, 2014.

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

Note 16 – Subsequent Event

On May 16, 2014, the City retired \$750,000 in early retirement incentive notes and issued \$700,000 in new notes. The new notes have a maturity date of May 15, 2015 and an interest rate of 1.25 percent.

Note 17 - Long-Term Debt

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

Debt Issue	Original Issue Date	Interest Rate	Original Issue	Year of Maturity
Governmental Activities				
<i>General Obligation Bonds:</i>				
KeyCorp - Road Improvements	2009	3.60 %	\$250,000	2013
US Bank - Bridge Improvements	2010	2.43	325,000	2013
<i>Special Assessment Bonds:</i>				
OPWC Loan - Harbor Heights	2000	0.00	195,647	2020
Business-Type Activities				
OWDA Loan - 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
OPWC - Chemical Feed Building	2012	0.00	42,961	2033
KeyCorp - Sewer Improvements	2009	3.60	250,000	2013

City of Ashtabula, Ohio
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For the Year Ended December 31, 2013

A schedule of changes in bonds and other long-term obligations of the City during 2013 follows:

	Principal Outstanding 12/31/2012	Additions	Deletions	Principal Outstanding 12/31/2013	Amounts Due in One Year
Governmental Activities					
General Obligation Bonds					
3.60% Road Improvements	\$50,000	\$0	\$50,000	\$0	\$0
2.43% Bridge Improvements	110,944	0	110,944	0	0
Total General Obligation Bonds	160,944	0	160,944	0	0
Special Assessments					
0% OPWC Loan - Harbor Heights	73,369	0	9,783	63,586	9,782
Claims Payable	403,706	1,766,011	1,851,219	318,498	143,498
Capital Leases Payable	87,192	699,524	129,058	657,658	179,002
Compensated Absences	2,315,114	615,930	776,984	2,154,060	843,692
<i>Total Governmental Activities</i>	<u>\$3,040,325</u>	<u>\$3,081,465</u>	<u>\$2,927,988</u>	<u>\$3,193,802</u>	<u>\$1,175,974</u>
Business-type Activities					
OWDA Loan					
4.35% Wastewater Plant Renovation	\$519,076	\$0	\$140,419	\$378,657	\$146,593
EQ Basin Loan					
4.20% Equalization Basin	1,124,695	0	264,067	860,628	275,157
OPWC 0% Loan					
Morton Drive Siphon Improvement	174,476	0	9,183	165,293	9,183
OPWC 0% Loan					
Michigan Avenue - EQ Basin	400,000	0	25,000	375,000	25,000
OPWC 0% Loan					
Chemical Feed Building	30,828	12,133	1,074	41,887	2,148
KeyCorp					
3.60% Sewer Improvements	50,000	0	50,000	0	0
<i>Total Loans</i>	2,299,075	12,133	489,743	1,821,465	458,081
Capital Leases Payable	141,391	0	33,133	108,258	34,588
Compensated Absences	468,947	128,425	176,974	420,398	210,047
<i>Total Business-type Activities</i>	<u>\$2,909,413</u>	<u>\$140,558</u>	<u>\$699,850</u>	<u>\$2,350,121</u>	<u>\$702,716</u>

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 wastewater treatment revenues to repay the OWDA, EQ Basin, OPWC and KeyCorp loans. The loans are payable solely from net revenues and are payable through 2033. Annual principal and interest payments on the loans are expected to require 1.01 percent of net revenues. The total principal and interest remaining to be paid on the loans is \$1,919,811. Principal and interest paid for the current year and total net revenues were \$559,874 and \$562,683 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 11).

City of Ashtabula, Ohio
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For the Year Ended December 31, 2013

The City's overall legal debt margin was \$23,414,953 at December 31, 2013. Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2013, are as follows:

Governmental Activities

	OPWC Loan <u>Harbor Heights</u>
2014	\$9,782
2015	9,783
2016	9,783
2017	9,783
2018	9,782
2019 - 2020	<u>14,673</u>
Total	<u><u>\$63,586</u></u>

Business-type Activities

	<u>OWDA Loan</u>		<u>Equalization Basin Loan</u>		OPWC
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Loans</u>
2014	\$146,593	\$14,895	\$275,157	\$36,146	\$36,331
2015	153,040	8,448	286,714	24,590	36,331
2016	79,024	1,719	298,757	12,548	36,331
2017	0	0	0	0	36,331
2018	0	0	0	0	36,331
2019 - 2023	0	0	0	0	181,655
2024 - 2028	0	0	0	0	181,655
2029 - 2033	0	0	0	0	37,215
Total	<u>\$378,657</u>	<u>\$25,062</u>	<u>\$860,628</u>	<u>\$73,284</u>	<u>\$582,180</u>

Note 18 - Leases

Capital Leases

During 2013, the City entered into capitalized leases for one ambulance, public works equipment, police cruisers and one sanitation truck. These leases meet the criteria for a capital lease and have been recorded on the governmental-wide and business-type statements. The original amount capitalized for the capital lease and the book value as of December 31, 2013 for governmental and business-type activities follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Vehicles	\$312,845	\$168,097
Less: Accumulated Depreciation	<u>(85,320)</u>	<u>(56,081)</u>
Leased property, net of depreciation	<u>\$227,525</u>	<u>\$112,016</u>

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
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The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2013.

	Governmental Activities	Business-Type Activities
2014	\$192,846	\$39,276
2015	194,794	39,235
2016	192,819	39,255
2016	<u>108,752</u>	<u>0</u>
Total minimum lease payments	689,211	117,766
Less: amount representing interest	<u>(31,553)</u>	<u>(9,508)</u>
Present value of minimum lease payments	<u><u>\$657,658</u></u>	<u><u>\$108,258</u></u>

Operating Leases

The City, as a lessor, has entered into an agreement to assume the former Dairy Queen Inc. lease by Czup Fowler Limited, dba Hoffman's Pharmacy. The building, owned by the City was razed. The land is being leased to Czup Fowler Ltd for 30 years with five 10-year options to extend the lease. The City is also a lessor of twelve percent of a building to Keybank National Corporation. The current lease with Keybank is for seven years with a two five-year extensions at Keybank's option. The following schedule provides an analysis of the leased property at December 31, 2013:

	Czup Fowler Limited, dba Hoffman's Pharmacy	Keybank National Corporation
Land	\$3,415	\$0
Buildings	<u>0</u>	<u>89,501</u>
Leased property, total value	3,415	89,501
Less: Accumulated Depreciation	<u>0</u>	<u>(28,127)</u>
Leased property, net of depreciation	<u><u>\$3,415</u></u>	<u><u>\$61,374</u></u>

The following is a schedule by years of minimum future rentals on the operating leases as of December 31, 2013:

	Hoffman's Pharmacy	Keybank National
2014	\$8,400	\$120,000
2015	8,400	120,000
2016	8,400	120,000
2017	8,400	120,000
2018	9,600	120,000
2019 - 2023	49,200	160,000
2024 - 2028	55,200	0
2029 - 2033	61,200	0
2034 - 2037	<u>52,800</u>	<u>0</u>
Total minimum lease payments	<u><u>\$261,600</u></u>	<u><u>\$760,000</u></u>

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2013

Note 19 – Construction and Other Significant Commitments

Contractual Commitments

At December 31, 2013, the City’s significant contractual commitments consisted of:

Project	Contract Amount	Amount Paid	Remaining Contract
EQ Water Basin	\$3,000,000	\$1,764,372	\$1,235,628
Chemical Feed Building	140,000	0	140,000
West Harbor Sewer Improvements	311,479	0	311,479
Dredging Ashtabula River	140,000	0	140,000
Total	<u>\$3,591,479</u>	<u>\$1,764,372</u>	<u>\$1,827,107</u>

Encumbrances

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

Governmental Funds		Proprietary Funds	
General Fund	\$34,902	Sanitation	\$9,822
Community Development Block Grant Street, Construction, Maintenance and Repair Fund	38,820	Wastewater Treatment	<u>420,327</u>
Permanent Improvement	21,635	Total Proprietary Funds	<u>\$430,149</u>
Nonmajor Funds	171,621		
Total Governmental Funds	<u>46,907</u>		
	<u>\$313,885</u>		

Note 20 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2013

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, 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 enforcement and public safety employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll for members in State and local divisions and 12 percent for law enforcement and public safety members. For the year ended December 31, 2013, members in state and local divisions contributed 10 percent of covered payroll while public safety and law enforcement members contributed 12.0 percent and 12.6 percent, respectively. Effective January 1, 2014, the member contribution rates for law enforcement increased to 13 percent. 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 2013, member and employer contribution rates were consistent across all three plans.

The City's 2013 contribution rate was 14.0 percent, except for those plan members in law enforcement or public safety, for whom the City's contribution was 18.1 percent of covered payroll. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. For 2013, the portion of employer contribution allocated to health care was 1 percent for members in the Traditional Plan and the Combined Plan. Effective January 1, 2014, the portion of employer contributions allocated to health care increased to 2 percent. 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, 2013, 2012, and 2011 were \$521,557, \$319,999 and \$295,148, respectively. For 2013, 89.79 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2012 and 2011. Contributions to the Member-Directed Plan for 2013 were \$6,290 made by the City and \$4,493 made by plan members.

Social Security

As of December 31, 2013, one council member was 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.

Funding Policy – Employer and employee contribution rates are set by the Ohio Revised Code. From January 1, 2013, thru July 1, 2013, plan members were required to contribute 10 percent of their annual covered salary. From July 2, 2013, thru December 31, 2013, plan members were required to contribute 10.75 percent of their annual covered salary. Throughout 2013, employers were required to contribute 19.5 percent and 24 percent respectively for police officers and 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. For January 1, 2013, thru May 31, 2013, the portion of employer contributions used to fund pension benefits was 14.81 percent of covered payroll for police officers and 19.31 percent of covered payroll

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2013

for firefighters. For June 1, 2013 thru December 31, 2013, the portion of employer contributions used to fund pension benefits was 16.65 percent of covered payroll for police officers and 21.15 percent of covered payroll for firefighters. The City's contributions to OP&F for police and firefighters were \$304,010 and \$298,236 for the year ended December 31, 2013, \$208,627 and \$220,689 for the year ended December 31, 2012, and \$237,025 and \$254,730 for the year ended December 31, 2011, respectively. For 2013, 88.91 percent for police and 89.95 percent for firefighters has been contributed with the balance for both police and firefighters being reported as an intergovernmental payable. The full amount has been contributed in for 2012 and 2011.

Note 21 – Postemployment Benefits

Ohio Public Employees Retirement System

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

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

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

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The post-employment health care plan was established under, and is 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 2013, state and local employers contributed at a rate of 14.0 percent of covered payroll, and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code.

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. For 2013, the portion of employer contributions allocated to health care for members in the Traditional Plan and Combined Plan was 1 percent. Effective January 1, 2014, the portion of employer contributions allocated to healthcare was raised to 2 percent for both plans, as recommended by the OPERS Actuary.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2013

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, 2013, 2012, and 2011 were \$40,120, \$248,238 and \$277,040, respectively. For 2013, 89.79 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2012 and 2011.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

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 visiting www.op-f.org or writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

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

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements 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 January 1, 2013 thru May 31, 2013, the employer contribution allocated to the health care plan was 4.69 percent of covered payroll. For June 1, 2013 thru December 31, 2013, the employer contribution allocated to

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2013

the health care plan was 2.85 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 \$69,302 and \$52,974 for the year ended December 31, 2013, \$110,450 and \$86,357 for the year ended December 31, 2012, and \$125,484 and \$99,677 for the year ended December 31, 2011, respectively. For 2013, 88.91 percent has been contributed for police and 89.95 percent has been contributed for firefighters with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2012 and 2011.

Note 22 – Joint Economic Development Districts

Ashtabula Township

During 2013, the City entered into a contract with neighboring Ashtabula Township to form the Ashtabula Township-Ashtabula Joint Economic Development District (JEDD). It is entirely located in Ashtabula Township, and its primary purpose is to promote regional growth and economic development. In March 2013, the JEDD Board levied a municipal income tax of 1.8 percent in the JEDD effective May 1, 2014. The JEDD Board also contracted with the City of Ashtabula to administer this income tax.

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

Saybrook Township

During 2013, the City entered into a contract with neighboring Saybrook Township to form the Saybrook Township-Ashtabula Joint Economic Development District (JEDD). It is entirely located in Ashtabula Township, and its primary purpose is to promote regional growth and economic development. In March, 2013 the JEDD Board levied a municipal income tax of 1.8 percent in the JEDD effective May 1, 2014. The JEDD Board also contracted with the City of Ashtabula to administer this income tax.

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

Note 23 - 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).

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2013

Summary of Significant Accounting Policies

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

Due to Primary Government

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

Property, Plant, Equipment and Depreciation

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

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

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

Deposits and Investments

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

At year-end, the carrying amount of the Ashtabula Port Authority's deposits was \$324,316. The entire balance was covered by federal depository insurance.

During 2013, investments for the Ashtabula Port Authority were limited to \$101,563 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, 2013 follows:

	Balance 12/31/2012	Additions	Deductions	Balance 12/31/2013
Governmental Activities				
Capital Assets, Non-depreciable				
Land	\$1,890,222	\$0	\$0	\$1,890,222
Capital Assets, Depreciable				
Improvements	591,151	0	0	591,151
Less Accumulated Depreciation				
Improvements	(331,795)	(29,416)	0	(361,211)
Total Assets, Depreciable, Net	<u>259,356</u>	<u>(29,416)</u>	<u>0</u>	<u>229,940</u>
Governmental Activities				
Capital Assets, Net	<u>\$2,149,578</u>	<u>(\$29,416)</u>	<u>\$0</u>	<u>\$2,120,162</u>

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2013

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, 2013, \$91,670 of the City's loan has been repaid leaving a balance of \$58,330.

A schedule of changes in long-term obligations of the Port Authority during 2013 follows:

	Principal Outstanding 12/31/2011	Additions	Deletions	Principal Outstanding 12/31/2012	Amounts Due in One Year
Due to Primary Government:					
City of Ashtabula - Loan	\$66,883	\$0	\$8,553	\$58,330	\$8,946
Other Long-Term Debt:					
Industrial Park Loan	320,035	0	34,320	285,715	35,365
OWDA Rural Industrial Park	184,342	0	28,483	155,859	29,344
<i>Total Other Long-Term Debt</i>	<u>504,377</u>	<u>0</u>	<u>62,803</u>	<u>441,574</u>	<u>64,709</u>
<i>Total Component Unit Debt</i>	<u>\$571,260</u>	<u>\$0</u>	<u>\$71,356</u>	<u>\$499,904</u>	<u>\$73,655</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
2014	\$8,946	\$2,442	\$35,365	\$8,088	\$29,344	\$4,457
2015	9,357	2,031	36,440	7,012	30,231	3,570
2016	9,787	1,601	37,549	5,904	31,144	2,657
2017	10,236	1,152	38,691	4,762	32,085	1,715
2018	10,706	681	39,867	3,585	33,055	746
2019-2021	9,298	193	97,803	3,585	0	0
Total	<u>\$58,330</u>	<u>\$8,100</u>	<u>\$285,715</u>	<u>\$32,936</u>	<u>\$155,859</u>	<u>\$13,145</u>

Combining and Individual Fund Statements and Schedules

Fund Descriptions – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

(continued)

Combining and Individual Fund Statements and Schedules

Fund Descriptions – Nonmajor Governmental Funds (*continued*)

Nonmajor Capital Projects Funds

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

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

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

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City of Ashtabula, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2013

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$434,713	\$85,310	\$520,023
Cash and Cash Equivalents:			
In Segregated Accounts	8,939	2,384	11,323
Receivables:			
Property Taxes	670,114	0	670,114
Accounts	139,384	0	139,384
Intergovernmental Receivable	80,591	0	80,591
Materials and Supplies Inventory	3,080	0	3,080
Prepaid Items	916	13,614	14,530
<i>Total Assets</i>	<u>\$1,337,737</u>	<u>\$101,308</u>	<u>\$1,439,045</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$57	\$300	\$357
Contracts Payable	122	0	122
Accrued Wages	1,338	0	1,338
Intergovernmental Payable	77,466	0	77,466
Deposits Held and Due to Others	3,980	0	3,980
<i>Total Liabilities</i>	<u>82,963</u>	<u>300</u>	<u>83,263</u>
Deferred Inflows of Resources			
Property Tax	489,550	0	489,550
Unavailable Revenue	324,640	0	324,640
<i>Total Deferred Inflows of Resources</i>	<u>814,190</u>	<u>0</u>	<u>814,190</u>
Fund Balances			
Nonspendable	3,996	13,614	17,610
Restricted	225,261	87,394	312,655
Committed	220,690	0	220,690
Unassigned (Deficit)	(9,363)	0	(9,363)
<i>Total Fund Balances</i>	<u>440,584</u>	<u>101,008</u>	<u>541,592</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$1,337,737</u>	<u>\$101,308</u>	<u>\$1,439,045</u>

City of Ashtabula, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2013

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Property Taxes	\$512,619	\$0	\$512,619
Charges for Services	40,830	0	40,830
Licenses and Permits	277,000	0	277,000
Fines and Forfeitures	102,824	38,487	141,311
Intergovernmental	177,634	0	177,634
Franchise Fees	8,098	0	8,098
Other	5,087	0	5,087
<i>Total Revenues</i>	<u>1,124,092</u>	<u>38,487</u>	<u>1,162,579</u>
Expenditures			
Current:			
General Government:			
Judicial System	11,000	300	11,300
Security of Persons and Property:			
Police	393,605	0	393,605
Fire	358,558	0	358,558
Public Health Services	107,635	0	107,635
Housing and Community Development	187,065	0	187,065
Leisure Time Activities	35,057	0	35,057
Capital Outlay	0	30,000	30,000
<i>Total Expenditures</i>	<u>1,092,920</u>	<u>30,300</u>	<u>1,123,220</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>31,172</u>	<u>8,187</u>	<u>39,359</u>
Other Financing Sources (Uses)			
Transfers In	138,350	61,821	200,171
Transfers Out	(76,850)	0	(76,850)
<i>Total Other Financing Sources and Uses</i>	<u>61,500</u>	<u>61,821</u>	<u>123,321</u>
<i>Net Change in Fund Balances</i>	92,672	70,008	162,680
<i>Fund Balances Beginning of Year</i>	<u>347,912</u>	<u>31,000</u>	<u>378,912</u>
<i>Fund Balances End of Year</i>	<u><u>\$440,584</u></u>	<u><u>\$101,008</u></u>	<u><u>\$541,592</u></u>

City of Ashtabula, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2013

	Code Enforcement	Fire Pension	Food Service	Indigent Alcohol
Assets				
Equity in Pooled Cash and Cash Equivalents	\$102,792	\$57,193	\$504	\$38,608
Cash and Cash Equivalents:				
In Segregated Accounts	0	0	0	415
Receivables:				
Property Taxes	0	335,057	0	0
Accounts	111,507	0	0	0
Intergovernmental Receivable	0	17,506	0	0
Materials and Supplies Inventory	0	0	0	0
Prepaid Items	0	0	261	0
<i>Total Assets</i>	<u>\$214,299</u>	<u>\$409,756</u>	<u>\$765</u>	<u>\$39,023</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$43	\$0	\$14	\$0
Contracts Payable	0	0	101	0
Accrued Wages	0	0	956	0
Intergovernmental Payable	0	35,306	552	0
Deposits Held and Due to Others	0	0	0	0
<i>Total Liabilities</i>	<u>43</u>	<u>35,306</u>	<u>1,623</u>	<u>0</u>
Deferred Inflows of Resources				
Property Tax	0	244,775	0	0
Unavailable Revenue	79,622	107,788	0	0
<i>Total Deferred Inflows of Resources</i>	<u>79,622</u>	<u>352,563</u>	<u>0</u>	<u>0</u>
Fund Balances				
Nonspendable	0	0	261	0
Restricted	0	21,887	0	39,023
Committed	134,634	0	0	0
Unassigned (Deficit)	0	0	(1,119)	0
<i>Total Fund Balances (Deficit)</i>	<u>134,634</u>	<u>21,887</u>	<u>(858)</u>	<u>39,023</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$214,299</u>	<u>\$409,756</u>	<u>\$765</u>	<u>\$39,023</u>

Law Enforcement Trust	Motor Vehicle License Tax	Municipal Probation Services	Police Pension	Public Health Nursing
\$17,015	\$12,929	\$107,690	\$33,143	\$25,513
81	0	8,443	0	0
0	0	0	335,057	0
4,438	0	0	0	6,101
0	17,006	0	17,506	3,550
0	0	0	0	3,080
0	0	0	0	655
<u>\$21,534</u>	<u>\$29,935</u>	<u>\$116,133</u>	<u>\$385,706</u>	<u>\$38,899</u>
\$0	\$0	\$0	\$0	\$0
0	0	0	0	21
0	0	0	0	382
0	0	0	41,387	221
0	0	3,980	0	0
<u>0</u>	<u>0</u>	<u>3,980</u>	<u>41,387</u>	<u>624</u>
0	0	0	244,775	0
0	11,224	0	107,788	1,703
<u>0</u>	<u>11,224</u>	<u>0</u>	<u>352,563</u>	<u>1,703</u>
0	0	0	0	3,735
21,534	18,711	112,153	0	0
0	0	0	0	32,837
0	0	0	(8,244)	0
<u>21,534</u>	<u>18,711</u>	<u>112,153</u>	<u>(8,244)</u>	<u>36,572</u>
<u>\$21,534</u>	<u>\$29,935</u>	<u>\$116,133</u>	<u>\$385,706</u>	<u>\$38,899</u>

(continued)

City of Ashtabula, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2013

	State Highway	Walnut Beach	Total Nonmajor Special Revenue Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$3,445	\$35,881	\$434,713
Cash and Cash Equivalents:			
In Segregated Accounts	0	0	8,939
Receivables:			
Property Taxes	0	0	670,114
Accounts	0	17,338	139,384
Intergovernmental Receivable	25,023	0	80,591
Materials and Supplies Inventory	0	0	3,080
Prepaid Items	0	0	916
<i>Total Assets</i>	<u>\$28,468</u>	<u>\$53,219</u>	<u>\$1,337,737</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$0	\$0	\$57
Contracts Payable		0	122
Accrued Wages	0	0	1,338
Intergovernmental Payable	0	0	77,466
Deposits Held and Due to Others	0	0	3,980
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>82,963</u>
Deferred Inflows of Resources			
Property Tax	0	0	489,550
Unavailable Revenue	16,515	0	324,640
<i>Total Deferred Inflows of Resources</i>	<u>16,515</u>	<u>0</u>	<u>814,190</u>
Fund Balances			
Nonspendable	0	0	3,996
Restricted	11,953	0	225,261
Committed	0	53,219	220,690
Unassigned (Deficit)	0	0	(9,363)
<i>Total Fund Balances (Deficit)</i>	<u>11,953</u>	<u>53,219</u>	<u>440,584</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$28,468</u>	<u>\$53,219</u>	<u>\$1,337,737</u>

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City of Ashtabula, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2013

	Code			
	Enforcement	Fire Pension	Food Service	Indigent Alcohol
Revenues				
Property Taxes	\$0	\$242,698	\$0	\$0
Charges for Services	0	0	0	0
Licenses and Permits	236,914	0	40,086	0
Fines and Forfeitures	0	0	0	11,520
Intergovernmental	0	34,942	0	0
Franchise Fees	0	0	0	0
Other	0	0	500	0
<i>Total Revenues</i>	<u>236,914</u>	<u>277,640</u>	<u>40,586</u>	<u>11,520</u>
Expenditures				
Current:				
General Government:				
Judicial System	0	0	0	9,440
Security of Persons and Property:				
Police	0	0	0	0
Fire	0	358,558	0	0
Public Health Services	0	0	54,673	0
Housing and Community Development	187,065	0	0	0
Leisure Time Activities	0	0	0	0
<i>Total Expenditures</i>	<u>187,065</u>	<u>358,558</u>	<u>54,673</u>	<u>9,440</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>49,849</u>	<u>(80,918)</u>	<u>(14,087)</u>	<u>2,080</u>
Other Financing Sources (Uses)				
Transfers In	0	78,000	13,250	0
Transfers Out	0	0	0	0
<i>Total Other Financing Sources and Uses</i>	<u>0</u>	<u>78,000</u>	<u>13,250</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	49,849	(2,918)	(837)	2,080
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>84,785</u>	<u>24,805</u>	<u>(21)</u>	<u>36,943</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$134,634</u></u>	<u><u>\$21,887</u></u>	<u><u>(\$858)</u></u>	<u><u>\$39,023</u></u>

Law Enforcement Trust	Motor Vehicle License Tax	Municipal Probation Services	Police Pension	Public Health Nursing
\$0	\$0	\$0	\$269,921	\$0
0	0	0	0	40,830
0	0	0	0	0
25,121	0	66,183	0	0
0	37,009	0	34,942	17,904
0	0	0	0	0
0	0	0	0	0
25,121	37,009	66,183	304,863	58,734
0	0	1,560	0	0
15,176	0	0	378,429	0
0	0	0	0	0
0	0	0	0	52,962
0	0	0	0	0
0	0	0	0	0
15,176	0	1,560	378,429	52,962
9,945	37,009	64,623	(73,566)	5,772
0	0	0	47,100	0
0	(25,900)	0	0	0
0	(25,900)	0	47,100	0
9,945	11,109	64,623	(26,466)	5,772
11,589	7,602	47,530	18,222	30,800
<u>\$21,534</u>	<u>\$18,711</u>	<u>\$112,153</u>	<u>(\$8,244)</u>	<u>\$36,572</u>

(continued)

City of Ashtabula, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Year Ended December 31, 2013

	State Highway	Walnut Beach	Total Nonmajor Special Revenue Funds
Revenues			
Property Taxes	\$0	\$0	\$512,619
Charges for Services	0	0	40,830
Licenses and Permits	0	0	277,000
Fines and Forfeitures	0	0	102,824
Intergovernmental	52,837	0	177,634
Franchise Fees	0	8,098	8,098
Other	0	4,587	5,087
<i>Total Revenues</i>	<u>52,837</u>	<u>12,685</u>	<u>1,124,092</u>
Expenditures			
Current:			
General Government:			
Judicial System	0	0	11,000
Security of Persons and Property:			
Police	0	0	393,605
Fire	0	0	358,558
Public Health Services	0	0	107,635
Housing and Community Development	0	0	187,065
Leisure Time Activities	0	35,057	35,057
<i>Total Expenditures</i>	<u>0</u>	<u>35,057</u>	<u>1,092,920</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>52,837</u>	<u>(22,372)</u>	<u>31,172</u>
Other Financing Sources (Uses)			
Transfers In	0	0	138,350
Transfers Out	(50,950)	0	(76,850)
<i>Total Other Financing Sources and Uses</i>	<u>(50,950)</u>	<u>0</u>	<u>61,500</u>
<i>Net Change in Fund Balances</i>	1,887	(22,372)	92,672
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>10,066</u>	<u>75,591</u>	<u>347,912</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$11,953</u></u>	<u><u>\$53,219</u></u>	<u><u>\$440,584</u></u>

City of Ashtabula, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2013

	Municipal Court Special Projects	Construction Fund	Total Nonmajor Capital Projects Fund
Assets			
Equity in Pooled Cash and Cash Equivalents	\$81,999	\$3,311	\$85,310
Cash and Cash Equivalents:			
In Segregated Accounts	2,384	0	2,384
Prepaid Items	13,614	0	13,614
<i>Total Assets</i>	<u>\$97,997</u>	<u>\$3,311</u>	<u>\$101,308</u>
Liabilities			
Accounts Payable	\$300	\$0	\$300
Fund Balances			
Nonspendable	13,614	0	13,614
Restricted	84,083	3,311	87,394
<i>Total Fund Balances</i>	<u>97,697</u>	<u>3,311</u>	<u>101,008</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$97,997</u>	<u>\$3,311</u>	<u>\$101,308</u>

City of Ashtabula, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2013

	Municipal Court Special Projects	Construction Fund	Total Nonmajor Capital Projects Funds
Revenues			
Fines and Forfeitures	\$38,487	\$0	\$38,487
Expenditures			
Current:			
General Government:			
Judicial System	300	0	300
Capital Outlay	30,000	0	30,000
<i>Total Expenditures</i>	30,300	0	30,300
<i>Excess of Revenues Over Expenditures</i>	8,187	0	8,187
Other Financing Sources			
Transfers In	61,821	0	61,821
<i>Net Change in Fund Balances</i>	70,008	0	70,008
<i>Fund Balances Beginning of Year</i>	27,689	3,311	31,000
<i>Fund Balances End of Year</i>	\$97,697	\$3,311	\$101,008

Combining Statements – Internal Service Funds

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

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

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

City of Ashtabula, Ohio
Combining Statement of Fund Net Position
Internal Service Funds
December 31, 2013

	Self Insurance	Workers' Compensation	Total
Assets			
<i>Current Assets:</i>			
Equity in Pooled Cash and Cash Equivalents	\$10,484	\$635,747	\$646,231
Interfund Receivable	0	200,000	200,000
Prepaid Items	425	0	425
Intergovernmental Receivable	16,462	0	16,462
<i>Total Assets</i>	27,371	835,747	863,118
Liabilities			
<i>Current Liabilities</i>			
Contracts Payable	1,250	0	1,250
Accrued Wages	0	392	392
Intergovernmental Payable	0	127,640	127,640
Claims Payable	20,850	122,648	143,498
<i>Total Current Liabilities</i>	22,100	250,680	272,780
<i>Long-Term Liabilities (net of current portion)</i>			
Claims Payable	0	175,000	175,000
<i>Total Liabilities</i>	22,100	425,680	447,780
Net Position			
Unrestricted	\$5,271	\$410,067	\$415,338

City of Ashtabula, Ohio
*Combining Statement of Revenues, Expenses
and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2013*

	Self Insurance	Workers' Compensation	Total
Revenues			
Charges for Services	\$1,999,629	\$117,792	\$2,117,421
Operating Expenses			
Personal Services	0	392	392
Contractual Services	291,366	13,094	304,460
Claims	1,327,305	133,854	1,461,159
<i>Total Operating Expenses</i>	1,618,671	147,340	1,766,011
<i>Change in Net Position</i>	380,958	(29,548)	351,410
<i>Net Position (Deficit) Beginning of Year</i>	(375,687)	439,615	63,928
<i>Net Position End of Year</i>	\$5,271	\$410,067	\$415,338

City of Ashtabula, Ohio
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2013

	Self Insurance	Workers' Compensation	Total
<i>Increase (Decrease) In Cash and Cash Equivalents</i>			
Cash Flows from Operating Activities			
Cash Received from Other Funds	\$1,983,167	\$117,792	\$2,100,959
Cash Payments to Suppliers for Goods and Services	(290,116)	(15,072)	(305,188)
Cash Payments for Claims	(1,359,395)	(186,972)	(1,546,367)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>333,656</u>	<u>(84,252)</u>	<u>249,404</u>
Cash Flows from Noncapital Financing Activities			
Advances In	0	348,172	348,172
Advances Out	(323,172)	0	(323,172)
<i>Net Cash Provided by (Used for) Noncapital Financing Activities</i>	<u>(323,172)</u>	<u>348,172</u>	<u>25,000</u>
<i>Net Increase In Cash and Cash Equivalents</i>	10,484	263,920	274,404
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>0</u>	<u>371,827</u>	<u>371,827</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$10,484</u></u>	<u><u>\$635,747</u></u>	<u><u>\$646,231</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
<i>Operating Income (Loss)</i>	\$380,958	(\$29,548)	\$351,410
Increase in Assets:			
Intergovernmental Receivable	(16,462)	0	(16,462)
Increase (Decrease) in Liabilities:			
Accounts Payable	0	(600)	(600)
Contracts Payable	1,250	0	1,250
Accrued Wages	0	392	392
Intergovernmental Payable	0	(1,378)	(1,378)
Claims Payable	(32,090)	(53,118)	(85,208)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u><u>\$333,656</u></u>	<u><u>(\$84,252)</u></u>	<u><u>\$249,404</u></u>

Combining Statements – Fiduciary Funds

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

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

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

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

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

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

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

City of Ashtabula, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2013

	Balance 12/31/2012	Additions	Reductions	Balance 12/31/2013
Fire Deposits				
Assets				
Equity Pooled in Cash and Cash Equivalents	\$42,287	\$0	\$12,145	\$30,142
Liabilities				
Deposits Held and Due to Others	\$42,287	\$0	\$12,145	\$30,142
Law Library				
Assets				
Equity Pooled in Cash and Cash Equivalents	\$1,739	\$37,324	\$37,084	\$1,979
Liabilities				
Intergovernmental Payable	\$1,739	\$37,324	\$37,084	\$1,979
Marina				
Assets				
Equity Pooled in Cash and Cash Equivalents	\$6,430	\$9,700	\$9,700	\$6,430
Liabilities				
Intergovernmental Payable	\$6,430	\$9,700	\$9,700	\$6,430
Street Deposits				
Assets				
Equity Pooled in Cash and Cash Equivalents	\$555	\$0	\$0	\$555
Liabilities				
Deposits Held and Due to Others	\$555	\$0	\$0	\$555
Joint Economic Development - Ashtabula Township				
Assets				
Equity Pooled in Cash and Cash Equivalents	\$0	\$500	\$0	\$500
Liabilities				
Intergovernmental Payable	\$0	\$500	\$0	\$500
Joint Economic Development - Saybrook Township				
Assets				
Equity Pooled in Cash and Cash Equivalents	\$0	\$500	\$0	\$500
Liabilities				
Intergovernmental Payable	\$0	\$500	\$0	\$500
Total Agency				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$51,011	\$48,024	\$58,929	\$40,106
Liabilities				
Intergovernmental Payable	\$8,169	\$48,024	\$46,784	\$9,409
Deposits Held and Due to Others	42,842	0	12,145	30,697
<i>Total Liabilities</i>	\$51,011	\$48,024	\$58,929	\$40,106

**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, 2013

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$843,391	\$843,391	\$895,264	\$51,873
Municipal Income Tax	5,588,000	5,582,355	5,686,207	103,852
Charges for Services	672,200	672,200	697,734	25,534
Licenses and Permits	43,700	43,700	42,928	(772)
Fines and Forfeitures	627,318	627,318	504,784	(122,534)
Intergovernmental	885,083	995,083	1,002,700	7,617
Interest	0	0	41	41
Rentals	164,600	164,600	164,069	(531)
Franchise Fees	215,000	215,000	199,047	(15,953)
Other	71,169	101,169	108,913	7,744
<i>Total Revenues</i>	<u>9,110,461</u>	<u>9,244,816</u>	<u>9,301,687</u>	<u>56,871</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive:				
Council:				
Personal Services	201,294	190,791	185,034	5,757
Materials and Supplies	1,400	1,650	1,062	588
Contractual Services	5,000	8,800	8,734	66
Total Council	<u>207,694</u>	<u>201,241</u>	<u>194,830</u>	<u>6,411</u>
Administration:				
Personal Services	121,332	124,979	124,378	601
Materials and Supplies	5,000	1,650	841	809
Total Administration	<u>126,332</u>	<u>126,629</u>	<u>125,219</u>	<u>1,410</u>
Auditor:				
Personal Services	244,841	260,331	256,469	3,862
Materials and Supplies	10,000	8,200	6,610	1,590
Contractual Services	9,000	9,700	9,428	272
Total Auditor	<u>263,841</u>	<u>278,231</u>	<u>272,507</u>	<u>5,724</u>
Treasurer:				
Personal Services	93,622	70,457	69,113	1,344
Materials and Supplies	2,000	1,050	973	77
Total Treasurer	<u>\$95,622</u>	<u>\$71,507</u>	<u>\$70,086</u>	<u>\$1,421</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, 2013

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
City Income Tax:				
Personal Services	\$111,136	\$109,436	\$104,422	\$5,014
Materials and Supplies	50,683	49,888	47,292	2,596
Total City Income Tax	161,819	159,324	151,714	7,610
Solicitor:				
Personal Services	244,003	240,576	229,010	11,566
Materials and Supplies	3,750	4,250	3,445	805
Total Solicitor	247,753	244,826	232,455	12,371
Motor Maintenance:				
Personal Services	78,525	79,034	77,382	1,652
Materials and Supplies	5,151	5,151	4,980	171
Total Motor Maintenance	83,676	84,185	82,362	1,823
Engineering & PCD:				
Personal Services	100,246	107,577	106,079	1,498
Materials and Supplies	5,000	7,300	7,210	90
Contractual Services	5,000	5,000	4,781	219
Total Engineering & PCD	110,246	119,877	118,070	1,807
Affirmative Action:				
Personal Services	2,661	2,686	2,668	18
County Auditor Deductions:				
Contractual Services	121,408	125,163	122,289	2,874
General Services:				
Contractual Services	4,000	4,000	3,486	514
Occupancy Health and Unemployment	0	880	0	880
Street and Viaduct Lighting	431,000	440,500	439,871	629
Legal Advertising	2,294	4,611	4,608	3
Photocopy Machine	2,662	2,662	2,323	339
Bus Subsidy	31,000	31,000	31,000	0
Indigent Burials	2,000	1,500	500	1,000
Settlement of Claims	193,750	185,400	168,945	16,455
Visitors Guide	1,025	1,025	1,020	5
Traffic Camera Fees	10,000	15,300	14,286	1,014
Bank Fees	2,000	4,500	4,356	144
Total General Services	\$679,731	\$691,378	\$670,395	\$20,983

(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, 2013

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Civil Service:				
Personal Services	\$12,274	\$10,634	\$9,576	\$1,058
Materials and Supplies	9,500	7,500	6,008	1,492
Total Civil Service	<u>21,774</u>	<u>18,134</u>	<u>15,584</u>	<u>2,550</u>
Lands and Buildings:				
Personal Services	106,060	105,286	103,057	2,229
Materials and Supplies	64,080	71,780	67,454	4,326
Contractual Services	303,995	286,029	274,717	11,312
Total Lands and Buildings	<u>474,135</u>	<u>463,095</u>	<u>445,228</u>	<u>17,867</u>
Systems Analyst:				
Materials and Supplies	5,000	5,000	3,938	1,062
Contractual Services	40,000	38,800	31,055	7,745
Total Systems Analyst	<u>45,000</u>	<u>43,800</u>	<u>34,993</u>	<u>8,807</u>
Water Pollution				
Personal Services	1,750	1,750	1,606	144
Total Legislative and Executive	<u>2,643,442</u>	<u>2,631,826</u>	<u>2,540,006</u>	<u>91,820</u>
Judicial System:				
Municipal Court/Probation:				
Personal Services	935,181	919,087	904,946	14,141
Materials and Supplies	60,383	59,883	56,900	2,983
Contractual Services	19,150	20,150	17,586	2,564
Total Judicial System	<u>1,014,714</u>	<u>999,120</u>	<u>979,432</u>	<u>19,688</u>
Total General Government	<u>3,658,156</u>	<u>3,630,946</u>	<u>3,519,438</u>	<u>111,508</u>
Security of Persons and Property:				
Police:				
Law Enforcement:				
Personal Services	2,763,307	2,892,132	2,878,701	13,431
Materials and Supplies	248,608	233,883	230,769	3,114
Contractual Services	48,000	50,046	47,914	2,132
Total Police	<u>\$3,059,915</u>	<u>\$3,176,061</u>	<u>\$3,157,384</u>	<u>\$18,677</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, 2013

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Fire:				
Fire Prevention:				
Personal Services	\$2,012,259	\$2,015,054	\$1,977,810	\$37,244
Materials and Supplies	68,894	68,894	61,050	7,844
Contractual Services	68,417	72,807	55,289	17,518
Total Fire	<u>2,149,570</u>	<u>2,156,755</u>	<u>2,094,149</u>	<u>62,606</u>
Total Security of Persons and Property	<u>5,209,485</u>	<u>5,332,816</u>	<u>5,251,533</u>	<u>81,283</u>
Public Health Services:				
Health:				
Personal Services	167,733	183,667	180,750	2,917
Materials and Supplies	2,500	4,000	3,674	326
Contractual Services	41,900	46,300	45,358	942
Total Public Health Services	<u>212,133</u>	<u>233,967</u>	<u>229,782</u>	<u>4,185</u>
Street Maintenance and Repairs:				
Street:				
Personal Services	226,167	226,167	189,504	36,663
Sanitation Services:				
Sanitation:				
Personal Services	2,017	2,017	1,853	164
Debt Service:				
Principal Retirement	15,250	20,317	20,306	11
Interest and Fiscal Charges	1,894	2,527	2,445	82
<i>Total Expenditures</i>	<u>9,325,102</u>	<u>9,448,757</u>	<u>9,214,861</u>	<u>233,896</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(214,641)</u>	<u>(203,941)</u>	<u>86,826</u>	<u>290,767</u>
Other Financing Sources (Uses)				
Proceeds of Notes	357,291	357,291	357,291	0
Advances Out	(25,000)	(25,000)	(25,000)	0
Transfers In	60,000	72,750	22,750	(50,000)
Transfers Out	(147,000)	(272,000)	(258,350)	13,650
<i>Total Other Financing Sources (Uses)</i>	<u>245,291</u>	<u>133,041</u>	<u>96,691</u>	<u>(36,350)</u>
<i>Net Change in Fund Balance</i>	30,650	(70,900)	183,517	254,417
<i>Fund Balance Beginning of Year</i>	278,424	278,424	278,424	0
Prior Year Encumbrances Appropriated	<u>44,120</u>	<u>44,120</u>	<u>44,120</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$353,194</u>	<u>\$251,644</u>	<u>\$506,061</u>	<u>\$254,417</u>

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Community Development Block Grant Fund
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$869,532	\$947,532	\$570,870	(\$376,662)
Other	0	0	6,424	6,424
<i>Total Revenues</i>	<u>869,532</u>	<u>947,532</u>	<u>577,294</u>	<u>(370,238)</u>
Expenditures				
Current:				
Housing and Community Development:				
Community Development Block Grant:				
Personal Services	50,000	50,000	41,042	8,958
Materials and Supplies	5,000	5,000	4,329	671
Contractual Services	1,119,692	1,122,784	779,502	343,282
<i>Total Expenditures</i>	<u>1,174,692</u>	<u>1,177,784</u>	<u>824,873</u>	<u>352,911</u>
<i>Net Change in Fund Balance</i>	(305,160)	(230,252)	(247,579)	(17,327)
<i>Fund Balance Beginning of Year</i>	104,848	104,848	104,848	0
Prior Year Encumbrances Appropriated	183,830	183,830	183,830	0
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$16,482)</u>	<u>\$58,426</u>	<u>\$41,099</u>	<u>(\$17,327)</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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$8,000	\$8,000	\$10,828	\$2,828
Intergovernmental	734,500	734,500	705,945	(28,555)
Interest	0	0	19	19
<i>Total Revenues</i>	<u>742,500</u>	<u>742,500</u>	<u>716,792</u>	<u>(25,708)</u>
Expenditures				
Current:				
Street Maintenance and Repairs:				
Public Works:				
Personal Services	431,500	565,365	546,223	19,142
Materials and Supplies	321,160	332,660	320,025	12,635
Contractual Services	30,500	30,500	25,850	4,650
<i>Total Expenditures</i>	<u>783,160</u>	<u>928,525</u>	<u>892,098</u>	<u>36,427</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(40,660)</u>	<u>(186,025)</u>	<u>(175,306)</u>	<u>10,719</u>
Other Financing Sources (Uses)				
Transfers In	100,000	220,000	196,850	(23,150)
Transfers Out	(62,900)	(2,280)	0	2,280
<i>Total Other Financing Sources (Uses)</i>	<u>37,100</u>	<u>217,720</u>	<u>196,850</u>	<u>(20,870)</u>
<i>Net Change in Fund Balance</i>	(3,560)	31,695	21,544	(10,151)
<i>Fund Balance Beginning of Year</i>	5,067	5,067	5,067	0
Prior Year Encumbrances Appropriated	3,661	3,661	3,661	0
<i>Fund Balance End of Year</i>	<u>\$5,168</u>	<u>\$40,423</u>	<u>\$30,272</u>	<u>(\$10,151)</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Special Assessments	\$10,100	\$10,100	\$10,901	\$801
Expenditures				
Current:				
General Government:				
Legislative and Executive:				
Bond Retirement:				
Contractual Services	300	400	355	45
Debt Service:				
Principal Retirement	170,745	170,745	170,727	18
Interest and Fiscal Charges	6,705	6,720	4,543	2,177
Total Debt Service	177,450	177,465	175,270	2,195
<i>Total Expenditures</i>	177,750	177,865	175,625	2,240
<i>Excess of Revenues Under Expenditures</i>	(167,650)	(167,765)	(164,724)	3,041
Other Financing Sources				
Transfers In	169,500	169,500	167,650	(1,850)
<i>Net Change in Fund Balance</i>	1,850	1,735	2,926	1,191
<i>Fund Balance Beginning of Year</i>	50,285	50,285	50,285	0
<i>Fund Balance End of Year</i>	<u>\$52,135</u>	<u>\$52,020</u>	<u>\$53,211</u>	<u>\$1,191</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, 2013*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$357,319	\$357,319	\$380,964	\$23,645
Municipal Income Tax	615,000	614,000	627,830	13,830
Intergovernmental	108,968	2,136,368	1,668,733	(467,635)
Other	0	65,000	65,035	35
<i>Total Revenues</i>	<u>1,081,287</u>	<u>3,172,687</u>	<u>2,742,562</u>	<u>(430,125)</u>
Expenditures				
Capital Outlay:				
Contractual Services	18,000	28,000	23,900	4,100
Capital Outlay	520,085	2,953,100	2,174,372	778,728
Total Capital Outlay	538,085	2,981,100	2,198,272	782,828
Debt Service:				
Principal Retirement	108,800	108,800	108,752	48
<i>Total Expenditures</i>	<u>646,885</u>	<u>3,089,900</u>	<u>2,307,024</u>	<u>782,876</u>
<i>Excess of Revenues Over Expenditures</i>	<u>434,402</u>	<u>82,787</u>	<u>435,538</u>	<u>352,751</u>
Other Financing Sources (Uses)				
Inception of Capital Lease	150,000	150,000	524,364	374,364
Transfers Out	(206,925)	(291,496)	(291,476)	20
<i>Total Other Financing Sources (Uses)</i>	<u>(56,925)</u>	<u>(141,496)</u>	<u>232,888</u>	<u>374,384</u>
<i>Net Change in Fund Balance</i>	377,477	(58,709)	668,426	727,135
<i>Fund Balance Beginning of Year</i>	658,458	658,458	658,458	0
Prior Year Encumbrances Appropriated	61,385	61,385	61,385	0
<i>Fund Balance End of Year</i>	<u>\$1,097,320</u>	<u>\$661,134</u>	<u>\$1,388,269</u>	<u>\$727,135</u>

City of Ashtabula, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Sanitation Fund
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$1,811,000	\$1,881,000	\$1,924,248	\$43,248
Intergovernmental	0	0	3,945	3,945
Other Operating Revenues	0	0	5,333	5,333
Proceeds of Notes	0	0	89,135	89,135
<i>Total Revenues</i>	<u>1,811,000</u>	<u>1,881,000</u>	<u>2,022,661</u>	<u>141,661</u>
Expenses				
Personal Services	1,127,606	1,136,856	1,122,063	14,793
Contractual Services	621,269	702,524	674,446	28,078
Materials and Supplies	173,247	171,991	159,463	12,528
Debt Service:				
Principal Retirement	33,133	33,133	33,133	0
Interest and Fiscal Charges	6,367	6,367	6,122	245
<i>Total Expenses</i>	<u>1,961,622</u>	<u>2,050,871</u>	<u>1,995,227</u>	<u>55,644</u>
<i>Excess of Revenues Over (Under) Expenses</i>	(150,622)	(169,871)	27,434	197,305
Other Financing Sources				
Transfers In	39,275	39,275	39,255	(20)
<i>Fund Equity Beginning of Year</i>	150,325	150,325	150,325	0
Prior Year Encumbrances Appropriated	11,715	11,715	11,715	0
<i>Fund Equity End of Year</i>	<u>\$50,693</u>	<u>\$31,444</u>	<u>\$228,729</u>	<u>\$197,285</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$3,122,355	\$3,163,186	\$3,097,809	(\$65,377)
Tap-In Fees	0	0	5,000	5,000
Intergovernmental	400,000	400,000	455,232	55,232
OPWC Loan Proceeds	0	247,850	12,133	(235,717)
Proceeds of Notes	303,574	303,574	303,574	0
<i>Total Revenues</i>	<u>3,825,929</u>	<u>4,114,610</u>	<u>3,873,748</u>	<u>(240,862)</u>
Expenses				
Personal Services	1,936,770	1,952,418	1,873,811	78,607
Contractual Services	584,102	557,308	506,413	50,895
Materials and Supplies	330,700	329,500	281,104	48,396
Capital Outlay	406,012	653,862	620,457	33,405
Debt Service:				
Principal Retirement	500,375	489,743	489,743	0
Interest and Fiscal Charges	72,306	82,938	70,131	12,807
<i>Total Expenses</i>	<u>3,830,265</u>	<u>4,065,769</u>	<u>3,841,659</u>	<u>224,110</u>
<i>Net Change in Fund Equity</i>	(4,336)	48,841	32,089	(16,752)
<i>Fund Equity (Deficit) Beginning of Year</i>	(104,992)	(104,992)	(104,992)	0
Prior Year Encumbrances Appropriated	<u>135,591</u>	<u>135,591</u>	<u>135,591</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$26,263</u>	<u>\$79,440</u>	<u>\$62,688</u>	<u>(\$16,752)</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Licenses and Permits	<u>\$165,016</u>	<u>\$165,016</u>	<u>\$213,129</u>	<u>\$48,113</u>
Expenditures				
Current:				
Housing and Community Development:				
Code Enforcement:				
Personal Services	200,052	187,252	172,681	14,571
Materials and Supplies	5,000	7,800	5,630	2,170
Contractual Services	<u>216</u>	<u>10,216</u>	<u>9,625</u>	<u>591</u>
<i>Total Expenditures</i>	<u>205,268</u>	<u>205,268</u>	<u>187,936</u>	<u>17,332</u>
<i>Net Change in Fund Balance</i>	(40,252)	(40,252)	25,193	65,445
<i>Fund Balance Beginning of Year</i>	<u>76,685</u>	<u>76,685</u>	<u>76,685</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$36,433</u></u>	<u><u>\$36,433</u></u>	<u><u>\$101,878</u></u>	<u><u>\$65,445</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$235,758	\$235,758	\$242,698	\$6,940
Intergovernmental	36,000	36,000	34,942	(1,058)
<i>Total Revenues</i>	<u>271,758</u>	<u>271,758</u>	<u>277,640</u>	<u>5,882</u>
Expenditures				
Current:				
Security of Persons and Property:				
Fire:				
Fire Prevention:				
Personal Services	385,514	396,354	381,237	15,117
Contractual Services	6,000	6,160	6,155	5
<i>Total Expenditures</i>	<u>391,514</u>	<u>402,514</u>	<u>387,392</u>	<u>15,122</u>
<i>Excess of Revenues Under Expenditures</i>	(119,756)	(130,756)	(109,752)	21,004
Other Financing Sources				
Transfers In	78,000	78,000	78,000	0
<i>Net Change in Fund Balance</i>	(41,756)	(52,756)	(31,752)	21,004
<i>Fund Balance Beginning of Year</i>	56,749	56,749	56,749	0
Prior Year Encumbrances Appropriated	2,062	2,062	2,062	0
<i>Fund Balance End of Year</i>	<u>\$17,055</u>	<u>\$6,055</u>	<u>\$27,059</u>	<u>\$21,004</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Licenses and Permits	\$44,000	\$44,000	\$40,086	(\$3,914)
Other	0	0	500	500
Total Revenues	44,000	44,000	40,586	(3,414)
Expenditures				
Current:				
Public Health Services:				
Board of Health:				
Personal Services	48,138	48,138	47,636	502
Materials and Supplies	3,500	3,500	3,439	61
Contractual Services	5,000	5,000	3,908	1,092
<i>Total Expenditures</i>	<i>56,638</i>	<i>56,638</i>	<i>54,983</i>	<i>1,655</i>
<i>Excess of Revenues Under Expenditures</i>	<i>(12,638)</i>	<i>(12,638)</i>	<i>(14,397)</i>	<i>(1,759)</i>
Other Financing Sources				
Transfers In	13,250	18,250	13,250	(5,000)
<i>Net Change in Fund Balance</i>	<i>612</i>	<i>5,612</i>	<i>(1,147)</i>	<i>(6,759)</i>
<i>Fund Balance Beginning of Year</i>	<i>766</i>	<i>766</i>	<i>766</i>	<i>0</i>
Prior Year Encumbrances Appropriated	465	465	465	0
<i>Fund Balance End of Year</i>	<i>\$1,843</i>	<i>\$6,843</i>	<i>\$84</i>	<i>(\$6,759)</i>

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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$15,000	\$15,000	\$14,579	(\$421)
Expenditures				
Current:				
General Government:				
Judicial System:				
Indigent Alcohol:				
Materials and Supplies	<u>15,000</u>	<u>15,000</u>	<u>9,440</u>	<u>5,560</u>
<i>Net Change in Fund Balance</i>	0	0	5,139	5,139
<i>Fund Balance Beginning of Year</i>	<u>33,470</u>	<u>33,470</u>	<u>33,470</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$33,470</u></u>	<u><u>\$33,470</u></u>	<u><u>\$38,609</u></u>	<u><u>\$5,139</u></u>

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Trust Fund
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$5,000	\$23,377	\$26,677	\$3,300
Expenditures				
Current:				
Security of Persons and Property				
Police:				
Law Enforcement Trust:				
Materials and Supplies	<u>5,000</u>	<u>28,891</u>	<u>15,176</u>	<u>13,715</u>
<i>Net Change in Fund Balance</i>	0	(5,514)	11,501	17,015
<i>Fund Balance Beginning of Year</i>	<u>5,514</u>	<u>5,514</u>	<u>5,514</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$5,514</u></u>	<u><u>\$0</u></u>	<u><u>\$17,015</u></u>	<u><u>\$17,015</u></u>

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Motor Vehicle License Tax Fund
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$40,000	\$40,000	\$36,977	(\$3,023)
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	40,000	40,000	36,977	(3,023)
Other Financing Uses				
Transfers Out	<u>(40,000)</u>	<u>(40,000)</u>	<u>(25,900)</u>	<u>14,100</u>
<i>Net Change in Fund Balance</i>	0	0	11,077	11,077
<i>Fund Balance Beginning of Year</i>	<u>1,852</u>	<u>1,852</u>	<u>1,852</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,852</u></u>	<u><u>\$1,852</u></u>	<u><u>\$12,929</u></u>	<u><u>\$11,077</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$55,000	\$55,000	\$65,728	\$10,728
Expenditures				
Current:				
General Government:				
Judicial System:				
Municipal Probation Services:				
Materials and Supplies	5,000	5,000	1,560	3,440
<i>Excess of Revenues Over Expenditures</i>	50,000	50,000	64,168	14,168
Other Financing Uses				
Transfers Out	(50,000)	(50,000)	0	50,000
<i>Net Change in Fund Balance</i>	0	0	64,168	64,168
<i>Fund Balance Beginning of Year</i>	43,522	43,522	43,522	0
<i>Fund Balance End of Year</i>	<u>\$43,522</u>	<u>\$43,522</u>	<u>\$107,690</u>	<u>\$64,168</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$235,758	\$235,758	\$269,921	\$34,163
Intergovernmental	36,000	36,000	34,942	(1,058)
<i>Total Revenues</i>	<u>271,758</u>	<u>271,758</u>	<u>304,863</u>	<u>33,105</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Law Enforcement:				
Personal Services	366,501	376,091	376,048	43
Contractual Services	6,000	6,160	6,155	5
<i>Total Expenditures</i>	<u>372,501</u>	<u>382,251</u>	<u>382,203</u>	<u>48</u>
<i>Excess of Revenues Under Expenditures</i>	(100,743)	(110,493)	(77,340)	33,153
Other Financing Sources				
Transfers In	40,000	55,000	47,100	(7,900)
<i>Net Change in Fund Balance</i>	(60,743)	(55,493)	(30,240)	25,253
<i>Fund Balance Beginning of Year</i>	31,710	31,710	31,710	0
Prior Year Encumbrances Appropriated	24,267	24,267	24,267	0
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$4,766)</u>	<u>\$484</u>	<u>\$25,737</u>	<u>\$25,253</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$25,000	\$35,000	\$38,049	\$3,049
Intergovernmental	7,500	7,500	16,057	8,557
Total Revenues	32,500	42,500	54,106	11,606
Expenditures				
Current:				
Public Health Services:				
Public Health Nursing:				
Personal Services	19,125	23,872	23,167	705
Materials and Supplies	39,778	31,885	30,461	1,424
<i>Total Expenditures</i>	<i>58,903</i>	<i>55,757</i>	<i>53,628</i>	<i>2,129</i>
<i>Net Change in Fund Balance</i>	<i>(26,403)</i>	<i>(13,257)</i>	<i>478</i>	<i>13,735</i>
<i>Fund Balance Beginning of Year</i>	<i>24,368</i>	<i>24,368</i>	<i>24,368</i>	<i>0</i>
Prior Year Encumbrances Appropriated	498	498	498	0
<i>Fund Balance (Deficit) End of Year</i>	<i><u>(\$1,537)</u></i>	<i><u>\$11,609</u></i>	<i><u>\$25,344</u></i>	<i><u>\$13,735</u></i>

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$53,500	\$53,500	\$51,260	(\$2,240)
Expenditures				
Current:				
Street Maintenance and Repairs:				
Public Works:				
Personal Services	12,900	5,375	5,375	0
<i>Excess of Revenues Over Expenditures</i>	40,600	48,125	45,885	(2,240)
Other Financing Uses				
Transfers Out	(47,100)	(49,625)	(45,575)	4,050
<i>Net Change in Fund Balance</i>	(6,500)	(1,500)	310	1,810
<i>Fund Balance Beginning of Year</i>	3,135	3,135	3,135	0
<i>Fund Balance (Deficit) End of Year</i>	(\$3,365)	\$1,635	\$3,445	\$1,810

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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$500	\$500	\$0	(\$500)
Franchise Fees	22,000	22,000	23,868	1,868
Other	0	0	4,587	4,587
<i>Total Revenues</i>	<u>22,500</u>	<u>22,500</u>	<u>28,455</u>	<u>5,955</u>
Expenditures				
Current:				
Leisure Time Activities:				
Walnut Beach:				
Materials and Supplies	2,500	14,500	13,595	905
Contractual Services	20,000	21,600	21,600	0
<i>Total Expenditures</i>	<u>22,500</u>	<u>36,100</u>	<u>35,195</u>	<u>905</u>
<i>Net Change in Fund Balance</i>	0	(13,600)	(6,740)	6,860
<i>Fund Balance Beginning of Year</i>	<u>42,621</u>	<u>42,621</u>	<u>42,621</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$42,621</u>	<u>\$29,021</u>	<u>\$35,881</u>	<u>\$6,860</u>

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Municipal Court Special Projects Fund
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$40,000	\$40,000	\$38,006	(\$1,994)
Expenditures				
Capital Outlay:				
Contractual Services	12,000	13,000	13,000	0
Capital Outlay	28,000	41,000	38,478	2,522
Total Expenditures	40,000	54,000	51,478	2,522
<i>Excess of Revenues Under Expenditures</i>	0	(14,000)	(13,472)	528
Other Financing Sources				
Transfers In	0	61,821	61,821	0
<i>Net Change in Fund Balance</i>	0	47,821	48,349	528
<i>Fund Balance Beginning of Year</i>	25,786	25,786	25,786	0
<i>Fund Balance End of Year</i>	\$25,786	\$73,607	\$74,135	\$528

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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures	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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$2,165,461	\$2,236,436	\$1,983,167	(\$253,269)
Expenses				
Contractual Services	290,116	290,116	290,116	0
Claims	1,542,844	1,542,844	1,359,395	183,449
<i>Total Expenses</i>	<u>1,832,960</u>	<u>1,832,960</u>	<u>1,649,511</u>	<u>183,449</u>
<i>Net Change in Fund Equity</i>	332,501	403,476	333,656	(69,820)
<i>Fund Equity (Deficit) Beginning of Year</i>	<u>(323,172)</u>	<u>(323,172)</u>	<u>(323,172)</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$9,329</u></u>	<u><u>\$80,304</u></u>	<u><u>\$10,484</u></u>	<u><u>(\$69,820)</u></u>

City of Ashtabula, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Workers' Compensation Fund
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$2,000	\$117,000	\$117,792	\$792
Expenses				
Contractual Services	15,072	15,072	15,072	0
Claims	265,003	265,003	186,972	78,031
Total Expenses	280,075	280,075	202,044	78,031
<i>Excess of Revenues Under Expenses</i>	(278,075)	(163,075)	(84,252)	78,823
Other Financing Sources				
Advances In	25,000	25,000	25,000	0
<i>Net Change in Fund Equity</i>	(253,075)	(138,075)	(59,252)	78,823
<i>Fund Equity Beginning of Year</i>	689,924	689,924	689,924	0
Prior Year Encumbrances Appropriated	5,075	5,075	5,075	0
<i>Fund Equity End of Year</i>	<u>\$441,924</u>	<u>\$556,924</u>	<u>\$635,747</u>	<u>\$78,823</u>

STATISTICAL SECTION

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Statistical Section

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

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

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

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

	2013	2012	2011	2010
Governmental Activities				
Net Investment in Capital Assets	\$26,927,369	\$26,144,204	\$27,040,775	\$18,695,971
Restricted:				
Capital Projects	1,578,684	1,038,535	996,559	519,091
Debt Service	114,585	103,521	108,509	125,280
Community Development	280,633	768,002	546,108	1,330,094
Sanitation	0	0	0	0
Street Maintenance and Repair	442,393	180,727	154,647	151,130
Public Safety	289,776	230,784	389,697	436,726
Municipal Court	112,153	84,473	102,650	134,952
Other Purposes	22,458	19,915	102,874	369,503
Unrestricted	1,069,855	391,808	962,152	160,862
<i>Total Governmental Activities Net Position</i>	<u>30,837,906</u>	<u>28,961,969</u>	<u>30,403,971</u>	<u>21,923,609</u>
Business Type - Activities				
Net Investment in Capital Assets	11,960,613	11,545,705	11,224,236	10,615,079
Unrestricted	2,474,402	2,530,937	2,084,496	3,249,898
<i>Total Business-Type Activities Net Position</i>	<u>14,435,015</u>	<u>14,076,642</u>	<u>13,308,732</u>	<u>13,864,977</u>
Primary Government				
Net Investment in Capital Assets	38,887,982	37,689,909	38,265,011	29,311,050
Restricted	2,840,682	2,425,957	2,401,044	3,066,776
Unrestricted	3,544,257	2,922,745	3,046,648	3,410,760
<i>Total Primary Government Net Position</i>	<u>\$45,272,921</u>	<u>\$43,038,611</u>	<u>\$43,712,703</u>	<u>\$35,788,586</u>

2009	2008	2007	2006	2005	2004
\$19,304,462	\$19,022,629	\$17,985,793	\$17,179,586	\$16,519,641	\$16,072,672
616,317	917,675	992,414	1,257,245	768,188	704,115
212,116	141,267	927,528	842,539	617,568	926,146
2,266,481	1,073,682	1,466,762	755,325	795,158	N/A
883,394	719,258	648,455	743,242	696,513	N/A
140,771	97,528	138,087	293,245	327,342	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
791,656	797,701	880,874	912,937	635,520	2,200,932
841,775	1,312,330	1,871,948	2,283,621	2,971,359	2,721,642
<u>25,056,972</u>	<u>24,082,070</u>	<u>24,911,861</u>	<u>24,267,740</u>	<u>23,331,289</u>	<u>22,625,507</u>
10,339,668	10,343,268	8,637,769	9,968,685	9,632,357	8,753,780
1,701,294	2,143,693	3,632,203	1,340,098	1,487,653	1,690,631
<u>12,040,962</u>	<u>12,486,961</u>	<u>12,269,972</u>	<u>11,308,783</u>	<u>11,120,010</u>	<u>10,444,411</u>
29,644,130	29,365,897	26,623,562	27,148,271	26,151,998	24,826,452
4,910,735	3,747,111	5,054,120	4,804,533	3,840,289	3,831,193
2,543,069	3,456,023	5,504,151	3,623,719	4,459,012	4,412,273
<u>\$37,097,934</u>	<u>\$36,569,031</u>	<u>\$37,181,833</u>	<u>\$35,576,523</u>	<u>\$34,451,299</u>	<u>\$33,069,918</u>

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

	2013	2012	2011	2010
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government:				
Legislative and Executive	\$411,518	\$414,538	\$236,006	\$299,400
Judicial System	265,461	258,606	645,600	210,280
Security of Persons and Property:				
Police	552,112	468,505	387,791	404,073
Fire	339,718	358,161	76,175	277,242
Public Health Services	118,555	102,777	168,489	117,408
Street Maintenance and Repairs	63,763	27,539	12,176	59,080
Housing and Community Development	295,579	243,585	137,636	280,833
Sanitation Services	0	0	28,372	2,734
Leisure Time Activities	0	1,562	3,005	15,794
Subtotal - Charges for Services	<u>2,046,706</u>	<u>1,875,273</u>	<u>1,695,250</u>	<u>1,666,844</u>
Operating Grants and Contributions:				
General Government:				
Legislative and Executive	0	0	0	0
Judicial System	0	0	15,708	15,708
Security of Persons and Property:				
Police	35,112	206,181	187,228	100,718
Fire	35,112	30,367	42,961	77,269
Public Health Services	11,073	12,508	9,522	111,983
Street Maintenance and Repairs	849,842	817,848	868,021	779,720
Housing and Community Development	219,343	962,920	0	108,985
Sanitation Services	0	0	0	0
Leisure Time Activities	0	0	0	0
Subtotal - Operating Grants and Contributions	<u>1,150,482</u>	<u>2,029,824</u>	<u>1,123,440</u>	<u>1,194,383</u>
Capital Grants and Contributions:				
General Government:				
Legislative and Executive	0	13,250	1,956,961	184,138
Judicial System	0	0	0	0
Security of Persons and Property:				
Police	0	0	0	0
Fire	0	0	0	0
Public Health Services	0	0	0	0
Street Maintenance and Repairs	1,668,993	0	1,802,011	0
Housing and Community Development	0	0	0	0
Sanitation Services	0	0	0	0
Leisure Time Activities	0	0	0	0
Subtotal - Capital Grants and Contributions	<u>1,668,993</u>	<u>13,250</u>	<u>3,758,972</u>	<u>184,138</u>
<i>Total Governmental Activities Program Revenues</i>	<u>\$4,866,181</u>	<u>\$3,918,347</u>	<u>\$6,577,662</u>	<u>\$3,045,365</u>

2009	2008	2007	2006	2005	2004
\$265,773	\$175,970	\$209,086	\$197,913	\$408,108	\$215,617
759,859	804,117	773,601	676,782	632,431	605,898
44,108	88,807	60,398	23,140	18,126	73,923
51,658	55,518	53,790	47,862	42,679	67,511
174,062	187,267	201,688	196,130	180,368	148,884
40,554	15,694	25,485	42,047	11,958	3,073
295,469	221,622	252,889	133,221	127,042	86,289
1,801,553	1,799,928	1,656,815	1,353,756	1,335,405	1,304,215
13,830	14,280	14,455	15,392	15,837	13,650
<u>3,446,866</u>	<u>3,363,203</u>	<u>3,248,207</u>	<u>2,686,243</u>	<u>2,771,954</u>	<u>2,519,060</u>
0	15,251	0	0	0	0
87,818	15,687	15,189	0	0	0
381,438	49,140	4,110	14,963	28,038	14,789
36,438	35,966	0	1,000	12,081	11,000
207,053	25,483	34,604	17,677	4,125	32,504
94,120	317,571	97,960	99,012	99,130	106,575
233,330	59,900	86,300	25,946	133,135	461,510
40,000	46,536	43,513	39,000	44,765	74,596
0	0	0	0	0	0
<u>1,080,197</u>	<u>565,534</u>	<u>281,676</u>	<u>197,598</u>	<u>321,274</u>	<u>700,974</u>
97,318	139,058	0	633,000	0	0
0	34,295	36,140	30,632	0	21,565
0	0	0	664	59,040	0
0	0	0	28,368	0	0
0	0	0	0	814,152	61,089
407,687	0	875,500	402,400	1,012,062	0
173,444	453,831	840,080	113,343	50,000	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>678,449</u>	<u>627,184</u>	<u>1,751,720</u>	<u>1,208,407</u>	<u>1,935,254</u>	<u>82,654</u>
<u>\$5,205,512</u>	<u>\$4,555,921</u>	<u>\$5,281,603</u>	<u>\$4,092,248</u>	<u>\$5,028,482</u>	<u>\$3,302,688</u>

(continued)

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

	2013	2012	2011	2010
Business-Type Activities:				
Charges for Services:				
Sanitation	\$1,833,371	\$1,950,321	\$1,576,051	\$1,863,359
Wastewater Treatment	3,089,877	3,142,336	3,280,585	3,645,979
Capital Grants and Contributions				
Sanitation	3,945	5,000	40,000	40,000
Wastewater Treatment	455,232	625,308	0	147,860
<i>Total Business-Type Activities Program Revenues</i>	<u>5,382,425</u>	<u>5,722,965</u>	<u>4,896,636</u>	<u>5,697,198</u>
<i>Total Primary Government Program Revenues</i>	<u>10,248,606</u>	<u>9,641,312</u>	<u>11,474,298</u>	<u>8,742,563</u>
Expenses				
Governmental Activities:				
General Government:				
Legislative and Executive	2,503,864	2,821,885	2,792,923	2,721,988
Judicial System	977,180	995,974	1,084,083	1,149,058
Security of Persons and Property:				
Police	3,799,246	3,372,417	3,548,942	3,704,992
Fire	2,515,373	2,687,460	2,874,864	2,776,175
Public Health Services	338,346	334,693	328,577	404,670
Street Maintenance and Repairs	1,678,580	2,529,822	4,237,406	1,612,921
Housing and Community Development	902,972	1,012,690	1,002,021	1,312,203
Sanitation Services	1,853	38,831	116,525	160,453
Leisure Time Activities	75,701	68,873	24,655	75,811
Interest and Fiscal Charges	3,118	5,972	23,355	14,669
<i>Total Governmental Activities Expenses</i>	<u>12,796,233</u>	<u>13,868,617</u>	<u>16,033,351</u>	<u>13,932,940</u>
Business-Type Activities				
Sanitation	2,001,720	1,943,508	1,788,036	1,776,030
Wastewater Treatment	3,068,420	3,060,797	3,664,845	3,641,968
<i>Total Primary Government Program Expenses</i>	<u>17,866,373</u>	<u>18,872,922</u>	<u>21,486,232</u>	<u>17,574,908</u>
Net (Expense)/Revenue				
Governmental Activities	(7,930,052)	(9,950,270)	(9,455,689)	(10,887,575)
Business-Type Activities	312,285	718,660	(556,245)	2,055,230
<i>Total Primary Government Net Expense</i>	<u>(\$7,617,767)</u>	<u>(\$9,231,610)</u>	<u>(\$10,011,934)</u>	<u>(\$8,832,345)</u>

2009	2008	2007	2006	2005	2004
\$0	\$0	\$0	\$0	\$0	\$0
3,601,213	3,871,973	3,770,834	3,092,660	3,051,895	2,879,182
0	0	0	0	0	0
231,298	950,371	470,322	276,649	523,003	618,318
3,832,511	4,822,344	4,241,156	3,369,309	3,574,898	3,497,500
9,038,023	9,378,265	9,522,759	7,461,557	8,603,380	6,800,188
3,227,472	3,586,747	4,135,051	3,174,447	3,049,175	3,025,729
1,183,400	1,151,790	1,090,892	1,030,659	977,279	912,233
3,686,839	3,887,527	3,882,495	3,677,304	3,527,950	3,253,101
3,021,851	3,047,444	2,987,810	2,936,033	2,581,467	2,688,346
365,246	370,326	357,245	331,826	306,416	289,136
1,922,571	2,231,818	1,986,728	2,015,378	3,201,483	1,296,150
601,846	983,231	486,457	376,820	680,192	649,653
1,928,179	2,004,214	1,839,276	1,861,734	1,567,216	1,263,037
79,793	106,271	86,083	110,002	90,413	137,588
31,026	39,292	56,083	54,634	68,093	99,458
16,048,223	17,408,660	16,908,120	15,568,837	16,049,684	13,614,431
0	0	0	0	0	0
4,230,206	4,596,123	3,160,731	3,130,536	3,174,442	2,989,254
20,278,429	22,004,783	20,068,851	18,699,373	19,224,126	16,603,685
(10,842,711)	(12,852,739)	(11,626,517)	(11,476,589)	(11,021,202)	(10,311,743)
(397,695)	226,221	1,080,425	238,773	400,456	508,246
(\$11,240,406)	(\$12,626,518)	(\$10,546,092)	(\$11,237,816)	(\$10,620,746)	(\$9,803,497)

(continued)

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

	2013	2012	2011	2010
General Revenues and Other Changes in Net Assets				
Governmental Activities				
Taxes:				
Property Taxes Levied For:				
General Purposes	\$964,733	\$825,015	\$967,282	\$1,020,451
Fire and Police Pension	551,687	489,993	579,508	571,202
Debt Service	0	0	0	0
Capital Outlay	411,018	350,201	412,653	438,820
Income Taxes Levied for:				
General Purposes	6,006,298	5,137,126	5,902,284	4,814,382
Capital Outlay	663,396	566,893	665,177	548,618
Grants and Entitlements not Restricted to				
Specific Programs	863,451	811,927	1,127,596	1,628,612
Investment Earnings	60	190	144	5,450
Franchise Taxes	221,520	252,342	273,773	242,362
Gain on Sale of Capital Assets	0	0	22,500	15,415
Other	164,581	113,856	62,855	7,345
Special Item - Capital Contribution	0	0	7,922,279	0
Transfers	(40,755)	(39,275)	0	0
<i>Total Governmental Activities</i>	<u>9,805,989</u>	<u>8,508,268</u>	<u>17,936,051</u>	<u>9,292,657</u>
Business-Type Activities				
Investment Earnings	0	0	0	0
Other	5,333	9,975	0	12,600
Transfers	40,755	39,275	0	0
<i>Total Business-Type Activities</i>	<u>46,088</u>	<u>49,250</u>	<u>0</u>	<u>12,600</u>
<i>Total Primary Government General Revenues and Other Changes in Net Assets</i>	<u>9,852,077</u>	<u>8,557,518</u>	<u>17,936,051</u>	<u>9,305,257</u>
Change in Net Assets				
Governmental Activities	1,875,937	(1,442,002)	8,480,362	(1,594,918)
Business-Type Activities	358,373	767,910	(556,245)	2,067,830
<i>Total Primary Government Change in Net Assets</i>	<u>\$2,234,310</u>	<u>(\$674,092)</u>	<u>\$7,924,117</u>	<u>\$472,912</u>

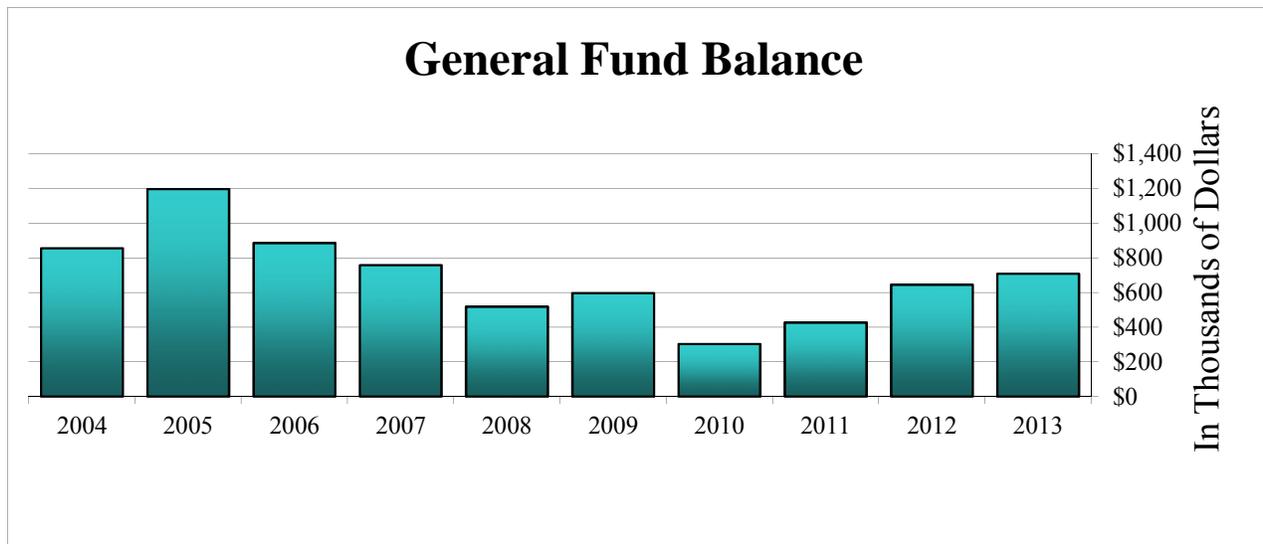
2009	2008	2007	2006	2005	2004
\$1,116,701	\$1,064,331	\$1,062,359	\$1,109,720	\$989,460	\$1,118,036
618,918	588,302	631,644	616,830	548,288	356,657
0	1,421	346,265	409,341	374,170	537,367
476,191	452,535	486,482	473,334	418,575	392,721
5,508,718	6,105,678	6,191,921	5,662,945	6,034,703	5,537,537
622,236	667,685	684,045	622,457	662,464	610,803
3,135,994	2,217,714	2,484,064	2,660,157	2,741,453	2,608,872
11,572	152,306	325,184	339,503	212,687	82,469
0	0	0	0	0	0
0	0	0	0	0	0
250,783	404,117	214,713	268,753	20,327	233,763
0	0	0	0	0	0
76,500	162,820	50,000	50,000	(275,143)	50,000
<u>11,817,613</u>	<u>11,816,909</u>	<u>12,476,677</u>	<u>12,213,040</u>	<u>11,726,984</u>	<u>11,528,225</u>
0	0	84,352	0	0	0
28,196	0	0	0	0	1,395
<u>(76,500)</u>	<u>(162,820)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>275,143</u>	<u>(50,000)</u>
<u>(48,304)</u>	<u>(162,820)</u>	<u>34,352</u>	<u>(50,000)</u>	<u>275,143</u>	<u>(48,605)</u>
<u>11,769,309</u>	<u>11,654,089</u>	<u>12,511,029</u>	<u>12,163,040</u>	<u>12,002,127</u>	<u>11,479,620</u>
974,902	(1,035,830)	850,160	736,451	705,782	1,216,482
<u>(445,999)</u>	<u>63,401</u>	<u>1,114,777</u>	<u>188,773</u>	<u>675,599</u>	<u>459,641</u>
<u>\$528,903</u>	<u>(\$972,429)</u>	<u>\$1,964,937</u>	<u>\$925,224</u>	<u>\$1,381,381</u>	<u>\$1,676,123</u>

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

	2013	2012	2011	2010
General Fund				
Nonspendable	\$42,245	\$82,872	\$107,285	\$106,906
Restricted	357,291	0	0	0
Committed	0	0	0	0
Assigned	74,561	70,852	40,815	31,608
Unassigned	234,067	491,066	278,805	164,368
Reserved	N/A	N/A	N/A	N/A
Unreserved	N/A	N/A	N/A	N/A
Total General Fund	708,164	644,790	426,905	302,882
All Other Governmental Funds				
Nonspendable	\$52,438	\$43,985	\$44,391	\$55,179
Restricted	2,287,051	1,475,482	1,233,854	1,075,408
Committed	220,690	188,096	238,162	224,464
Unassigned (Deficit)	(9,363)	(282)	(77)	(962)
Reserved	N/A	N/A	N/A	N/A
Unreserved, Designated	N/A	N/A	N/A	N/A
Unreserved, Undesignated, Reported in:				
Special Revenue funds	N/A	N/A	N/A	N/A
Debt Service funds	N/A	N/A	N/A	N/A
Capital Projects funds	N/A	N/A	N/A	N/A
Total All Other Governmental Funds	2,550,816	1,707,281	1,516,330	1,354,089
Total Governmental Funds	\$3,258,980	\$2,352,071	\$1,943,235	\$1,656,971

Note: This City implemented GASB 54 during 2011.

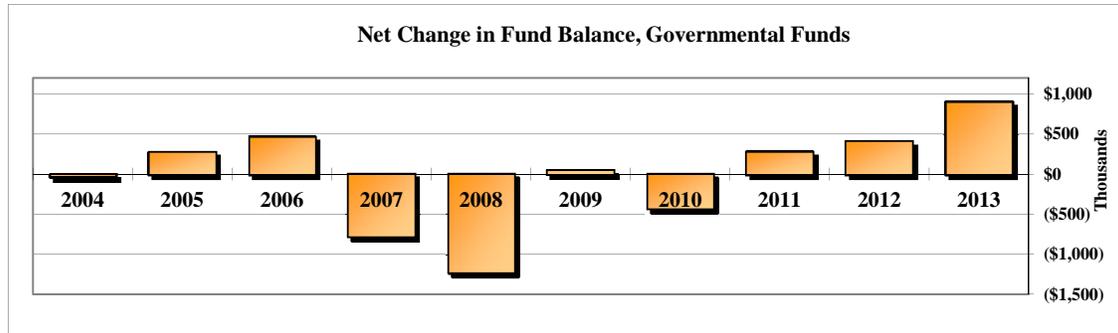
N/A - Information not available.



2009	2008	2007	2006	2005	2004
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
25,373	55,255	66,842	73,709	33,338	60,258
571,410	462,844	690,776	811,664	1,163,327	795,266
596,783	518,099	757,618	885,373	1,196,665	855,524
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
978,996	1,015,236	615,157	721,549	912,667	786,323
136,120	251,888	412,000	212,000	212,000	212,000
592,875	537,689	681,268	1,069,536	1,127,787	1,063,429
122,947	36,696	785,817	571,960	347,597	590,065
3,311	3,311	345,375	943,790	115,636	125,109
1,834,249	1,844,820	2,839,617	3,518,835	2,715,687	2,776,926
\$2,431,032	\$2,362,919	\$3,597,235	\$4,404,208	\$3,912,352	\$3,632,450

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

	2013	2012	2011	2010
Revenues				
Property Taxes	\$1,788,847	\$1,747,271	\$1,934,311	\$1,819,144
Municipal Income Tax	6,603,322	6,050,045	6,029,632	5,640,581
Charges for Services	750,560	631,480	264,357	2,153,776
Licenses and Permits	291,403	274,644	251,638	316,038
Fines and Forfeitures	642,937	738,446	1,063,308	765,130
Intergovernmental	3,992,017	3,403,671	4,988,304	4,119,247
Special Assessments	10,901	9,843	10,151	10,334
Interest	60	190	144	5,450
Rentals	164,069	169,002	161,372	161,196
Franchise Taxes	221,520	302,884	271,836	245,454
Other	164,581	109,492	60,690	6,888
<i>Total Revenues</i>	<u>14,630,217</u>	<u>13,436,968</u>	<u>15,035,743</u>	<u>15,243,238</u>
Expenditures				
Current:				
General Government				
Legislative and Executive	2,538,405	2,576,120	2,516,841	2,401,156
Judicial System	972,965	961,805	1,111,726	1,105,350
Security of Persons and Property:				
Police	3,729,018	3,301,408	3,357,299	3,482,742
Fire	2,446,715	2,572,934	2,844,417	2,750,100
Public Health Services	332,026	323,401	312,972	401,284
Street Maintenance and Repairs	1,040,537	1,266,996	1,034,253	1,067,277
Housing and Community Development	910,001	1,013,371	1,002,686	1,318,340
Sanitation Services	0	12,000	21,122	1,740,323
Leisure Time Activities	35,057	28,895	24,655	36,108
Capital Outlay	2,069,647	735,005	2,474,089	1,482,536
Debt Service:				
Principal Retirement	299,785	187,772	165,525	210,308
Interest and Fiscal Charges	9,421	9,150	13,263	14,669
<i>Total Expenditures</i>	<u>14,383,577</u>	<u>12,988,857</u>	<u>14,878,848</u>	<u>16,010,193</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>246,640</u>	<u>448,111</u>	<u>156,895</u>	<u>(766,955)</u>
Other Financing Sources (Uses)				
General Obligation Bonds Issued	0	0	0	325,000
Inception of Capital Lease	699,524	0	106,869	0
Sale of Capital Assets	0	0	22,500	15,415
Proceeds of Loan	0	0	0	0
Transfers In	587,421	601,000	487,400	430,800
Transfers Out	(626,676)	(640,275)	(487,400)	(430,800)
<i>Total Other Financing Sources (Uses)</i>	<u>660,269</u>	<u>(39,275)</u>	<u>129,369</u>	<u>340,415</u>
<i>Net Change in Fund Balances</i>	<u>\$906,909</u>	<u>\$408,836</u>	<u>\$286,264</u>	<u>(\$426,540)</u>
Debt Service as a Percentage of Noncapital Expenditures	2.5%	1.6%	1.4%	1.9%



2009	2008	2007	2006	2005	2004
\$2,151,450	\$2,109,613	\$2,480,053	\$2,577,355	\$2,320,850	\$2,414,271
6,254,545	6,757,873	6,775,495	6,445,095	6,532,764	6,067,735
2,013,439	1,886,125	1,810,849	1,568,521	1,515,901	1,486,186
295,278	328,673	282,135	228,358	178,677	204,762
838,037	883,633	818,035	726,855	650,045	577,652
3,344,447	3,870,165	3,684,953	4,155,912	5,008,052	3,290,131
35,975	37,417	36,476	35,490	56,489	56,100
11,572	152,306	325,184	339,503	212,687	82,469
152,434	130,090	139,462	136,002	149,115	117,563
0	0	0	0	0	0
245,540	459,464	239,657	268,753	223,645	233,763
15,342,717	16,615,359	16,592,299	16,481,844	16,848,225	14,530,632
2,610,914	3,015,334	3,047,990	2,914,379	2,653,576	2,653,009
1,021,185	1,036,477	967,152	919,440	858,153	843,475
3,338,973	3,628,559	3,622,601	3,448,319	3,292,317	3,257,335
2,626,619	2,823,288	2,739,876	2,807,075	2,520,738	2,509,403
347,872	383,486	369,150	324,010	303,789	282,206
1,172,826	1,553,013	1,424,511	1,920,884	1,141,728	1,091,528
556,125	1,179,875	483,606	436,879	1,145,514	645,029
1,690,724	1,846,737	1,638,743	1,582,296	1,419,457	1,291,793
38,838	44,637	36,076	40,385	35,203	63,520
1,953,177	1,557,584	2,547,869	2,398,576	2,266,481	1,437,938
234,736	861,691	503,837	435,167	906,514	447,489
27,440	78,797	43,237	38,842	72,703	103,418
15,619,429	18,009,478	17,424,648	17,266,252	16,616,173	14,626,143
(276,712)	(1,394,119)	(832,349)	(784,408)	232,052	(95,511)
250,000	0	0	0	0	0
0	0	0	0	0	0
3,975	5,400	4,500	6,800	0	6,639
699	0	0	1,200,000	0	0
724,200	1,706,720	720,829	813,500	877,986	641,986
(647,700)	(1,543,900)	(670,829)	(763,500)	(827,986)	(591,986)
331,174	168,220	54,500	1,256,800	50,000	56,639
\$54,462	(\$1,225,899)	(\$777,849)	\$472,392	\$282,052	(\$38,872)
5.8%	5.8%	3.4%	3.2%	6.8%	4.4%

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
2013	\$132,014,600	\$67,840,860	\$571,015,600	\$23,144,090	\$26,300,102
2012	132,789,880	66,360,130	569,000,029	22,006,640	25,007,545
2011	131,582,310	61,439,920	551,492,086	18,236,510	20,723,307
2010	147,859,010	60,686,260	595,843,629	18,910,200	21,488,864
2009	147,855,920	60,329,050	594,814,200	18,409,090	20,919,420
2008	145,229,490	57,272,280	578,576,486	19,626,430	22,302,761
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

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

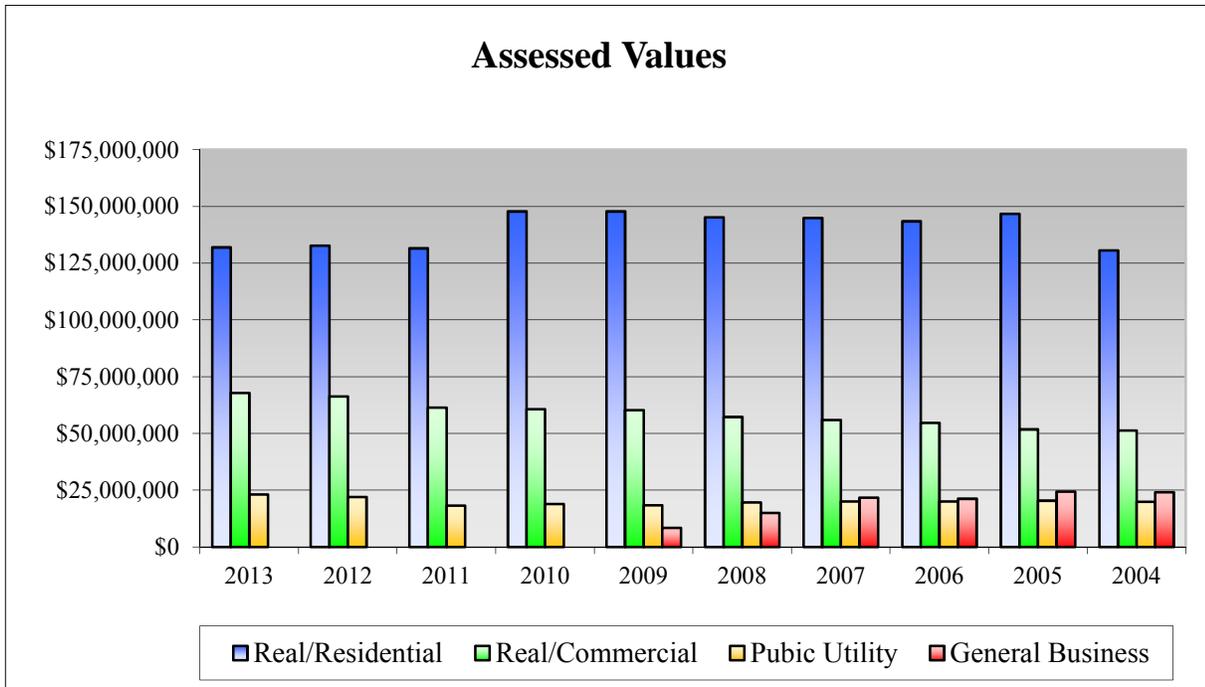
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General 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	\$222,999,550	\$597,315,702	37.33 %	\$9.31
0	0	221,156,650	594,007,574	37.23	9.31
0	0	211,258,740	572,215,393	36.92	9.31
0	0	227,455,470	617,332,492	36.84	9.31
8,407,070	67,256,560	235,001,130	682,990,180	34.41	9.31
14,967,220	119,737,760	237,095,420	720,617,007	32.90	9.31
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



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

	2013	2012	2011	2010
Unvoted Millage				
Operating	\$0.2700	\$0.2700	\$0.2700	\$0.2700
Fire Pension	1.3000	1.3000	1.3000	1.3000
Police Pension	1.3000	1.3000	1.3000	1.3000
<i>Total Unvoted Millage</i>	<u>2.8700</u>	<u>2.8700</u>	<u>2.8700</u>	<u>2.8700</u>
Charter Millage				
General Fund	4.1400	4.1400	4.1400	4.1400
Permanent Improvement Fund	2.0000	2.0000	2.0000	2.0000
Justice Center (Debt Service)	0.0000	0.0000	0.0000	0.0000
Senior Citizens	0.3000	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>
Total Millage	<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

Ashtabula Area City Schools				
Residential/Agricultural Real	\$32.2706	\$32.2056	\$33.3330	\$31.1325
Commerical/Industrial and Public Utility Real	35.9439	35.8310	37.7939	36.8580
General Business and Public Utility Personal	50.8500	50.8500	52.0000	52.0000
Ashtabula County Commissioner				
Residential/Agricultural Real	9.0012	8.9962	8.9922	8.5409
Commerical/Industrial and Public Utility Real	9.9622	9.9304	9.9223	9.4041
General Business and Public Utility Personal	11.0200	11.0200	11.0200	11.0200
Ashtabula Township Park				
Residential/Agricultural Real	1.1800	1.1800	1.1800	1.1697
Commerical/Industrial and Public Utility Real	1.1730	1.1704	1.1800	1.1799
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

2009	2008	2007	2006	2005	2004
\$0.2700	\$0.2700	\$0.2700	\$0.2700	\$0.2700	\$0.2700
1.3000	1.3000	1.3000	1.3000	1.3000	1.3000
1.3000	1.3000	1.3000	1.3000	1.3000	1.3000
2.8700	2.8700	2.8700	2.8700	2.8700	2.8700
4.1400	4.1400	4.1400	4.1400	4.1400	4.1400
2.0000	2.0000	2.0000	2.0000	2.0000	2.0000
0.0000	0.0000	0.0000	1.8000	1.8000	1.8000
0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
6.4400	6.4400	6.4400	8.2400	8.2400	8.2400
\$9.3100	\$9.3100	\$9.3100	\$11.1100	\$11.1100	\$11.1100

\$31.4467	\$31.4015	\$32.4762	\$32.5174	\$32.0119	\$33.8579
37.0858	36.9317	37.8697	37.7254	37.1955	38.6735
52.5000	52.5000	52.5000	52.5000	52.0000	52.0000

8.5336	8.5375	8.9779	8.4057	8.4062	9.0059
9.2995	9.2656	9.0000	9.4487	9.4450	9.8485
11.0200	11.0300	11.0300	11.0300	11.0300	11.0300

1.1073	1.1063	1.0790	1.0769	1.0767	1.1040
1.1151	1.1126	1.1229	1.1307	1.1304	1.1393
1.1800	1.1800	1.1800	1.1800	1.1800	1.1800

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

Year	Total Tax Levy	Current Tax Collections	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections (1)
2013	\$2,095,080	\$1,637,734	78.17 %	\$380,713	\$2,018,447
2012	1,860,753	1,659,952	89.21	118,655	1,778,607
2011	2,144,612	1,823,971	85.05	107,520	1,931,491
2010	2,182,331	1,974,489	90.48	100,370	2,074,859
2009	2,122,541	1,998,790	94.17	123,751	2,122,541
2008	2,081,658	1,962,658	94.28	118,999	2,081,657
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

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.

The City is aware of the requirement to report delinquent tax collections by levy year rather than by collection year. However, the County is unable to provide delinquent collections by levy year. The City is looking at options to improve the presentation.

<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>
96.34 %	\$166,031	7.92 %
95.59	303,506	16.31
90.06	265,728	12.39
95.08	415,173	19.02
100.00	164,557	7.75
100.00	132,806	6.38
99.69	270,956	10.92
99.46	245,861	10.00
100.22	220,549	6.93
94.59	327,785	10.14

City of Ashtabula, Ohio
Principal Real Property Taxpayers
 2013 and 2004

<i>2013</i>		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Assessed Valuation
Aqua Ohio Water	\$13,853,580	6.21 %
First Energy	8,450,730	3.79
Norfolk Southern Combined	5,710,370	2.56
Pinney Dock	4,131,710	1.85
Molded Fiber Glass	1,338,050	0.60
Ashtabula Care Center	1,166,590	0.52
Ash-L Associates	1,130,020	0.51
Ashtabula Towers	956,770	0.43
Country Club Center III	900,980	0.40
Willo Arms of Ashtabula	815,330	0.37
Total	\$38,454,130	17.24 %
Total Assessed Valuation	\$222,999,550	
<i>2004</i>		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Assessed Valuation
Ohio American Water	\$8,512,670	3.76 %
Western Reserve Telephone	4,672,290	2.07
Cleveland Electric Illuminating	4,495,760	1.99
Norfolk Southern Combined	3,637,540	1.61
Pinney Dock	2,708,860	1.20
Molded Fiber Glass	1,667,010	0.74
Ashtabula Care Center	1,332,110	0.59
Ash-L Associates	1,172,220	0.52
Ashtabula Towers	1,092,840	0.48
Iten - Hupco	953,880	0.42
Total	\$30,245,180	13.38 %
Total Assessed Valuation	\$226,008,470	

Source: Ashtabula County Auditor

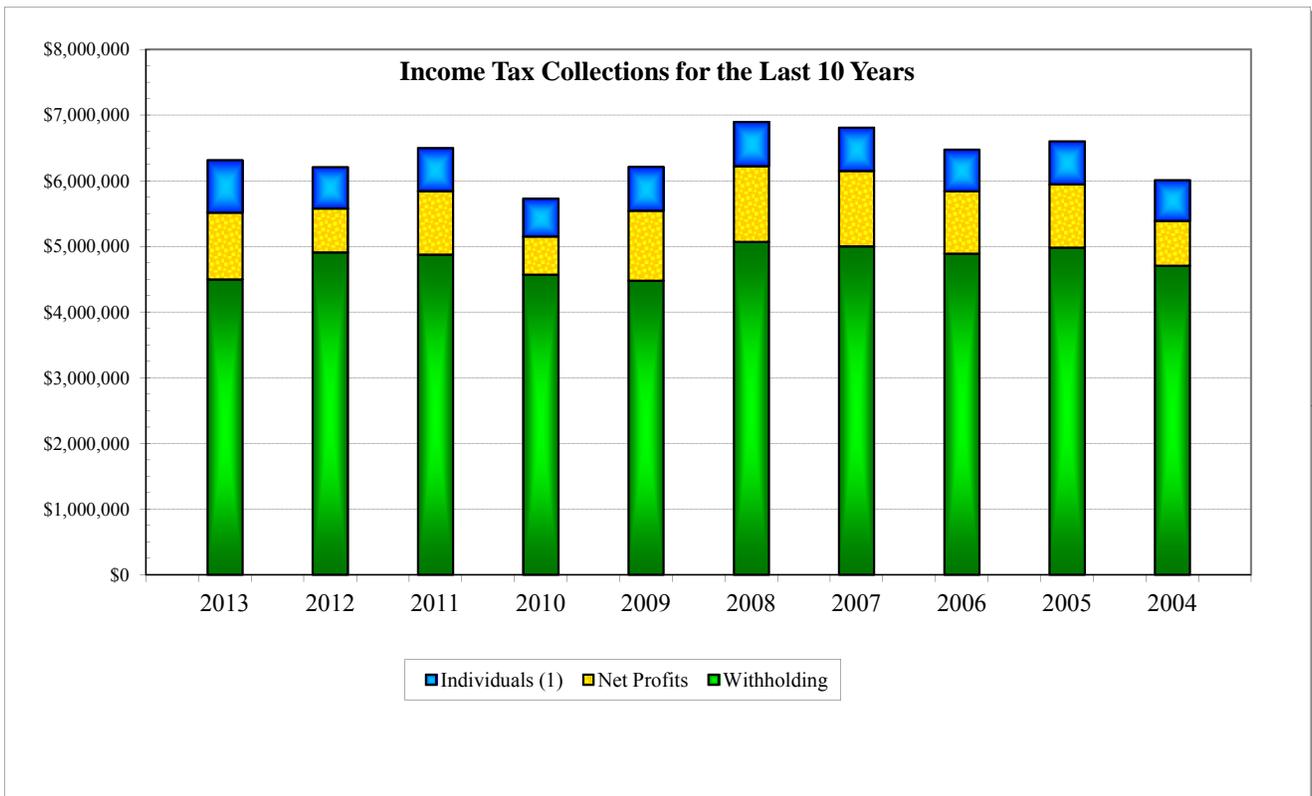
(1) Amounts represent assessed values upon which 2012 and 2003 collections were based.

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
2013	1.80 %	\$6,314,037	\$4,496,535	71.21%	\$1,020,147	16.16%	\$797,355	12.63%
2012	1.80	6,206,237	4,909,193	79.10	669,093	10.78	627,951	10.12
2011	1.80	6,498,912	4,873,631	74.99	968,156	14.90	657,125	10.11
2010	1.80	5,729,893	4,570,158	79.76	580,899	10.14	578,836	10.10
2009	1.80	6,211,306	4,478,610	72.10	1,065,081	17.15	667,615	10.75
2008	1.80	6,896,798	5,068,292	73.49	1,155,334	16.75	673,172	9.76
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

Source: City of Ashtabula Income Tax Department

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



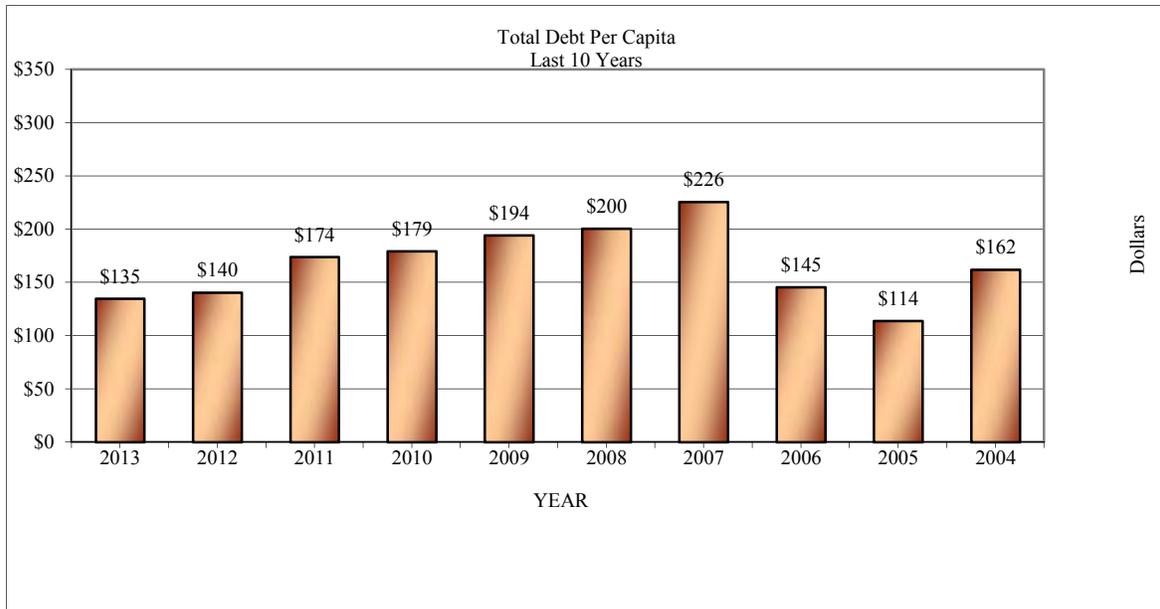
City of Ashtabula, Ohio
*Ratio of Outstanding Debt to
Total Personal Income and Debt Per Capita
Last Ten Years*

Year	Governmental Activities				
	General Obligation Bonds	Special Assessment Bonds	OPWC Loans	Police & Fire Loan	Capital Leases
2013	\$0	\$0	\$63,586	\$0	\$657,658
2012	160,944	0	73,369	0	87,192
2011	319,257	0	83,151	0	106,869
2010	475,000	0	92,933	0	0
2009	349,827	0	103,414	0	0
2008	300,796	23,984	112,498	0	0
2007	1,027,399	47,061	122,281	102,228	0
2006	1,469,266	0	132,063	201,477	0
2005	592,558	10,000	136,954	297,824	637
2004	1,379,848	20,000	151,627	391,354	1,658

(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>Capital Leases</u>	<u>Total Debt</u>	<u>Percentage of Personal Income(1)</u>	<u>Per Capita(1)</u>
\$860,628	\$378,657	\$582,180	\$0	\$108,258	\$2,650,967	0.80 %	\$135
1,124,695	519,076	605,304	50,000	141,391	2,761,971	0.83	140
1,378,117	653,580	608,659	100,000	173,149	3,422,782	1.03	174
1,621,325	782,419	633,659	150,000	0	3,755,336	1.28	179
1,854,730	905,831	658,659	200,000	0	4,072,461	1.38	194
2,078,727	1,024,045	661,989	0	0	4,202,039	1.43	200
2,293,696	1,137,279	0	0	0	4,729,944	1.61	226
0	1,245,743	0	0	0	3,048,549	1.04	145
0	1,349,639	0	0	0	2,387,612	0.81	114
0	1,449,159	0	0	0	3,393,646	1.15	162



City of Ashtabula, Ohio

Legal Debt Margin

Last Ten Years

	2013	2012	2011	2010
Total Assessed Property Value	<u>\$222,999,550</u>	<u>\$221,156,650</u>	<u>\$211,258,740</u>	<u>\$227,455,470</u>
General Bonded Debt Outstanding:				
General Obligation Bonds	\$0	\$160,944	\$319,257	\$475,000
Equalization Basin Loan	860,628	1,124,695	1,378,117	1,621,325
OWDA Loans	378,657	519,076	653,580	782,419
OPWC Loans	582,180	678,673	691,810	726,592
KeyCorp Loan	0	50,000	100,000	150,000
Special Assessment Bonds	0	0	0	0
Total Gross Indebtedness	1,821,465	2,533,388	3,142,764	3,755,336
Less:				
Equalization Basin Loan	(860,628)	(1,124,695)	(1,378,117)	(1,621,325)
OWDA Loans	(378,657)	(519,076)	(653,580)	(782,419)
OPWC Loans	(582,180)	(678,673)	(691,810)	(726,592)
KeyCorp Loan	0	(50,000)	(100,000)	(150,000)
Special Assessment Bonds	0	0	0	0
General Obligation Bond Retirement Fund Balance	0	(50,285)	(48,328)	(45,861)
Total Net Debt Applicable to Debt Limit	<u>0</u>	<u>110,659</u>	<u>270,929</u>	<u>429,139</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>23,414,953</u>	<u>23,221,448</u>	<u>22,182,168</u>	<u>23,882,824</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$23,414,953</u>	<u>\$23,110,789</u>	<u>\$21,911,239</u>	<u>\$23,453,685</u>
Legal Debt Margin as a Percentage of the Debt Limit	100.00%	99.52%	98.78%	98.20%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$12,264,975</u>	<u>\$12,163,616</u>	<u>\$11,619,231</u>	<u>\$12,510,051</u>
Total Gross Indebtedness	1,821,465	2,533,388	3,142,764	3,755,336
Less:				
Equalization Basin Loan	(860,628)	(1,124,695)	(1,378,117)	(1,621,325)
OWDA Loans	(378,657)	(519,076)	(653,580)	(782,419)
OPWC Loans	(582,180)	(678,673)	(691,810)	(726,592)
KeyCorp Loan	0	(50,000)	(100,000)	(150,000)
Special Assessment Bonds	0	0	0	0
General Obligation Bond Retirement Fund Balance	0	(50,285)	(48,328)	(45,861)
Net Debt Within 5 ½ % Limitations	<u>0</u>	<u>110,659</u>	<u>270,929</u>	<u>429,139</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$12,264,975</u>	<u>\$12,052,957</u>	<u>\$11,348,302</u>	<u>\$12,080,912</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	100.00%	99.09%	97.67%	96.57%

Source: City Financial Records

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

2009	2008	2007	2006	2005	2004
<u>\$235,001,130</u>	<u>\$237,095,420</u>	<u>\$242,740,740</u>	<u>\$239,484,190</u>	<u>\$243,460,550</u>	<u>\$226,008,470</u>
\$349,827	\$300,796	\$1,027,399	\$1,469,266	\$592,558	\$1,379,848
1,854,730	2,078,727	2,293,696	0	0	0
905,831	1,024,045	1,137,279	1,245,743	1,349,639	1,449,159
762,073	774,487	122,281	132,063	136,954	151,627
200,000	0	0	0	0	0
0	23,984	47,061	0	10,000	20,000
<u>4,072,461</u>	<u>4,202,039</u>	<u>4,627,716</u>	<u>2,847,072</u>	<u>2,089,151</u>	<u>3,000,634</u>
(1,854,730)	(2,078,727)	(2,293,696)	0	0	0
(905,831)	(1,024,045)	(1,137,279)	(1,245,743)	(1,349,639)	(1,449,159)
(762,073)	(774,487)	(122,281)	(132,063)	(136,954)	(151,627)
(200,000)	0	0	0	0	0
0	(23,984)	(47,061)	0	(10,000)	(20,000)
<u>(122,947)</u>	<u>(36,696)</u>	<u>(785,817)</u>	<u>(571,960)</u>	<u>(347,597)</u>	<u>(590,065)</u>
<u>226,880</u>	<u>264,100</u>	<u>241,582</u>	<u>897,306</u>	<u>244,961</u>	<u>789,783</u>
<u>24,675,119</u>	<u>24,895,019</u>	<u>25,487,778</u>	<u>25,145,840</u>	<u>25,563,358</u>	<u>23,730,889</u>
<u>\$24,448,239</u>	<u>\$24,630,919</u>	<u>\$25,246,196</u>	<u>\$24,248,534</u>	<u>\$25,318,397</u>	<u>\$22,941,106</u>
99.08%	98.94%	99.05%	96.43%	99.04%	96.67%
<u>\$12,925,062</u>	<u>\$13,040,248</u>	<u>\$13,350,741</u>	<u>\$13,171,630</u>	<u>\$13,390,330</u>	<u>\$12,430,466</u>
4,072,461	4,202,039	4,627,716	2,847,072	2,089,151	3,000,634
(1,854,730)	(2,078,727)	(2,293,696)	0	0	0
(905,831)	(1,024,045)	(1,137,279)	(1,245,743)	(1,349,639)	(1,449,159)
(762,073)	(774,487)	(122,281)	(132,063)	(136,954)	(151,627)
(200,000)	0	0	0	0	0
0	(23,984)	(47,061)	0	(10,000)	(20,000)
<u>(122,947)</u>	<u>(36,696)</u>	<u>(785,817)</u>	<u>(571,960)</u>	<u>(347,597)</u>	<u>(590,065)</u>
<u>226,880</u>	<u>264,100</u>	<u>241,582</u>	<u>897,306</u>	<u>244,961</u>	<u>789,783</u>
<u>\$12,698,182</u>	<u>\$12,776,148</u>	<u>\$13,109,159</u>	<u>\$12,274,324</u>	<u>\$13,145,369</u>	<u>\$11,640,683</u>
98.24%	97.97%	98.19%	93.19%	98.17%	93.65%

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

<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>
2013	19,680	a	\$597,315,702	\$0	0.00 %	\$0.00
2012	19,680	a	594,007,574	160,944	0.03	8.18
2011	19,680	a	572,215,393	319,257	0.06	16.22
2010	19,680	a	617,332,492	475,000	0.08	24.14
2009	20,962	b	682,990,180	349,827	0.05	16.69
2008	20,962	b	720,617,007	300,796	0.04	14.35
2007	20,962	b	770,729,191	1,027,399	0.13	49.01
2006	20,962	b	702,439,402	1,469,266	0.21	70.09
2005	20,962	b	688,389,816	592,558	0.09	28.27
2004	20,962	b	638,926,554	1,379,848	0.22	65.83

Sources:

- (1) U. S. Bureau of Census, Census of Population.
 - (a) Year 2010-2013 The 2010 Federal Census
 - (b) Years 2004-2009 The 2000 Federal Census

- (2) Ashtabula County Auditor

City of Ashtabula, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2013

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of Ashtabula
Direct - City of Ashtabula			
OPWC Loans	\$63,586	100.00	\$63,586
Capital Leases	657,658	100.00	657,658
<i>Total Direct Debt</i>	<u>721,244</u> *		<u>721,244</u>
Overlapping			
Ashtabula Area City School District			
General Obligation Bonds	34,412,773	45.53	15,668,136
Ashtabula County			
General Obligation Bonds	19,893,892	11.26	2,240,052
OWDA Loans	13,196,372	11.26	1,485,911
OPWC Loans	1,123,784	11.26	126,538
Capital Leases	202,964	11.26	22,854
<i>Total Overlapping Debt</i>	<u>68,829,785</u>		<u>19,543,491</u>
Total	<u><u>\$69,551,029</u></u>		<u><u>\$20,264,735</u></u>

Source: Ashtabula County, Ohio; County Auditor

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

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

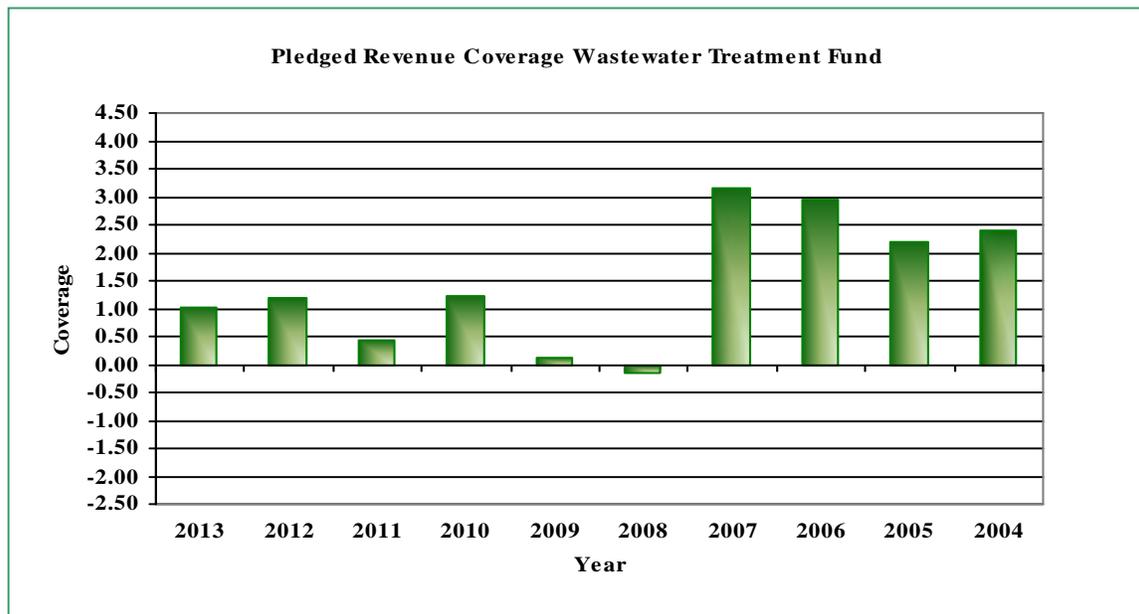
City of Ashtabula, Ohio
Pledged Revenue Coverage
Revenue Debt - Wastewater Treatment Fund
Last Ten Years

	2013	2012	2011	2010
Wastewater Treatment Fund				
Operating Revenues (1)	\$3,089,877	\$3,148,190	\$3,280,585	\$3,658,579
Less: Operating Expenses (2)	2,527,194	2,479,050	3,039,182	2,975,385
Net Available Revenue	562,683	669,140	241,403	683,194
Debt Service				
Principal	489,743	472,109	447,047	431,817
Interest	70,131	88,526	106,220	123,973
Total Debt Service	559,874	560,635	553,267	555,790
Coverage	1.01	1.19	0.44	1.23

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

(2) Operating expenses do not include depreciation.

Source: Ashtabula City Auditor's office



2009	2008	2007	2006	2005	2004
\$3,629,409	\$3,871,973	\$3,855,186	\$3,092,660	\$3,051,895	\$2,880,449
3,559,397	3,935,680	2,527,057	2,617,005	2,696,070	2,493,765
70,012	(63,707)	1,328,129	475,655	355,825	386,684
417,211	328,203	314,769	103,896	99,520	95,328
139,706	143,422	106,981	57,592	61,968	66,160
556,917	471,625	421,750	161,488	161,488	161,488
0.13	(0.14)	3.15	2.95	2.20	2.39

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)
2013	19,680	\$330,801,120	\$16,809	\$29,605	41.8
2012	19,680	330,801,120	16,809	29,605	41.8
2011	19,680	330,801,120	16,809	29,605	41.8
2010	19,680	330,801,120	16,809	29,545	37.3
2009	20,962	294,180,708	14,034	27,354	34.9
2008	20,962	294,180,708	14,034	27,354	34.9
2007	20,962	294,180,708	14,034	27,354	34.9
2006	20,962	294,180,708	14,034	27,354	34.9
2005	20,962	294,180,708	14,034	27,354	34.9
2004	20,962	294,180,708	14,034	27,354	34.9

(1) Source: U. S. Census

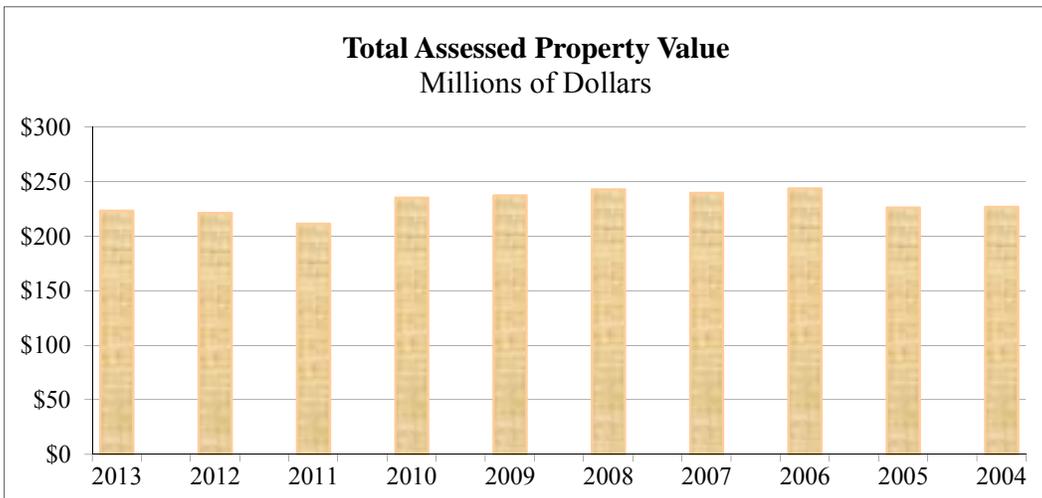
Years 2010 - 2013 The 2010 Federal Census
 Years 2004 - 2009 The 2000 Federal Census

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

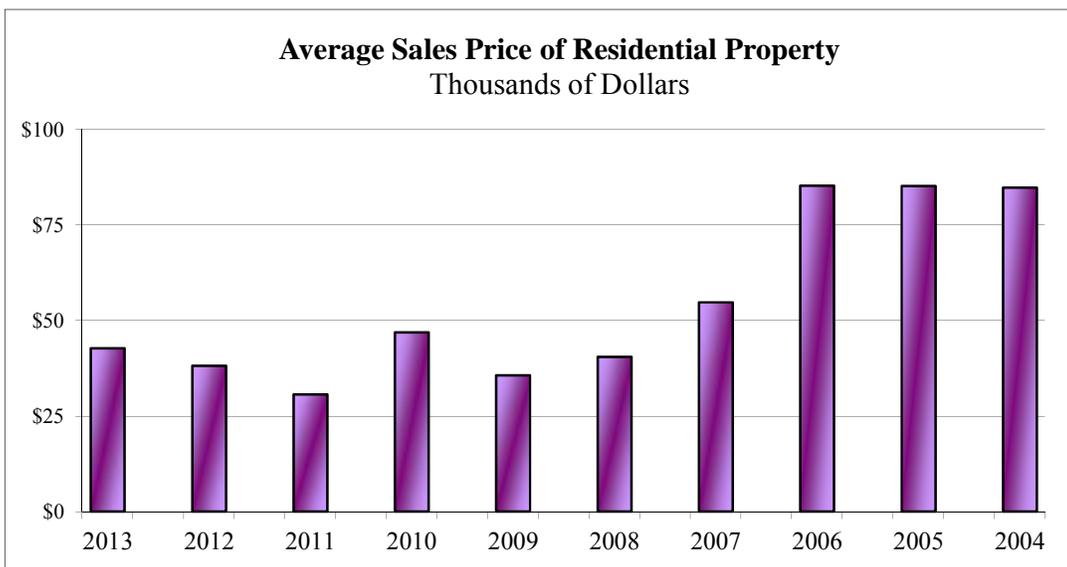
(3) The unemployment rate for the City is unavailable. County rate obtained from Ohio Labor Market information.

(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	4,300	8.6%	\$42,720	\$222,999,550
10.4	4,373	11.4	38,185	221,156,650
10.4	4,375	11.4	30,657	211,258,740
10.4	4,277	11.9	46,920	235,001,130
10.4	4,463	14.2	35,630	237,095,420
10.4	4,701	8.0	40,484	242,740,740
10.4	4,662	7.0	54,772	239,484,190
10.4	4,686	7.0	85,300	243,460,550
10.4	4,743	7.3	85,200	226,008,470
10.4	5,057	7.3	84,775	226,721,670



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

2013		
Employer	Nature of Activity	Employees
Ashtabula County Medical Center	Medical Center	1,034
Ashtabula Area City Schools	Public Education	520
Molded Fiber Glass	Manufacturing - composites	397
Kent State University - Ashtabula Campus	Public Education/College	268
Ashtabula County	County Government	234
City of Ashtabula	Municipal Government	190
Plasticolors	Manufacturing - pigments	176
Iten Industries	Manufacturing - plastic parts	214
Ashtabula Rubber Company	Manufacturing - rubber components	134
Millennium	Manufacturing - chemicals	15
Total		<u>3,182</u>
Total Employment within the City		<u>n/a</u>

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

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

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

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

Function/Program	2013	2012	2011	2010	2009
General Government					
Legislative and Executive					
Council	8	8	8	8	8
Administration	2	2	3	2	2
Auditor	6	6	5	6	6
Treasurer	1	1	1	1	1
Income Tax	2	2	2	2	2
Solicitor	4	3	3	4	4
Motor Maintenance	2	2	2	2	2
Engineering	0	0	1	2	2
Civil Service	1	1	1	1	1
Lands and Buildings	2	3	3	2	2
Systems Analyst	0	0	0	1	1
Judicial System					
Municipal Court	10	12	11	12	14
Probation	3	3	3	4	5
Security of Persons and Property					
Police	26	27	29	31	29
Police - Civilian	8	6	2	4	5
Fire	23	22	23	25	25
Fire - Civilian	0	0	0	1	1
Public Health Services					
Food Service	1	1	1	1	1
Nursing	3	3	3	3	5
Street Maintenance and Repair					
Public Works	13	19	17	17	20
Housing and Community Development					
Code Enforcement	3	1	2	2	2
CDBG	2	3	1	2	2
Leisure Time Activities					
Walnut Beach	0	0	0	0	0
Business Type Activity					
Sanitation	14	13	14	15	15
Wastewater Treatment	11	10	9	12	13
Totals:	<u>145</u>	<u>148</u>	<u>144</u>	<u>160</u>	<u>168</u>

Source: City of Ashtabula, Ohio Payroll

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

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
8	8	8	8	8
4	3	3	2	2
7	7	7	6	6
1	1	1	1	1
3	3	3	3	3
4	4	4	4	4
3	3	3	1	3
3	3	3	3	3
1	1	1	1	1
3	3	3	6	6
1	1	1	1	1
13	13	14	12	12
4	4	4	4	4
32	32	31	33	34
9	9	9	5	6
26	27	25	25	26
1	1	1	1	1
1	1	1	1	1
6	4	4	4	4
22	22	23	20	21
2	2	2	2	2
1	2	1	2	2
0	0	0	0	9
16	15	16	14	14
14	14	13	13	16
<u>185</u>	<u>183</u>	<u>181</u>	<u>172</u>	<u>190</u>

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

Function/Program	2013	2012	2011	2010
General Government				
Legislative and Executive				
<i>Council & Clerk</i>				
Number of Ordinances Passed	166	182	184	161
Number of Resolutions Passed	29	28	27	32
<i>Auditor</i>				
Number of checks/ vouchers issued	2,839	2,794	2,640	2,861
Amount of checks written	\$9,266,296	\$8,891,361	\$8,497,466	\$9,401,527
Number of Budget Adjustments issued	na	na	na	na
Agency Ratings - Standard & Poors	A/Stable	BBB+	BBB+	BBB+
Agency Ratings - Moody's Financial Services	WR	BBA	BBA	BBA
Health Insurance Costs vs General Fund Expenditures %	19.61%	24.10%	24.10%	16.74%
General Fund Receipts	\$9,490,337	\$9,436,569	\$10,014,548	\$9,471,911
General Fund Expenditures	\$9,374,066	\$9,528,679	\$9,726,456	\$9,439,112
General Fund Cash Balances	\$367,681	\$251,409	\$343,520	\$55,428
<i>Treasurer</i>				
Number of Pay-Ins issued	na	1,719	1,768	1,767
Interest earnings for fiscal year (cash basis)	na	\$191	\$144	\$5,450
<i>Income Tax Department</i>				
Number of Individual Returns	6,582	6,671	6,740	6,582
Number of Business Returns	1,361	1,403	1,414	1,361
Number of business withholding accounts	648	680	604	648
Amount of Penalties and Interest Collected	\$30,526	\$42,189	\$44,378	\$30,326
Annual number of Corporate withholding forms processed	6,390	6,530	6,581	6,390
Annual number of balance due statements forms processed	655	713	779	655
Annual number of estimated payment forms processed	788	952	927	788
Annual number of reconciliations of withholdings processed	36	19	37	36
<i>Planning & Community Development (5)</i>				
Zoning Permits Issued	298	193	239	214
Estimated Value of Construction	\$5,066,330	\$2,500,000	\$2,789,923	\$2,429,018
Number of Street Cut permits issued	25	0	0	0
Number of Sewer Tap-In permits issued	5	656	966	964
Amount of Revenue generated from permits	\$60,423	\$202,704	\$298,506	\$298,863
Number of Planning Commission meetings	7	8	8	9
Number of Administrative/Zoning Board meetings	4	2	2	2
<i>Civil Service</i>				
Number of police entry tests administered	0	1	0	0
Number of fire entry tests administered	0	0	1	0
Number of police promotional tests administered	0	0	0	1
Number of fire promotional tests administered	0	0	0	3
Number of hires of Police Officers from certified lists	0	0	0	0
Number of hires of Fire/Medics from certified lists	0	2	0	1
Number of promotions from police certified lists	0	0	0	2
Number of promotions from fire certified lists	0	0	8	0
Judicial System				
<i>Municipal Court</i>				
Number of Civil Cases	966	1,172	1,225	1,215
Number of Criminal cases	6,512	6,867	6,004	6,826
<i>Probation</i>				
Community Diversion participants	147	215	188	285
Community Diversion service hours	3,520	5,645	3,486	6,937

2009	2008	2007	2006	2005	2004
153	150	161	192	103	112
29	47	18	16	15	28
2,998	3,445	5,248	4,312	4,653	3,627
\$9,167,900	\$12,843,481	\$15,497,472	\$20,919,912	\$20,422,342	\$19,055,341
na	na	269	248	222	187
A- BBA	A- BBA	A- BBA	A- BAA	A- BAA	A- BAA
11.40%	14.50%	13.60%	13.99%	13.32%	13.05%
\$9,564,894	\$10,304,586	\$10,239,837	\$10,028,364	\$9,981,777	\$9,245,696
\$9,350,341	\$10,057,413	\$10,015,243	\$9,536,404	\$8,906,539	\$8,802,912
\$251,607	\$373,660	\$627,580	\$657,980	\$708,153	\$354,738
1,733	1,679	1,441	1,574	1,488	1,484
\$10,888	\$146,010	\$394,355	\$339,503	\$212,687	\$82,469
6,598	6,775	7,262	8,495	8,677	8,626
1,296	1,396	1,484	1,347	1,381	1,410
725	780	735	833	799	816
\$33,760	\$44,068	\$35,513	\$30,913	\$28,684	\$29,750
6,819	9,120	9,371	9,440	9,201	8,812
795	676	749	777	676	885
848	844	905	856	922	797
51	19	57	41	389	315
263	291	385	374	311	383
\$3,150,828	\$14,004,261	\$3,372,076	\$11,444,149	\$4,898,765	\$8,347,191
0	0	0	0	0	0
968	702	817	727	631	979
\$298,149	\$144,385	\$325,886	\$341,215	\$128,302	\$454,917
7	7	2	8	8	6
2	3	1	1	2	5
0	0	1	0	0	1
1	1	1	1	0	1
0	0	2	0	2	0
0	0	0	0	4	0
2	0	7	2	1	0
0	0	1	2	0	0
9	0	2	7	11	13
2	0	0	6	4	1
1,336	1,502	1,588	1,519	1,334	1,409
7,410	9,265	10,062	9,564	6,740	5,916
263	402	143	676	667	745
4,447	5,732	5,815	4,205	3,962	9,429

(continued)

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

Function/Program	2013	2012	2011	2010
Security of Persons & Property				
<i>Police</i>				
Total Calls for Services	13,062	13,272	14,193	18,484
Number of traffic citations issued	989	1,330	1,450	2,366
Number of parking citations issued	69	71	84	126
Number of criminal arrests	681	1,268	1,095	1,172
Operating Motor Vehicle Under the Influence (OMVI) Arrests	50	102	73	119
Adult Driving Under Suspension (DUS) Arrests	229	285	261	444
Prisoners	472	563	479	620
Prisoner meal costs	\$23,010	\$14,317	\$16,130	\$10,609
Motor Vehicle Accidents	389	358	356	399
Fatalities from Motor Vehicle Accidents	0	1	1	0
Gasoline costs of fleet	\$87,728	\$84,150	\$91,476	\$65,000
<i>Fire</i>				
EMS/Medical Calls (Mutual Aid, Non Transport)	821	1,000	811	770
Fire Calls	881	744	636	664
Fire Fatalities	0	1	0	0
Fires with Loss	n/a	38	26	26
Fires with Losses exceeding \$10K	n/a	n/a	n/a	12
Fire Losses \$	n/a	n/a	\$1,114,210	\$758,700
Fire Investigations	28	40	26	28
Number of times Mutual Aid given to Fire and EMS	17	35	18	20
Departmental Training Hours (3)	n/a	n/a	1,436	3,992
Public Health & Welfare				
Health Department				
Certificates Filed				
Number of Births	426	428	441	495
Number of Deaths	281	284	284	289
Certificates Issued				
Number of Births	2,187	2,265	2,156	2,192
Number of Deaths	991	960	1,042	988
Burial Permits Issued	459	490	456	437
Receipts from Certificates Issued	\$79,450	\$80,625	\$79,950	\$79,500
Number of Health Inspections				
Food Service Operations, Licensed/Number of Inspections	80/224	80/235	83/211	81/238
Food Establishments, Licensed/Number of Inspections	38/60	39/65	40/57	44/78
Vending Operations, Licensed/Number of Inspections	15/11	16/16	15/15	13/12
Marinas, Licensed/Number of Inspections	11/11	11/12	10/10	10/10
Manufactured Home Parks, Licensed/Number of Inspections	3/3	3/6	3/4	3/6
Campgrounds, Licensed/Number of Inspections	4/5	4/5	4/5	4/4
Swimming Pools and Spas, Licensed/Number of Inspections	6/11	6/13	6/11	6/17

2009	2008	2007	2006	2005	2004
20,229	22,485	24,593	21,184	n/a	n/a
2,053	2,213	2,875	1,936	1,500	n/a
163	209	836	360	114	n/a
1,146	1,454	1,718	1,212	1,234	n/a
131	121	120	61	58	n/a
375	405	549	356	242	n/a
735	1,002	972	781	705	n/a
\$22,998	\$49,696	\$41,066	\$46,271	\$36,499	\$29,193
426	640	668	476	550	n/a
3	1	5	0	2	0
\$61,353	\$91,813	\$67,932	\$87,882	\$93,171	\$94,120
868	925	875	852	844	878
668	916	800	141	150	125
0	2	1	0	1	0
28	43	35	31	40	37
13	14	11	10	16	20
\$421,530	\$3,539,727	\$451,670	\$515,600	\$2,365,150	\$998,450
27	20	34	34	37	40
23	44	26	20	38	22
4,310	4,676	4,552	5,787	5,202	5,304
518	526	602	576	636	541
274	274	281	287	338	341
2,451	2,642	3,203	3,015	2,816	2,780
1,049	1,118	1,235	1,226	1,540	1,542
407	381	399	416	500	491
\$73,898	\$71,440	\$84,321	\$81,827	\$74,910	\$66,303
91/207	97/247	86/182	99/240	101/243	103/245
47/66	43/81	44/68	44/81	45/85	46/78
14/13	14/14	15/12	19/17	23/21	22/23
10/10	10/10	16/10	10/11	10/10	10/11
3/6	3/6	3/3	3/10	3/6	3/6
4/4	4/4	4/4	4/7	4/4	4/5
6/10	6/11	6/12	6/17	6/12	6/17

(continued)

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

Function/Program	2013	2012	2011	2010
Street Maintenance and Repair				
Guardrail Repair (hours)	16	58	25	36
Paint Striping (hours)	450	480	476	505
Street Sweeper (hours)	234	976	80	447
Cold Patch (hours)	1,748	2,225	2,750	2,781
Snow & Ice Removal regular hours	2,175	928	8,650	8,194
Snow & Ice Removal overtime hours	185	140	350	471
Sewer and Sanitary calls for service	802	730	687	772
After hours Sewer Calls (hours)	142	133	125	254
Sewer Crew (hours)	1,200	2,400	1,891	1,808
Sewer jet, Vac-all, other services (hours)	3,399	558	513	695
Landscaping Stump-Chipper service (hours)	8	546	416	245
Leaf collection (hours)	2,599	4,142	4,657	4,413
Holiday lights setup (hours)	80	80	80	80
Equipment repair/body shop (hours)	3,280	4,300	4,300	4,300
Sign department (hours)	800	1,200	1,200	1,200
Tons of snow melting salt purchased (Jan-Dec)	2,612	1,549	1,457	1,875
Cost of salt purchased	\$104,471	\$72,707	\$80,755	\$105,768
Housing and Community Development (1)				
Community Development Block Grant				
Grant amounts received	\$468,397	\$979,295	\$916,000	\$987,000
Code Enforcement				
Number of rental inspections performed	1,349	2,464	2,631	2,072
Number of inspections for code enforcement	422	513	200	200
Code Enforcement fees collected	\$212,190	\$160,712	\$158,109	\$155,720
Sanitation (2)				
Residential trash pickup rate (billed every 2 months)	\$15.00	\$15.00	\$15.00	\$15.00
Refuse disposal per year (in tons)	16,750	14,494	13,802	12,475
Refuse disposal costs per year	\$679,000	\$594,271	\$546,376	\$500,000
Annual recycling tonnage (excluding leaf, and compost items)	600	520	530	524
Percentage of waste recycled	4.00%	5.00%	3.80%	4.02%
Revenue generated from sale of recyclables	\$13,500	\$16,888	\$10,586	\$8,350
Wastewater Treatment				
Sewer Rates per unit of water used (1 unit equals 750 gallons)	\$2.62	\$2.30	\$2.95	\$2.66
Total flow of wastewater treatment plant (Billions of Gallons)	2.103	1.669	2.463	1.552
Average daily flow (Millions of gallons per day)	5.778	4.559	6.750	4.254
Tons of dry sludge removed	551.93	523.61	505.99	489.10

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

Source: City Financial Records and Departments

2009	2008	2007	2006	2005	2004
53	68	129	123	87	176
513	508	510	493	512	518
2,047	2,018	2,313	2,240	2,279	2,400
4,026	4,208	4,085	4,160	4,113	3,978
12,231	12,562	11,768	11,520	11,431	12,311
703	987	823	880	913	953
1,151	1,063	949	963	946	1,012
387	433	413	416	425	457
2,695	2,800	2,908	2,880	2,764	2,899
1,437	1,700	1,483	1,440	1,456	1,503
359	480	410	413	385	395
4,227	4,833	4,819	4,800	4,768	4,854
80	80	80	40	40	40
4,300	5,200	5,200	5,200	4,160	5,200
1,200	1,400	1,500	1,036	1,058	1,113
1,112	3,549	3,792	2,490	3,726	3,252
\$70,960	\$125,698	\$134,588	\$84,069	\$127,411	\$116,567
\$1,154,000	N/S	\$45,834	\$536,000	\$151,000	\$659,000
903	1,345	2,178	480	360	360
1,550	258	1,403	n/a	700	673
\$150,418	\$171,554	\$158,144	\$98,950	\$44,352	\$50,636
\$15.00	\$15.00	\$15.00	\$15.00	\$12.00	\$13.00
13,060	13,610	13,937	12,565	12,106	11,901
\$546,000	\$516,000	\$540,000	\$435,814	\$378,744	\$328,931
482	480	480	476	476	414
3.60%	3.80%	3.80%	3.65%	3.79%	3.36%
\$5,874	\$9,000	\$15,595	\$5,233	\$6,736	\$3,895
\$2.61	\$2.61	\$2.45	\$2.45	\$2.40	\$2.40
1.644	1.977	1.713	1.998	2.540	2.262
4.530	5.420	4.693	5.550	6.990	6.170
504.84	493.95	510.56	558.24	612.07	421.34

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

Function/Program	2013	2012	2011	2010
General Government				
Square Footage Occupied	95,943	95,943	95,943	95,943
Administrative Vehicles	2	3	3	3
Inspection Vehicles	1	1	1	0
Municipal Court Vehicles	1	2	2	2
Lands & Buildings Vehicles	3	3	4	3
Police				
Stations	1	1	1	1
Square Footage of Building	14,491	14,491	14,491	14,491
Vehicles	33	33	29	34
Fire				
Stations	1	1	1	1
Square Footage of Building	11,560	11,560	11,560	11,560
Vehicles	9	11	10	9
Street Maintenance and Repairs				
Square Footage of Building	25,050	25,050	25,050	25,050
Streets (miles)	97	97	97	97
Bridges	7	7	7	6
Traffic Signals	52	53	53	53
Service Vehicles	26	29	30	29
Sanitation Services				
Square Footage of Building	9,100	9,100	9,100	9,100
Vehicles	9	9	10	9
Leisure Time Activities				
Number of Parks	8	8	8	8
Number of Tennis Courts	2	2	2	2
Number of Skateboarding Areas	1	1	1	1
Number of Baseball Diamonds	4	4	4	4
Number of Soccer Fields	1	1	1	1
Square Footage of Walnut Beach Building	6,420	6,420	6,420	6,420
Square Footage of Smith Field Building	336	336	336	336
Square Footage of Massucci Building	1,944	1,944	1,944	1,944
Wastewater Treatment				
Square Footage of Building	22,344	22,344	22,344	22,344
Sanitary Sewers (miles)	92	92	92	92
Storm Sewers (miles)	76	76	76	76
Vehicles	9	9	5	6

Source: City of Ashtabula Auditor's Office

2009	2008	2007	2006	2005	2004
95,943	95,943	95,943	95,943	95,943	95,943
3	2	4	8	6	6
0	2	6	4	4	3
2	2	2	3	2	2
3	4	4	4	4	3
1	1	1	1	1	1
14,491	14,491	14,491	14,491	14,491	14,491
32	40	33	35	44	44
1	1	1	1	1	1
11,560	11,560	11,560	11,560	11,560	11,560
10	8	8	8	7	7
25,050	25,050	25,050	25,050	25,050	25,050
97	97	97	97	97	97
6	6	6	6	6	6
53	54	54	54	50	49
29	29	28	30	25	25
9,100	9,100	9,100	9,100	9,100	9,100
9	10	10	10	12	12
8	8	8	8	8	8
2	2	2	2	2	2
1	1	1	1	1	1
4	4	4	4	4	4
1	1	1	1	1	1
6,420	6,420	6,420	6,420	6,420	6,420
336	336	336	336	336	336
1,944	1,944	1,944	1,944	1,944	n/a
22,344	22,344	22,344	22,344	22,344	22,344
92	92	92	92	92	92
76	76	76	76	76	76
5	5	6	11	11	11

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Sewer Billings (1)	\$2,538,450	\$2,961,690	\$2,346,108	\$2,499,499	\$2,480,146
Residential Trash Billings	<u>1,326,562</u>	<u>1,363,150</u>	<u>1,244,580</u>	<u>1,268,641</u>	<u>1,260,253</u>
Total Utility Billing	<u>\$3,865,012</u>	<u>\$4,324,840</u>	<u>\$3,590,688</u>	<u>\$3,768,140</u>	<u>\$3,740,399</u>
Sewer Collections (1)(2)	\$1,902,077	\$2,178,292	\$1,734,485	\$1,931,758	\$1,929,394
Residential Trash Collections(2)	<u>1,131,789</u>	<u>1,190,305</u>	<u>968,297</u>	<u>1,085,080</u>	<u>1,043,043</u>
Total Utility Billing Collections	<u>\$3,033,866</u>	<u>\$3,368,597</u>	<u>\$2,702,782</u>	<u>\$3,016,838</u>	<u>\$2,972,437</u>
Percentage Collected from Billings Before Outstanding Balances are Certified to Property Taxes	78.50%	77.89%	75.27%	80.06%	79.47%
Delinquent Sewer Collections(2)	\$468,186	\$459,392	\$501,466	\$492,898	\$520,624
Delinquent Residential Trash Collections(2)	<u>290,326</u>	<u>264,266</u>	<u>290,460</u>	<u>306,864</u>	<u>314,738</u>
Total Delinquent Collections	<u>\$758,512</u>	<u>\$723,658</u>	<u>\$791,926</u>	<u>\$799,762</u>	<u>\$835,362</u>

Source: City of Ashtabula Auditor's Office

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

(2) Delinquent collections are one year behind, ie: delinquent amounts collected in 2013 were for the amounts certified in 2012.

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

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Dave Yost • Auditor of State

CITY OF ASHTABULA

ASHTABULA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 10, 2014**