

CITY OF ASHTABULA

ASHTABULA COUNTY

Audit Report

For the Year Ended December 31, 2018





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

We have reviewed the *Independent Auditor's Report* of the City of Ashtabula, Ashtabula County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2018 through December 31, 2018. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

February 19, 2020

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City of Ashtabula
Ashtabula County
For the Year Ended December 31, 2018

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

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

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

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Ashtabula, Ashtabula County, (the City) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 26, 2019. We noted the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

However, we noted certain matters not requiring inclusion in this report that we have reported to the City's management in a separate letter dated December 26, 2019.

Purpose of this Report

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



Charles E. Harris & Associates, Inc.
December 26, 2019

City of Ashtabula, Ohio



Comprehensive Annual Financial Report

For The Year Ended
December 31, 2018

Prepared by the Finance Department

INTRODUCTORY SECTION

City of Ashtabula, Ohio

Comprehensive Annual Financial Report

For The Year Ended December 31, 2018

Prepared by:
The Finance Department

City of Ashtabula, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2018
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CITY OF ASHTABULA
FINANCE DEPARTMENT

MUNICIPAL BUILDING
4717 MAIN AVENUE
ASHTABULA, OHIO 44004

TRACI WELCH
FINANCE DIRECTOR



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December 26, 2019

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

The City of Ashtabula's (the City) Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2018 is hereby submitted for review. This report, prepared by the Finance Department, enables the City to comply with Ohio Administrative Code Section 117-02-03(B), which requires reporting on GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38 which requires the cities reporting on a GAAP basis to file an annual report with the Auditor of State within 150 days of year end. It represents the City of Ashtabula's operations and provides a clear, comprehensive, and materially accurate overview of the City's financial position at December 31, 2018.

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

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

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

In accordance with Ohio law, regular audits are required to be performed on all financial related operations of the City. These audits may be done by either the State Auditor's Office or, if the State Auditor permits, an independent public accounting firm. Charles E. Harris and Associates has issued an unmodified ("clean") opinion on the City of Ashtabula's financial statements for the year ended December 31, 2018. The independent auditor's report is located at the front of the financial section of this report.

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

Profile of the City

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

The City of Ashtabula encompasses 7.6 square miles is five hundred ninety feet above sea level. According to the 2010 census, the City's population was 19,680. The Ashtabula County area population is now estimated at approximately 97,807 with the City of Ashtabula population estimated at 18,079.

Form of Government

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

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

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

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

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

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

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

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

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. Beginning in January, 2019, the Health Department will be reported as discretely presented component unit. See Note 24 for additional information.

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

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

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

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

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

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

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

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

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

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

Accounting Systems and Budgetary Control

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

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

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

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

Economic Conditions and Outlook

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

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

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

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

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

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

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

Tourism continues to increase in the City however; the chief industries of the City and surrounding territory are still manufacturing, agriculture, dairying, coal, iron ore, rubber and transportation, including shipping. Industries such as Molded Fiberglass, which began in 1948, today produce compression molded parts with 300 employees at two Ashtabula plants. The "sandwich" of plastic, resin, 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. Chromaflo Technologies Corporation, the largest independent global colorant provider to the Coatings and Thermoset Plastics markets and Community Care Ambulance house headquarters in the City.

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

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

Major Initiatives

During the year, the City's new fire truck which was purchased in 2017 for \$492,011 was put into service and the Finance, Accounting and Billing software and hardware upgrade project was completed. Other noteworthy projects included \$128,402 to remodel the police department dispatch area; \$100,635 to resurface the Annex parking lot and a portion of the Municipal Building parking lot; \$33,209 to upgrade the Municipal Building parking lot wiring and lighting; and \$418,951 on road resurfacing and road improvements throughout the City.

The Ohio Department of Transportation, US Route 20 improvement project also completed in 2018, of which \$247,206 was the City's portion.

Electrical Improvements and the Ultra Violet Light Disinfection projects at the City's Wastewater Treatment Plant were completed in 2018. These improvements were part of the eight million dollars in improvements, funded with loans through the Ohio Water Development Authority. Improvements to the collection system continued with the start of Phase III of the Sanitary Sewer Overflow Elimination project and the Digester Rehabilitation. The Ohio Public Works Commission funded 70 percent of the project through grants and interest free loans with the City having an initial local match of 30 percent or \$78,000.

The Fire Department answered 2063 total incidents in 2018. Of those calls answered, 777 pertained to fires and 1,286 pertained to rescue and emergency medical service as a full partner in the City's EMS system. Revenue collected from EMS calls totaled \$119,618. The Fire Department also performed 27 fire investigations and provided mutual aid to surrounding communities.

The Sanitation Department services 7,000 households and 160 commercial accounts per week. Pick-up is mandatory for all residents, and businesses have the option of City pick-up or private hauler. The City contracted with Waste Management and expended \$468,024 in landfill fees for the rubbish collected by our trucks and the rubbish collected at our transfer station.

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

Future Projects

Phase III of the Sanitary Sewer Overflow Elimination and the Digester Rehabilitation will continue through 2019.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Ashtabula, Ohio, for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2017. This was the City of Ashtabula's twenty-ninth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The preparation of this report depends on the contributions of all City departments and many dedicated employees. Our gratitude of those primarily responsible for its completion is extended to all contributors, especially the employees in the Finance Department who have spent their time and energy on various parts of the project; as well as, the Local Government Services section of Auditor of State's office for their assistance in the organization and final review of our 2018 Comprehensive Annual Financial Report.

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

Respectfully submitted,

A handwritten signature in purple ink that reads "Traci Welch". The signature is written in a cursive style.

Traci R. Welch
Finance Director

City of Ashtabula, Ohio
List of Principal Officials

Elected City Officials

City Council

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

City Manager

James M Timonere

City Solicitor

Michael Franklin

Municipal Court Judge

Laura Digiacomio

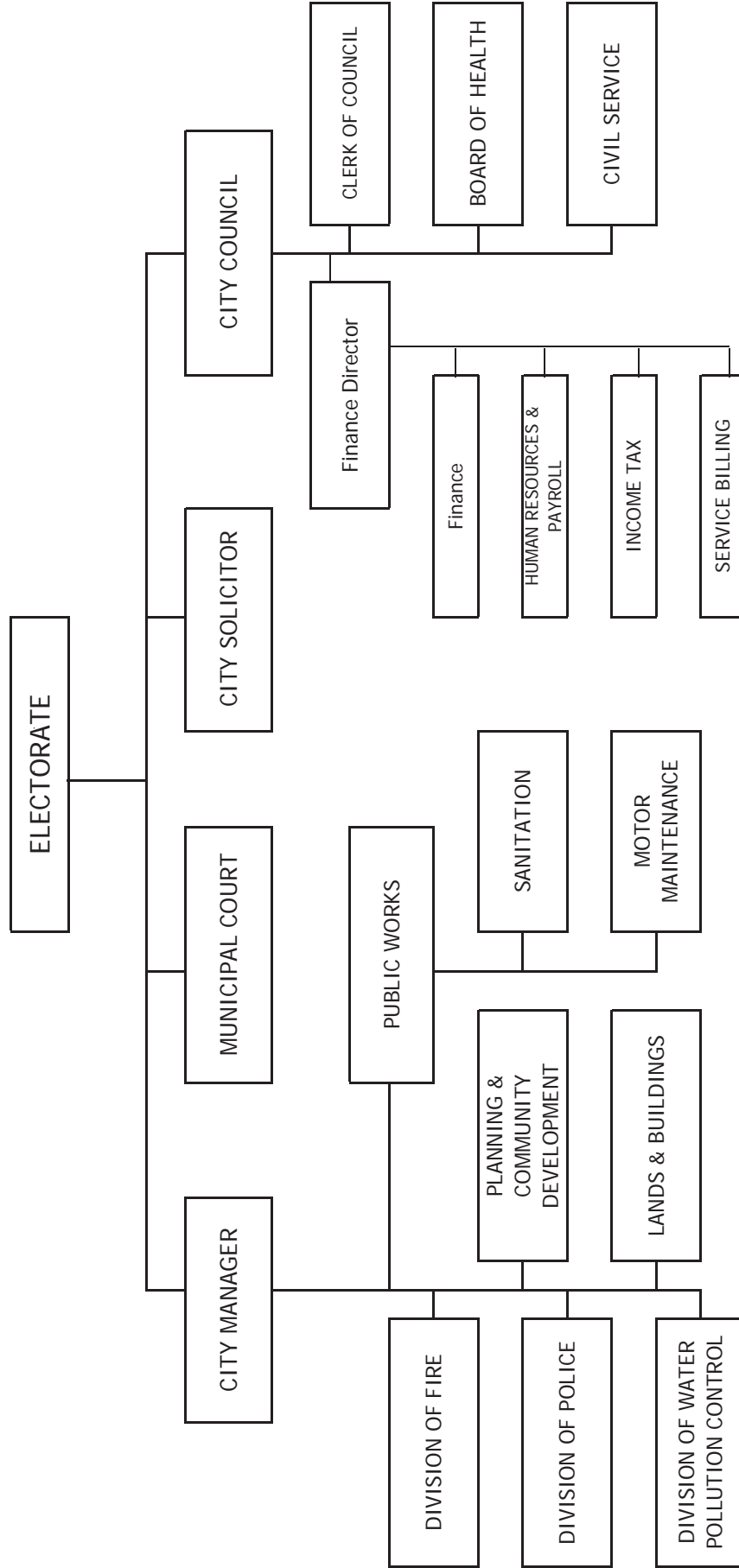
Appointed City Officials

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

*Carolyn S. Sheldon appointed Acting Finance Director 7/16/2018 and Traci R. Welch appointed Finance Director 10/1/2018.

CITY OF ASHTABULA, OHIO ORGANIZATIONAL CHART

December 31, 2018





Government Finance Officers Association

**Certificate of
Achievement
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Presented to

**City of Ashtabula
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morrill

Executive Director/CEO

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

To the City Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Ashtabula, Ashtabula County, Ohio (the City), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the remaining aggregate fund information of the City of Ashtabula, Ashtabula County, Ohio, as of December 31, 2018 and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General, Community Development Block Grant, Street Maintenance and Repair and Police Levy funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during the year ended December 31, 2018, the City adopted new guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 26, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Charles E. Harris & Associates, Inc.
December 26, 2019

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City of Ashtabula, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
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, 2018. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, and the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

- The assets and deferred outflows of the City of Ashtabula, Ohio exceeded its liabilities and deferred inflows at December 31, 2018 by \$23,328,107 (net position). Of this amount, the unrestricted balance is a deficit of \$20,297,410.
- The City's total net position increased by \$1.72 million during the year. Governmental activities total net position increased by \$1.29 million and the business-type activities, total net position increased by \$428,330.
- As of the close of the fiscal year, the City of Ashtabula's governmental funds reported combined ending fund balances of \$3,184,193, an increase from the prior year which is attributed to revenues and other financing sources exceeding expenditures and other financing uses in the current year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$748,925 or 8.04 percent of total general fund expenditures.

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 2018?" The Statement of Net Position and the Statement of Activities answers this question. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by the private sector companies; taking into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

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

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

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

Reporting the City of Ashtabula's Most Significant Funds

Fund Financial Statements

The analysis of the City's major funds begins on page 12. Fund financial reports provide detailed information about the City's major funds. Based on restrictions on the use of monies, the City has established many funds which account for the multitude of services provided to our residents. However, these fund financial statements focus on the City's most significant funds. In the case of the City of Ashtabula, major funds are the general, community development block grant, street maintenance and repair, police levy, permanent improvement, sanitation and wastewater treatment funds.

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

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, 2018
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 position for 2018 compared to 2017.

(Table 1)
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Assets						
Current and Other Assets	\$10,147,291	\$9,567,668	\$5,390,037	\$4,142,473	\$15,537,328	\$13,710,141
Capital Assets	34,575,400	31,819,675	19,517,561	19,330,856	54,092,961	51,150,531
<i>Total Assets</i>	<u>44,722,691</u>	<u>41,387,343</u>	<u>24,907,598</u>	<u>23,473,329</u>	<u>69,630,289</u>	<u>64,860,672</u>
Deferred Outflows of Resources						
Pension	2,967,234	3,457,659	575,857	1,096,142	3,471,860	4,553,801
OPEB	1,786,040	45,888	127,881	18,266	1,913,921	64,154
<i>Total Deferred Outflows of Resources</i>	<u>4,753,274</u>	<u>3,503,547</u>	<u>703,738</u>	<u>1,114,408</u>	<u>5,385,781</u>	<u>4,617,955</u>
Liabilities						
Current and Other Liabilities	1,289,165	1,067,209	649,642	488,456	1,938,807	1,555,665
Long-Term Liabilities:						
Due Within One Year	1,257,527	1,167,963	219,199	207,258	1,476,726	1,375,221
Due In More Than One Year:						
Net Pension Liability	13,968,432	14,619,372	1,997,028	2,780,680	15,965,460	17,400,052
Net OPEB Liability	12,071,686	9,544,405	1,317,120	1,181,346	13,388,806	10,725,751
Other Amounts Due In More Than One Year	6,627,803	6,857,348	7,613,386	7,065,749	14,241,189	13,923,097
<i>Total Liabilities</i>	<u>35,214,613</u>	<u>33,256,297</u>	<u>11,796,375</u>	<u>11,723,489</u>	<u>47,010,988</u>	<u>44,979,786</u>
Deferred Inflows of Resources						
Property Taxes	2,370,897	2,307,147	0	0	2,370,897	2,307,147
Pension	1,417,890	418,917	591,443	167,177	1,938,102	586,094
OPEB	269,859	0	98,117	0	367,976	0
<i>Total Deferred Inflows of Resources</i>	<u>4,058,646</u>	<u>2,726,064</u>	<u>689,560</u>	<u>167,177</u>	<u>4,676,975</u>	<u>2,893,241</u>
Net Position						
Net Investment in Capital Assets	28,981,792	26,009,181	11,714,565	12,256,683	40,696,357	38,265,864
Restricted for:						
Capital Projects	1,096,179	1,171,340	0	0	1,096,179	1,171,340
Debt Service	34,468	61,462	0	0	34,468	61,462
Community Development	169,489	182,868	0	0	169,489	182,868
Street Maintenance and Repair	604,488	555,152	0	0	604,488	555,152
Public Safety	342,604	360,798	0	0	342,604	360,798
Municipal Court	91,663	94,852	0	0	91,663	94,852
Other Purposes	590,269	539,299	0	0	590,269	539,299
Unrestricted (Deficit)	(21,708,246)	(20,066,423)	1,410,836	440,388	(20,297,410)	(19,626,035)
<i>Total Net Position</i>	<u>\$10,202,706</u>	<u>\$8,908,529</u>	<u>\$13,125,401</u>	<u>\$12,697,071</u>	<u>\$23,328,107</u>	<u>\$21,605,600</u>

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The net pension liability (NPL) is one of the largest liabilities reported by the City at December 31, 2018 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For 2018, the City adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting the net pension asset and deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the City's proportionate share of each plan's collective:

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

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

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

In accordance with GASB 68 and GASB 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability (asset) and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

As a result of implementing GASB 75, the City is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2017, from \$18,407,046 to \$8,908,529 for governmental activities and \$13,860,151 to \$12,697,071 for business-type activities.

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2018, the net positions of the City's governmental and business-type activities were \$10,202,706 and \$13,125,401, respectively.

Capital assets, reported on the government-wide statements, represent the largest portion of the City's assets. At year-end, capital assets represented 77.69 percent of total City assets. Capital assets include land, construction in progress, buildings and improvements, furniture, fixtures and equipment, licensed vehicles and infrastructure.

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

\$2,929,160 is the portion of the City's total net position that represents resources that are subject to external restrictions for how they may be used. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to its citizens and creditors.

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

Net position for governmental activities increased in 2018, which is attributed to an increase in property tax and income tax collections. Net investment in capital assets also increased due to the completion of capital projects and additions to major street improvements. Net position of the City's business type activities increased in 2018. Assets increased due to the continued wastewater treatment plant improvements affecting capital assets. Long term liabilities also increased due to OWDA and OPWC loans issued to pay for the continued wastewater treatment plant improvements. The following table gives readers further detail by comparing the changes in net position for 2018 and 2017.

City of Ashtabula, Ohio
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(Table 2)

Change in Net Position (continued)

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues						
Program Revenues						
Charges for Services	\$1,711,828	\$1,899,542	\$6,639,437	\$5,810,017	\$8,351,265	\$7,709,559
Operating Grants, Contributions and Interest	1,487,404	1,326,978	0	0	1,487,404	1,326,978
Capital Grants and Contributions	2,864,799	353,575	340,451	118,893	3,205,250	472,468
Total Program Revenues	6,064,031	3,580,095	6,979,888	5,928,910	13,043,919	9,509,005
General Revenues						
Property Taxes	2,607,522	2,203,254	0	0	2,607,522	2,203,254
Income Taxes	7,190,986	6,963,098	0	0	7,190,986	6,963,098
Hotel Taxes	732	370	0	0	732	370
Grants and Entitlements	783,909	811,616	0	0	783,909	811,616
Investment Earnings	4,469	3,580	0	0	4,469	3,580
Unrestricted Contributions	250	0	0	0	250	0
Franchise Fees	290,452	269,859	0	0	290,452	269,859
Gain on Sale of Capital Assets	21,735	0	0	0	21,735	0
Other	65,788	77,636	19,163	2,844	84,951	80,480
Total General Revenues	10,965,843	10,329,413	19,163	2,844	10,985,006	10,332,257
Total Revenues	17,029,874	13,909,508	6,999,051	5,931,754	24,028,925	19,841,262
Program Expenses						
General Government						
Legislative and Executive	2,265,480	2,135,112	0	0	2,265,480	2,135,112
Judicial System	1,322,561	1,254,676	0	0	1,322,561	1,254,676
Security of Persons and Property						
Police	4,893,717	4,707,610	0	0	4,893,717	4,707,610
Fire	2,981,749	3,054,167	0	0	2,981,749	3,054,167
Public Health Services	414,443	408,976	0	0	414,443	408,976
Street Maintenance and Repairs	2,853,250	2,790,436	0	0	2,853,250	2,790,436
Housing and Community						
Development	580,996	1,095,221	0	0	580,996	1,095,221
Sanitation Services	0	5,016	0	0	0	5,016
Leisure Time Activities	261,746	289,845	0	0	261,746	289,845
Interest and Fiscal Charges	166,507	136,251	0	0	166,507	136,251
Sanitation	0	0	2,252,634	1,805,365	2,252,634	1,805,365
Wastewater Treatment	0	0	4,313,335	4,078,229	4,313,335	4,078,229
Total Expenses	15,740,449	15,877,310	6,565,969	5,883,594	22,306,418	21,760,904
<i>Increase (Decrease) in Net Position Before Transfers</i>	1,289,425	(1,967,802)	433,082	48,160	1,722,507	(1,919,642)
Transfers	4,752	0	(4,752)	0	0	0
Change in Net Position	1,294,177	(1,967,802)	428,330	48,160	1,722,507	(1,919,642)
<i>Net Position Beginning of Year</i>	8,908,529	N/A	12,697,071	N/A	21,605,600	N/A
Net Position End of Year	\$10,202,706	\$8,908,529	\$13,125,401	\$12,697,071	\$23,328,107	(\$1,919,642)

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The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 governmental and business-type functional expenses still include OPEB expense of \$64,154 computed under GASB 45. GASB 45 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report negative OPEB expense of \$1,203,432. Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

	Governmental Activities	Business-Type Activities	Total
Total 2018 program expenses under GASB 75	\$15,740,449	\$6,565,969	\$22,306,418
Negative OPEB expense under GASB 75	(1,077,783)	(125,649)	(1,203,432)
2018 contractually required contribution	20,795	1,373	22,168
Adjusted 2018 program expenses	14,683,461	6,441,693	21,125,154
Total 2017 program expenses under GASB 45	15,877,310	5,883,594	21,760,904
Decrease in program expenses not related to OPEB	(\$1,193,849)	\$558,099	(\$635,750)

Governmental Activities

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

General revenues totaled \$10,965,843, and amounted to 64.39 percent of total governmental revenues. These revenues primarily consist of property tax and income tax revenues of \$2,607,522, and \$7,190,986, respectively. City income tax is the biggest contributor at 65.58 percent of the general revenues, 42.23 percent of total revenues and approximately 45.68 percent of governmental expenses. Income taxes received increased by \$227,888 during 2018 due to an increase in collections for estimated taxes. Property taxes received increased by \$404,268 due to the increase in the amount collected.

The county, state, and federal governments contributed \$1,487,404 of operating grants and contributions to the City. There was an increase from 2017 of \$2,511,224 in capital grants and contributions due to an increase in reimbursements received for capital projects completed during 2018. Of the total operating grants and contributions, \$212,585 subsidized security of persons and property; \$888,714 subsidized transportation programs; \$306,754 subsidized housing and community development programs and \$58,171 subsidized leisure time activities.

Business-Type Activities

The City's business-type activities include the wastewater treatment and sanitation. The wastewater program receives no support from tax revenues. The wastewater treatment plant treats sewage from the City of Ashtabula and surrounding townships. The facility generated operating revenues of \$4,675,968 and had operating expenses of \$4,170,788 during 2018. Expenses increased in 2018 due to increased expenditures for the water treatment plant. The City continues looking at ways to improve cash flow by reducing costs of operation. Charges for services increased during 2018 due to an increase in the collection of delinquent sewer, industrial pretreatment, and leachate collections. 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 but the City is looking into a rate increase to fund future improvements.

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Unaudited

The Sanitation Department receives charges for services revenue from residential rubbish pickup, commercial containers and from individuals dumping at the transfer station. In 2018, revenues from such services were \$1,982,632 while department expenses were \$2,242,707. The cost of landfill and pick -up fees was in excess of \$468,000 for 2018; recycling is encouraged as an effort to keep such landfill costs low. Delinquent trash bills are certified to the County Auditor for assessment on the property tax bill. Build up of trash creates a health hazard and blight to the neighborhoods therefore the residential trash collection service is not discontinued for lack of payment.

The City's Funds

As of December 31, 2018, the City's governmental funds reported a combined fund balance of \$3,184,193. Of that amount, \$718,997 represents unassigned fund balance, and \$102,312 is nonspendable because it has already been allocated to materials and supplies, prepaids and unclaimed monies. The remaining \$2,362,884 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 20. These funds are accounted for using the modified accrual basis of accounting.

The City's major governmental funds are the general fund, three special revenue funds – community development block grant, street maintenance and repair and police levy, as well as the permanent improvement capital projects fund. The general fund realized an increase in fund balance during the year with revenues exceeding expenditures by \$30,457 in 2018. This is due to an increase in collections of taxes.

The community development block grant fund saw a decrease in fund balance of \$28,627 in 2018, primarily due to a decrease in contributions designated for park improvements. The street maintenance and repair fund saw an increase in fund balance due to an increase in gas tax receipts for the year. The policy levy fund decreased as the expenditures outpaced the revenues received during the year. The permanent improvement capital projects fund decreased by \$166,389 due to increases in expenditures paid on capital projects.

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 2018, the City amended its general fund budget several times, none significant. All recommendations for a budget change come from the City Finance Director to the Finance and Ordinance committee of Council for review before going to the whole council for ordinance enactment on the change. The City does allow intra-fund budget changes that modify line items within the legislated level of appropriations. With the general fund supporting many of our major activities such as our police and fire departments as well as most legislative and executive activities, the general fund is monitored closely looking for possible revenue shortfalls or over spending by individual departments.

City of Ashtabula, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

Capital Assets and Debt Administration

Capital Assets

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

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$1,977,331	\$1,977,331	\$86,863	\$86,863	\$2,064,194	\$2,064,194
Construction in Progress	0	807,995	1,546,134	5,286,060	1,546,134	6,094,055
Buildings and Improvements	5,098,989	4,668,903	7,606,558	3,273,270	12,705,547	7,942,173
Furniture, Fixtures and Equipment	688,914	459,572	425,753	559,094	1,114,667	1,018,666
Vehicles	1,594,917	1,273,679	331,383	371,893	1,926,300	1,645,572
Infrastructure						
Bridges	14,281,060	14,403,987	0	0	14,281,060	14,403,987
Roads	8,336,101	5,580,458	0	0	8,336,101	5,580,458
Storm Sewers	1,230,376	1,254,552	0	0	1,230,376	1,254,552
Traffic Lights	1,367,712	1,393,198	0	0	1,367,712	1,393,198
Sanitary Sewers	0	0	9,520,870	9,753,676	9,520,870	9,753,676
Total	\$34,575,400	\$31,819,675	\$19,517,561	\$19,330,856	\$54,092,961	\$51,150,531

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

Governmental activity projects and additions for 2018 included a remodel to the police department dispatch, parking lot resurfacing, an upgrade to the City's financial system, a new sutphen pumper engine fire truck and a number of road improvements throughout the City.

The largest increase in business-type activities capital assets was primarily due to the completion of wastewater treatment plant improvement projects that have been added to depreciable capital assets under buildings and improvements. As part of the City's plan to renovate and upgrade the entire plant within ten years, monies were expended for electrical and lighting improvements and equipment. The City also purchased a 2018 Ford Transit van. See Note 15 for additional information about the City's capital assets.

Long-term Obligations

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

City of Ashtabula, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

(Table 4)
 Outstanding Long-term Obligations at Year End

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
SIB Bonds	\$3,495,000	\$3,755,000	\$0	\$0	\$3,495,000	\$3,755,000
SIB Loans	1,093,211	1,169,658	0	0	1,093,211	1,169,658
OPWC Loans	104,955	119,489	635,844	582,914	740,799	702,403
OWDA Loans	0	0	6,750,594	6,300,857	6,750,594	6,300,857
Capital Loans	118,832	0	0	0	118,832	0
Capital Leases Payable	573,630	636,519	4,258	10,416	577,888	646,935
Claims Payable	177,865	176,577	0	0	177,865	176,577
Compensated Absences	2,321,837	2,168,068	441,889	378,820	2,763,726	2,546,888
Net Pension Liability	13,968,432	14,619,372	1,997,028	2,780,680	15,965,460	17,400,052
Net OPEB Liability	12,071,686	9,544,405	1,317,120	1,181,346	13,388,806	10,725,751
Total	\$33,925,448	\$32,189,088	\$11,146,733	\$11,235,033	\$45,072,181	\$43,424,121

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

Ohio Public Works Commission loan for the Harbor Heights project are secured by future collections of special assessments. Residents have agreed to be assessed on their property taxes for a 20 year period commencing January 1, 1999 and ended July 2018 with final collections in 2019. In the event that the benefited property owner would fail to pay the assessment, payment would be made by the City.

During 2018, the City borrowed \$148,540 from ID Networks for the purpose of purchasing equipment for the police department.

The City borrowed an additional \$742,566 from OWDA to finance the WWTP improvements in 2018. When the projects are complete, the total debt will be \$8.4 million. The amount due to the Ohio Public Works Commission and the Ohio Water Development Authority for business-type activities are paid by sewer revenues collected from the users as part of their normal sewer bill.

The City's overall legal debt margin was \$17,490,532 at December 31, 2018. See Notes 16 and 17 for additional information about the City's long-term debt.

Current Related Financial Activities

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

City of Ashtabula, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

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

The City continued a conservative spending pattern in 2018 however; overall expenditures increased due to capital spending and increased debt service payments. Only capital items that management and City Council determined necessary, or had off-setting grant revenues were appropriated. A close watch of current economic conditions is ongoing to determine if increased revenues, or further reductions in expenditures, are necessary in order to maintain fiscal stability.

While the City's general fund unencumbered balance at year end 2018 was substantial at more than \$637,000, the true effect of the State of Ohio's local income tax reform specifically, implementing net operating loss carryovers, is unknown. The challenge of trying to find revenue streams to make-up the loss of local government funds remains constant. State funding issues are constantly monitored to determine the impact on the City and all of the City's financial abilities will be needed to meet the challenges of the future. Management is committed to working with all stakeholders to craft solutions that will most effectively use the available resources to continue to provide excellent services to the residents of the City.

Contacting the City's Finance Department

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

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City Of Ashtabula, Ohio
Statement of Net Position
December 31, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total*	
Assets				
Equity in Pooled Cash and Cash Equivalents	\$3,777,964	\$2,044,760	\$5,822,724	\$149,387
Cash and Cash Equivalents in Segregated Accounts	46,903	0	46,903	0
Cash and Cash Equivalents with Fiscal Agent	259,969	0	259,969	0
Accounts Receivable	501,688	3,284,067	3,785,755	0
Intergovernmental Receivable	1,126,556	22,124	1,148,680	0
Materials and Supplies Inventory	58,077	18,185	76,262	0
Prepaid Items	119,379	20,901	140,280	0
Property Taxes Receivable	2,835,331	0	2,835,331	0
Income Taxes Receivable	1,401,826	0	1,401,826	0
Special Assessments Receivable	10,300	0	10,300	0
Due from Component Unit	9,298	0	9,298	0
Nondepreciable Capital Assets	1,977,331	1,632,997	3,610,328	1,732,135
Depreciable Capital Assets	32,598,069	17,884,564	50,482,633	158,313
<i>Total Assets</i>	<u>44,722,691</u>	<u>24,907,598</u>	<u>69,630,289</u>	<u>2,039,835</u>
Deferred Outflows of Resources				
Pension	2,967,234	575,857	3,471,860	0
OPEB	1,786,040	127,881	1,913,921	0
<i>Total Deferred Outflows of Resources</i>	<u>4,753,274</u>	<u>703,738</u>	<u>5,385,781</u>	<u>0</u>
Liabilities				
Accounts Payable	130,630	62,322	192,952	2,500
Contracts Payable	391,231	382,702	773,933	0
Accrued Wages	270,719	72,688	343,407	0
Intergovernmental Payable	237,388	88,404	325,792	110,000
Retainage Payable	15,248	29,598	44,846	0
Accrued Interest Payable	35,451	13,928	49,379	0
Claims Payable	208,498	0	208,498	0
Due to Primary Government	0	0	0	9,298
Long-Term Liabilities:				
Due Within One Year	1,257,527	219,199	1,476,726	41,080
Due In More Than One Year:				
Net Pension Liability (See Note 21)	13,968,432	1,997,028	15,965,460	0
Net OPEB Liability (See Note 22)	12,071,686	1,317,120	13,388,806	0
Other Amounts Due In More Than One Year	6,627,803	7,613,386	14,241,189	56,723
<i>Total Liabilities</i>	<u>35,214,613</u>	<u>11,796,375</u>	<u>47,010,988</u>	<u>219,601</u>
Deferred Inflows of Resources				
Property Taxes	2,370,897	0	2,370,897	0
Pension	1,417,890	591,443	1,938,102	0
OPEB	269,859	98,117	367,976	0
<i>Total Deferred Inflows of Revenue</i>	<u>4,058,646</u>	<u>689,560</u>	<u>4,676,975</u>	<u>0</u>
Net Position				
Net Investment in Capital Assets	28,981,792	11,714,565	40,696,357	1,816,979
Restricted for:				
Capital Projects	1,096,179	0	1,096,179	0
Debt Service	34,468	0	34,468	0
Community Development	169,489	0	169,489	0
Street Maintenance and Repair	604,488	0	604,488	0
Public Safety	342,604	0	342,604	0
Municipal Court	91,663	0	91,663	0
Other Purposes	590,269	0	590,269	0
Unrestricted (Deficit)	(21,708,246)	1,410,836	(20,297,410)	3,255
<i>Total Net Position</i>	<u>\$10,202,706</u>	<u>\$13,125,401</u>	<u>\$23,328,107</u>	<u>\$1,820,234</u>

*After deferred outflows of resources and deferred inflows of resources related to the change in internal proportionate share of pension related items have been eliminated.

See accompanying notes to the basic financial statements

City of Ashtabula, Ohio
Statement of Activities
For the Year Ended December 31, 2018

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions and Interest	Capital Grants and Contributions
Governmental Activities				
General Government:				
Legislative and Executive	\$2,265,480	\$247,644	\$6,598	\$0
Judicial System	1,322,561	311,639	12,669	0
Security of Persons and Property:				
Police	4,893,717	430,392	168,204	0
Fire	2,981,749	280,977	44,381	0
Public Health Services	414,443	80,632	1,913	0
Street Maintenance and Repairs	2,853,250	182,336	888,714	2,864,799
Housing and Community Development	580,996	178,208	306,754	0
Leisure Time Activities	261,746	0	58,171	0
Interest and Fiscal Charges	166,507	0	0	0
<i>Total Governmental Activities</i>	<u>15,740,449</u>	<u>1,711,828</u>	<u>1,487,404</u>	<u>2,864,799</u>
Business-Type Activities				
Sanitation	2,252,634	1,964,039	0	22,395
Wastewater Treatment	4,313,335	4,675,398	0	318,056
<i>Total Business-Type Activities</i>	<u>6,565,969</u>	<u>6,639,437</u>	<u>0</u>	<u>340,451</u>
<i>Total Primary Government</i>	<u>\$22,306,418</u>	<u>\$8,351,265</u>	<u>\$1,487,404</u>	<u>\$3,205,250</u>
Component Unit				
Asthtabula Port Authority	<u>\$60,270</u>	<u>\$41,286</u>	<u>\$44,798</u>	<u>\$0</u>

General Revenues

Property Taxes Levied for:
 General Purposes
 Capital Outlay
 Other Purposes
Income Taxes Levied for:
 General Purposes
 Capital Outlay
Hotel Taxes
Grants and Entitlements not Restricted to Specific Programs
Investment Earnings
Unrestricted Contributions
Franchise Taxes
Gain on Sale of Capital Assets
Other

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year - Restated (See Note 3)

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
(\$2,011,238)	\$0	(\$2,011,238)	\$0
(998,253)	0	(998,253)	0
(4,295,121)	0	(4,295,121)	0
(2,656,391)	0	(2,656,391)	0
(331,898)	0	(331,898)	0
1,082,599	0	1,082,599	0
(96,034)	0	(96,034)	0
(203,575)	0	(203,575)	0
(166,507)	0	(166,507)	0
<u>(9,676,418)</u>	<u>0</u>	<u>(9,676,418)</u>	<u>0</u>
0	(266,200)	(266,200)	0
0	680,119	680,119	0
<u>0</u>	<u>413,919</u>	<u>413,919</u>	<u>0</u>
(9,676,418)	413,919	(9,262,499)	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>25,814</u>
911,158	0	911,158	0
388,128	0	388,128	0
1,308,236	0	1,308,236	0
6,475,818	0	6,475,818	0
715,168	0	715,168	0
732	0	732	0
783,909	0	783,909	0
4,469	0	4,469	980
250	0	250	0
290,452	0	290,452	0
21,735	0	21,735	0
65,788	19,163	84,951	0
10,965,843	19,163	10,985,006	980
4,752	(4,752)	0	0
<u>10,970,595</u>	<u>14,411</u>	<u>10,985,006</u>	<u>980</u>
1,294,177	428,330	1,722,507	26,794
<u>8,908,529</u>	<u>12,697,071</u>	<u>21,605,600</u>	<u>1,793,440</u>
<u>\$10,202,706</u>	<u>\$13,125,401</u>	<u>\$23,328,107</u>	<u>\$1,820,234</u>

City of Ashtabula, Ohio

Balance Sheet

Governmental Funds

December 31, 2018

	General	Community Development Block Grant	Street Maintenance and Repair	Police Levy	Permanent Improvement
Assets					
Equity in Pooled Cash and Cash Equivalents	\$680,539	\$160,191	\$211,722	\$25,590	\$722,749
Cash and Cash Equivalents In Segregated Accounts	31,149	0	0	0	0
Receivables:					
Property Taxes	988,635	0	0	549,016	421,010
Income Taxes	1,261,642	0	0	0	140,184
Accounts	141,995	0	53,779	0	0
Special Assessments	0	0	0	0	0
Intergovernmental Receivable	397,248	198,499	385,744	12,505	24,807
Materials and Supplies Inventory	4,930	0	50,064	0	0
Prepaid Items	9,436	0	3,138	0	0
Due from Component Unit	0	9,298	0	0	0
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	31,661	0	0	0	0
Total Assets	\$3,547,235	\$367,988	\$704,447	\$587,111	\$1,308,750
Liabilities					
Accounts Payable	\$83,163	\$0	\$6,208	\$0	\$2,704
Contracts Payable	0	183,251	0	0	207,980
Retainage Payable	0	15,248	0	0	0
Accrued Wages	223,032	0	19,911	16,040	0
Intergovernmental Payable	88,581	0	11,478	4,300	2,956
Interfund Payable	100,000	0	0	0	0
Total Liabilities	494,776	198,499	37,597	20,340	213,640
Deferred Inflows of Resources					
Property Tax	826,360	0	0	459,511	351,901
Unavailable Revenue	1,208,425	15,248	314,699	102,010	165,965
Total Deferred Inflows of Resources	2,034,785	15,248	314,699	561,521	517,866
Fund Balances					
Nonspendable	46,027	0	53,202	0	0
Restricted	0	154,241	298,949	5,250	577,244
Committed	0	0	0	0	0
Assigned	222,722	0	0	0	0
Unassigned (Deficit)	748,925	0	0	0	0
Total Fund Balances	1,017,674	154,241	352,151	5,250	577,244
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$3,547,235	\$367,988	\$704,447	\$587,111	\$1,308,750

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, 2018*

Other Governmental Funds	Total Governmental Funds	Total Governmental Funds Balances	\$3,184,193
\$1,170,996	\$2,971,787	<i>Amounts reported for governmental activities in the statement of net position are different because</i>	
15,754	46,903	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	34,575,400
876,670	2,835,331	Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable in the funds:	
0	1,401,826	Delinquent Property Taxes	464,434
305,914	501,688	Municipal Income Taxes	720,480
10,300	10,300	Intergovernmental	657,586
107,753	1,126,556	Special Assessments	10,300
3,083	58,077	Charges for Services	260,033
0	12,574	Fees, Licences and Permits	119,139
0	9,298	Rentals	150
0	31,661	Franchise Taxes	97,961
0	31,661	Total	2,330,083
\$2,490,470	\$9,006,001	In the statement of activities, interest is accrued on outstanding debt, whereas in the governmental funds, an interest expenditure is reported when due.	(35,451)
\$37,555	\$129,630	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	391,231	Net Position	830,539
0	15,248	Claims Payable	177,865
11,736	270,719	Total	1,008,404
106,685	214,000	Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
0	100,000	SIB Bonds	(3,495,000)
155,976	1,120,828	SIB Loan	(1,093,211)
733,125	2,370,897	Capital Loan	(118,832)
523,736	2,330,083	OPWC Loan	(104,955)
1,256,861	4,700,980	Claims Payable	(177,865)
3,083	102,312	Capital Lease	(573,630)
921,155	1,956,839	Compensated Absences	(2,321,837)
183,323	183,323	Total	(7,885,330)
0	222,722	The net pension liability and net OPEB liability are not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in the governmental funds:	
(29,928)	718,997	Deferred Outflows - Pension	2,967,234
1,077,633	3,184,193	Deferred Inflows - Pension	(1,417,890)
\$2,490,470	\$9,006,001	Net Pension Liability	(13,968,432)
\$2,490,470	\$9,006,001	Deferred Outflows - OPEB	1,786,040
		Deferred Inflows - OPEB	(269,859)
		Net OPEB Liability	(12,071,686)
		Total	(22,974,593)
		<i>Net Position of Governmental Activities</i>	\$10,202,706

City of Ashtabula, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2018

	General	Community Development Block Grant	Street Maintenance and Repair	Police Levy	Permanent Improvement
Revenues					
Property Taxes	\$882,265	\$0	\$0	\$486,609	\$375,720
Municipal Income Tax	6,544,816	0	0	0	722,833
Hotel Taxes	760	0	0	0	0
Charges for Services	350,129	0	50	0	0
Licenses and Permits	41,799	0	0	0	0
Fines and Forfeitures	549,500	0	0	0	0
Intergovernmental	897,893	187,996	781,618	26,507	2,864,105
Special Assessments	0	0	0	0	0
Interest	2,009	0	104	0	0
Rentals	168,314	0	0	0	0
Franchise Taxes	281,961	0	0	0	0
Contributions and Donations	250	0	0	0	0
Other	51,540	535	1,146	0	11,706
<i>Total Revenues</i>	<u>9,771,236</u>	<u>188,531</u>	<u>782,918</u>	<u>513,116</u>	<u>3,974,364</u>
Expenditures					
Current:					
General Government:					
Legislative and Executive	2,086,542	0	0	0	0
Judicial System	1,037,623	0	0	0	0
Security of Persons and Property:					
Police	3,295,813	0	0	574,921	0
Fire	2,447,831	0	0	0	0
Public Health Services	302,796	0	0	0	0
Street Maintenance and Repairs	135,782	0	783,162	0	0
Housing and Community Development	0	217,158	0	0	0
Leisure Time Activities	0	0	0	0	0
Capital Outlay	0	0	0	0	3,736,977
Debt Service:					
Principal Retirement	0	0	0	0	429,044
Interest and Fiscal Charges	3,892	0	0	0	145,007
<i>Total Expenditures</i>	<u>9,310,279</u>	<u>217,158</u>	<u>783,162</u>	<u>574,921</u>	<u>4,311,028</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>460,957</u>	<u>(28,627)</u>	<u>(244)</u>	<u>(61,805)</u>	<u>(336,664)</u>
Other Financing Sources (Uses)					
Capital Loan Issued	0	0	0	0	148,540
Sale of Capital Assets	0	0	0	0	21,735
Transfers In	0	0	50,000	0	0
Transfers Out	(430,500)	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(430,500)</u>	<u>0</u>	<u>50,000</u>	<u>0</u>	<u>170,275</u>
<i>Net Change in Fund Balances</i>	30,457	(28,627)	49,756	(61,805)	(166,389)
<i>Fund Balances Beginning of Year</i>	<u>987,217</u>	<u>182,868</u>	<u>302,395</u>	<u>67,055</u>	<u>743,633</u>
<i>Fund Balances End of Year</i>	<u>\$1,017,674</u>	<u>\$154,241</u>	<u>\$352,151</u>	<u>\$5,250</u>	<u>\$577,244</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, 2018*

Other Governmental Funds	Total Governmental Funds	Net Change in Fund Balances - Total Governmental Funds	\$10,037
\$780,404	\$2,524,998	<i>Amounts reported for governmental activities in the statement of activities are different because</i>	
0	7,267,649	Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period:	
0	760	Capital Outlay	5,073,782
308,587	658,766	Depreciation	(1,923,934)
242,616	284,415	Total	3,149,848
214,321	763,821	Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.	
377,531	5,135,650		(394,123)
11,082	11,082	Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:	
0	2,113	Delinquent Property Taxes	82,524
0	168,314	Municipal Income Taxes	(76,663)
7,850	281,961	Intergovernmental	(7,388)
861	65,788	Special Assessments	(10,300)
1,943,252	17,173,417	Charges for Services	(274,119)
		Fees, Licenses and Permits	109,699
		Hotel Taxes	(28)
		Rentals	150
		Franchise Taxes	8,491
		Total	(167,634)
		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.	
			443,578
		Accrued interest is reported as an expenditure when due in the governmental funds, but is accrued on outstanding debt on the statement of net position.	
			(17,608)
		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.	
			(153,769)
		Other financing sources in the governmental funds that increase long-term liabilities in the statement of net position are not reported as revenues in the statement of activities:	
		Capital Loan Issued	(148,540)
		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.	
			467,834
		Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	
		Pension	1,148,659
		OPEB	20,795
		Total	1,169,454
		Except for amounts reported as deferred inflows/outflows, changes in net pension liability are reported as pension expense in the statement of activities.	
		Pension	(1,987,117)
		OPEB	(1,077,783)
		Total	(3,064,900)
\$1,077,633	\$3,184,193	<i>Change in Net Position of Governmental Activities</i>	\$1,294,177

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$886,462	\$886,462	\$882,265	(\$4,197)
Municipal Income Tax	6,033,046	6,033,046	6,400,530	367,484
Hotel Taxes	372	372	1,102	730
Charges for Services	413,015	413,015	345,112	(67,903)
Licenses and Permits	42,355	42,355	44,869	2,514
Fines and Forfeitures	524,901	524,901	568,991	44,090
Intergovernmental	775,633	902,617	898,600	(4,017)
Interest	1,404	1,404	2,009	605
Rentals	158,600	158,600	164,625	6,025
Franchise Fees	251,668	251,668	281,961	30,293
Contributions and Donations	250	250	250	0
Other	31,712	31,712	49,760	18,048
<i>Total Revenues</i>	9,119,418	9,246,402	9,640,074	393,672
Expenditures				
Current:				
General Government:				
Legislative and Executive	2,107,952	2,103,769	2,003,914	99,855
Judicial System	994,686	1,042,582	1,042,204	378
Security of Persons and Property:				
Police	3,193,596	3,267,759	3,251,089	16,670
Fire	2,341,323	2,440,120	2,436,071	4,049
Public Health Services	298,082	299,169	298,948	221
Street Maintenance and Repairs	120,822	135,984	135,782	202
Debt Service:				
Principal Retirement	122,091	122,091	122,091	0
Interest and Fiscal Charges	6,309	6,776	5,880	896
<i>Total Expenditures</i>	9,184,861	9,418,250	9,295,979	122,271
<i>Excess of Revenues Over (Under) Expenditures</i>	(65,443)	(171,848)	344,095	515,943
Other Financing Sources (Uses)				
Advances Out	0	(25,000)	(25,000)	0
Transfers Out	(119,731)	(441,096)	(430,500)	10,596
<i>Total Other Financing Sources (Uses)</i>	(119,731)	(466,096)	(455,500)	10,596
<i>Net Change in Fund Balance</i>	(185,174)	(637,944)	(111,405)	526,539
<i>Fund Balance Beginning of Year</i>	702,918	702,918	702,918	0
Prior Year Encumbrances Appropriated	45,675	45,675	45,675	0
<i>Fund Balance End of Year</i>	\$563,419	\$110,649	\$637,188	\$526,539

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, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$19,000	\$19,000	\$15,452	(\$3,548)
Contributions and Donations	131,000	131,000	0	(131,000)
Other	0	0	535	535
<i>Total Revenues</i>	150,000	150,000	15,987	(134,013)
Expenditures				
Current:				
Housing and Community Development	40,000	266,475	145,429	121,046
<i>Net Change in Fund Balance</i>	110,000	(116,475)	(129,442)	(12,967)
<i>Fund Balance Beginning of Year</i>	162,863	162,863	162,863	0
<i>Fund Balance End of Year</i>	<u>\$272,863</u>	<u>\$46,388</u>	<u>\$33,421</u>	<u>(\$12,967)</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$0	\$50	\$50	\$0
Intergovernmental	757,000	750,000	779,984	29,984
Interest	0	0	104	104
Other	0	0	1,146	1,146
<i>Total Revenues</i>	757,000	750,050	781,284	31,234
Expenditures				
Current:				
Street Maintenance and Repairs	826,912	861,977	823,340	38,637
<i>Excess of Revenues Over (Under) Expenditures</i>	(69,912)	(111,927)	(42,056)	69,871
Other Financing Sources (Uses)				
Transfers In	0	50,000	50,000	0
<i>Net Change in Fund Balance</i>	(69,912)	(61,927)	7,944	69,871
<i>Fund Balance Beginning of Year</i>	194,295	194,295	194,295	0
Prior Year Encumbrances Appropriated	3,030	3,030	3,030	0
<i>Fund Balance End of Year</i>	<u>\$127,413</u>	<u>\$135,398</u>	<u>\$205,269</u>	<u>\$69,871</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
Police Levy Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$466,000	\$486,608	\$486,609	\$1
Intergovernmental	25,003	25,003	26,507	1,504
<i>Total Revenues</i>	491,003	511,611	513,116	1,505
Expenditures				
Current:				
Security of Persons and Property:				
Police	570,371	578,785	570,801	7,984
<i>Net Change in Fund Balance</i>	(79,368)	(67,174)	(57,685)	9,489
<i>Fund Balance Beginning of Year</i>	83,275	83,275	83,275	0
<i>Fund Balance End of Year</i>	<u>\$3,907</u>	<u>\$16,101</u>	<u>\$25,590</u>	<u>\$9,489</u>

See accompanying notes to the basic financial statements

City of Ashtabula, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2018

	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	\$107,030	\$1,937,730	\$2,044,760	\$774,516
Cash and Cash Equivalents				
with Fiscal Agent	0	0	0	259,969
Accounts Receivable	1,021,505	2,262,562	3,284,067	0
Interfund Receivable	0	0	0	100,000
Materials and Supplies Inventory	0	18,185	18,185	0
Prepaid Items	4,180	16,721	20,901	106,805
Intergovernmental Receivable	2,160	19,964	22,124	0
<i>Total Current Assets</i>	<u>1,134,875</u>	<u>4,255,162</u>	<u>5,390,037</u>	<u>1,241,290</u>
<i>Noncurrent Assets:</i>				
<i>Capital Assets:</i>				
Capital Assets, Nondepreciable	29,100	1,603,897	1,632,997	0
Capital Assets, Depreciable, Net	624,101	17,260,463	17,884,564	0
<i>Total Noncurrent Assets</i>	<u>653,201</u>	<u>18,864,360</u>	<u>19,517,561</u>	<u>0</u>
<i>Total Assets</i>	<u>1,788,076</u>	<u>23,119,522</u>	<u>24,907,598</u>	<u>1,241,290</u>
Deferred Outflows of Resources				
Pension	198,175	377,682	575,857	0
OPEB	52,464	75,417	127,881	0
<i>Total Deferred Outflows of Resources</i>	<u>250,639</u>	<u>453,099</u>	<u>703,738</u>	<u>0</u>
Liabilities				
<i>Current Liabilities:</i>				
Accounts Payable	21,311	41,011	62,322	1,000
Contracts Payable	0	382,702	382,702	0
Accrued Wages	31,364	41,324	72,688	0
Intergovernmental Payable	17,447	70,957	88,404	23,388
Retainage Payable	0	29,598	29,598	0
Accrued Interest Payable	0	13,928	13,928	0
Compensated Absences Payable	68,274	79,139	147,413	0
Claims Payable	0	0	0	261,363
Capital Leases Payable	0	4,258	4,258	0
Loans Payable	0	67,528	67,528	0
<i>Total Current Liabilities</i>	<u>138,396</u>	<u>730,445</u>	<u>868,841</u>	<u>285,751</u>
<i>Long-Term Liabilities (net of current portion):</i>				
Compensated Absences Payable	129,022	165,454	294,476	0
Claims Payable	0	0	0	125,000
Loans Payable	0	7,318,910	7,318,910	0
Net Pension Liability	819,293	1,177,735	1,997,028	0
Net OPEB Liability	540,357	776,763	1,317,120	0
<i>Total Long-Term Liabilities</i>	<u>1,488,672</u>	<u>9,438,862</u>	<u>10,927,534</u>	<u>125,000</u>
<i>Total Liabilities</i>	<u>1,627,068</u>	<u>10,169,307</u>	<u>11,796,375</u>	<u>410,751</u>
Deferred Inflows of Resources				
Pension	246,565	344,878	591,443	0
OPEB	40,253	57,864	98,117	0
<i>Total Deferred Inflows of Resources</i>	<u>286,818</u>	<u>402,742</u>	<u>689,560</u>	<u>0</u>
Net Position				
Net Investment in Capital Assets	653,201	11,061,364	11,714,565	0
Unrestricted (Deficit)	(528,372)	1,939,208	1,410,836	830,539
<i>Total Net Position</i>	<u>\$124,829</u>	<u>\$13,000,572</u>	<u>\$13,125,401</u>	<u>\$830,539</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, 2018*

	Business-Type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
	Sanitation	Wastewater Treatment	Total	
Operating Revenues				
Charges for Services	\$1,964,039	\$4,668,898	\$6,632,937	\$2,854,374
Tap-In Fees	0	6,500	6,500	0
Miscellaneous	18,593	570	19,163	0
<i>Total Revenues</i>	<u>1,982,632</u>	<u>4,675,968</u>	<u>6,658,600</u>	<u>2,854,374</u>
Operating Expenses				
Personal Services	1,317,338	1,775,672	3,093,010	0
Contractual Services	589,527	1,075,271	1,664,798	575,126
Materials and Supplies	155,024	174,637	329,661	0
Depreciation	180,818	1,145,208	1,326,026	0
Claims	0	0	0	1,813,770
<i>Total Operating Expenses</i>	<u>2,242,707</u>	<u>4,170,788</u>	<u>6,413,495</u>	<u>2,388,896</u>
<i>Operating Income (Loss)</i>	<u>(260,075)</u>	<u>505,180</u>	<u>245,105</u>	<u>465,478</u>
Non Operating Revenues (Expenses)				
Interest on Investments	0	0	0	2,356
Loss on Disposal of Capital Assets	(8,765)	(31,284)	(40,049)	0
Interest and Fiscal Charges	(1,162)	(111,263)	(112,425)	0
<i>Total Non Operating Revenue (Expenses)</i>	<u>(9,927)</u>	<u>(142,547)</u>	<u>(152,474)</u>	<u>2,356</u>
<i>Income (Loss) Before Capital Contributions and Transfers</i>	<u>(270,002)</u>	<u>362,633</u>	<u>92,631</u>	<u>467,834</u>
Capital Contributions	22,395	318,056	340,451	0
Transfers Out	0	(4,752)	(4,752)	0
<i>Change in Net Position</i>	<u>(247,607)</u>	<u>675,937</u>	<u>428,330</u>	<u>467,834</u>
<i>Net Position Beginning of Year - Restated (See Note 3)</i>	<u>372,436</u>	<u>12,324,635</u>	<u>12,697,071</u>	<u>362,705</u>
<i>Net Position End of Year</i>	<u>\$124,829</u>	<u>\$13,000,572</u>	<u>\$13,125,401</u>	<u>\$830,539</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, 2018

	Business-Type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
	Sanitation	Wastewater		
		Treatment	Total	
<i>Increase (Decrease) In Cash and Cash Equivalents</i>				
Cash Flows from Operating Activities				
Cash Received from Customers	\$1,747,696	\$4,326,274	\$6,073,970	\$0
Cash Received from Tap-In Fees	0	6,500	6,500	0
Cash Received from Interfund Services	0	0	0	2,861,214
Cash Payments Received from Other Operating Sources	18,593	570	19,163	0
Cash Payments for Employee Services and Benefits	(1,134,355)	(1,581,269)	(2,715,624)	0
Cash Payments to Suppliers for Goods and Services	(739,031)	(1,258,899)	(1,997,930)	(661,548)
Cash Payments for Claims	0	0	0	(1,832,812)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>(107,097)</u>	<u>1,493,176</u>	<u>1,386,079</u>	<u>366,854</u>
Cash Flows from Noncapital Financing Activities				
Advances In	0	0	0	25,000
Transfers Out	0	(4,752)	(4,752)	0
<i>Net Cash Provided by Noncapital Financing Activities</i>	<u>0</u>	<u>(4,752)</u>	<u>(4,752)</u>	<u>25,000</u>
Cash Flows from Capital and Related Financing Activities				
Capital Contribution	22,395	99,593	121,988	0
Proceeds of OWDA Loan	0	742,566	742,566	0
Proceeds of OPWC Loan	0	98,487	98,487	0
Principal Paid on OWDA Loans	0	(292,829)	(292,829)	0
Principal Paid OPWC Loans	0	(45,557)	(45,557)	0
Principal Paid on Notes	(30,335)	(107,574)	(137,909)	0
Principal Paid on Capital Lease	0	(6,158)	(6,158)	0
Interest Paid on OWDA Loan	0	(94,803)	(94,803)	0
Interest Paid on Notes	(1,656)	(3,942)	(5,598)	0
Interest Paid on Capital Lease	0	(342)	(342)	0
Payments for Capital Acquisitions	0	(1,126,498)	(1,126,498)	0
<i>Net Cash Provided by (Used for) Capital and Related Financing Activities</i>	<u>(9,596)</u>	<u>(737,057)</u>	<u>(746,653)</u>	<u>0</u>
Cash Flows from Investing Activities				
Interest on Investments	0	0	0	2,356
<i>Net Increase (Decrease) In Cash and Cash Equivalents</i>	<u>(116,693)</u>	<u>751,367</u>	<u>634,674</u>	<u>394,210</u>
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>223,723</u>	<u>1,186,363</u>	<u>1,410,086</u>	<u>640,275</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$107,030</u>	<u>\$1,937,730</u>	<u>\$2,044,760</u>	<u>\$1,034,485</u>

(continued)

City of Ashtabula, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2018

	Business-Type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
	Sanitation	Wastewater Treatment	Total	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
<i>Operating Income (Loss)</i>	(\$260,075)	\$505,180	\$245,105	\$465,478
Adjustments:				
Depreciation	180,818	1,145,208	1,326,026	0
(Increase)/ Decrease in Assets:				
Accounts Receivable	(214,183)	(342,624)	(556,807)	0
Intergovernmental Receivable	(2,160)	0	(2,160)	6,840
Materials and Supplies Inventory	158	(13,216)	(13,058)	0
Prepaid Items	(4,180)	(16,721)	(20,901)	81,415
Deferred Outflows - Pension	176,856	258,683	435,539	0
Deferred Outflows - OPEB	31,744	45,633	77,377	0
Increase/ (Decrease) in Liabilities:				
Accounts Payable	9,587	17,520	27,107	1,000
Contracts Payable	0	0	0	(1,250)
Accrued Wages	2,489	(407)	2,082	0
Compensated Absences Payable	45,856	17,213	63,069	0
Intergovernmental Payable	12,183	18,258	30,441	20,633
Claims Payable	0	0	0	(207,262)
Net Pension Liability	17,819	25,615	43,434	0
Net OPEB Liability	29,303	42,125	71,428	0
Deferred Inflows - Pension	(123,249)	(194,825)	(318,074)	0
Deferred Inflows - OPEB	(10,063)	(14,466)	(24,529)	0
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>(\$107,097)</u>	<u>\$1,493,176</u>	<u>\$1,386,079</u>	<u>\$366,854</u>

Noncash Capital Financing Activities

In 2017, the Wastewater Treatment enterprise fund had contracts payable and retainage payable in the amounts of \$24,495 and \$179,986 related to capital acquisitions.

In 2018, governmental activities made a capital contribution to the Wastewater Treatment enterprise fund, in the amount of \$198,499.

In 2018, the Wastewater Treatment enterprise fund had contracts payable and retainage payable in the amounts of \$382,702 and \$29,598 related to capital acquisitions.

At December 31, 2018, the City had an intergovernmental receivable related to capital contributions of \$19,964 in the Wastewater Treatment enterprise fund.

See accompanying notes to the basic financial statements

City of Ashtabula, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2018

Assets	
Equity in Pooled Cash and Cash Equivalents	\$228,417
Cash and Cash Equivalents in Segregated Accounts	<u>56,629</u>
<i>Total Assets</i>	<u><u>\$285,046</u></u>
 Liabilities	
Intergovernmental Payable	\$93,395
Deposits Held and Due to Others	<u>191,651</u>
<i>Total Liabilities</i>	<u><u>\$285,046</u></u>

See accompanying notes to the basic financial statements

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

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 25). 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 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 25.

The City participates in the Jefferson Health Plan, an insurance purchasing pool. Information about this organization is presented in Note 23 to the basic financial statements.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

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, 2018

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

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

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

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

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

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

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

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

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

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

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

Measurement Focus

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

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

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

Basis of Accounting

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

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

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

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

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB are explained in Notes 20 and 21.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the City, deferred inflows of resources include property taxes, unavailable revenue, pension and OPEB. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2018, but which were levied to finance year 2019 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represent receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, municipal income taxes, special assessments, intergovernmental grants, fees, licenses and permits, rentals, ambulance charges and franchise taxes. These amounts are deferred and recognized as an inflow of resources in the period the amounts became available. The details of these unavailable revenues are identified on the reconciliation of total governmental fund balances to net position of governmental activities on page 21. Deferred inflows of resources related to pension and OPEB are reported on the government-wide statement of net position (See Notes 20 and 21).

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

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

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

Budgets

All funds, except agency funds, are legally required to be budgeted and appropriated. The recycling grant special revenue fund did not have any budgetary activity during 2018; therefore budgetary information is not provided. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the department and object level within each fund.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
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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 2018.

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

Cash and Cash Equivalents

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

The City participates in the Jefferson Health Plan insurance consortium for self-insurance. These monies are reflected in the statement of net position as “cash and cash equivalents with fiscal agents.” The Jefferson County Educational Service Center serves as the fiscal agent for the insurance consortium.

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 and Municipal Court are included in this line item.

During 2018, the City invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, *Certain External Investment Pools and Pool Participants*. The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2018, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four hours advance notice is appreciated for deposits and withdrawals of \$25 million or more. STAR Ohio reserves the right to limit the transactions to \$100 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purpose.

Interest is distributed to the general fund and certain special revenue funds of the City. Interest revenue credited to the general fund during 2018 amounted to \$2,009, which includes \$1,491 assigned from other City funds.

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.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

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 assets in the general fund represents unclaimed monies.

Inventory

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

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2018, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of purchase and reflecting the expenditure/expense in the year in which it was consumed.

Capital Assets

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

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

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:

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

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

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

Compensated Absences

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

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

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 fiscal year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits. Bonds, capital leases 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.

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.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance, or by State Statute. State statute authorizes the Finance Director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. City Council assigned fund balance to cover a gap between estimated revenue and appropriations in 2019's appropriated budget.

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

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

Net Position

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

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

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

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 or from contributions from governmental activities.

Interfund Balances

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

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

Interfund Activity

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

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.

Internal Eliminations

Deferred inflows of resources and deferred outflows of resources from the change in internal proportionate share related to pension items are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts between governmental and business-type activities. These residual amounts are eliminated in the total column of the entity wide statement of net position.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

Estimates

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

Note 3 – Change in Accounting Principles and Restatement of Net Position

For fiscal year 2018, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 85, *Omnibus 2017*, Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, and related guidance from (GASB) Implementation Guide No. 2017-3, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)*.

For 2018, the City also implemented the Governmental Accounting Standards Board’s (GASB) *Implementation Guide No. 2017-1*. These changes were incorporated in the City’s 2018 financial statements; however, there was no effect on beginning net position/fund balance.

GASB 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits (OPEB)). These changes were incorporated in the City’s fiscal year 2018 financial statements; however, there was no effect on beginning net position/fund balance.

GASB 89 establishes accounting requirements for interest cost incurred before the end of a construction period. These changes were incorporated in the City’s 2018 financial statements; however, there was no effect on beginning net position.

GASB 75 established standards for measuring and recognizing Postemployment benefit liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported December 31, 2017:

	Governmental Activities	Business - Type Activities
Net Position December 31, 2017	\$18,407,046	\$13,860,151
Adjustments:		
Net OPEB Liability	(9,544,405)	(1,181,346)
Deferred Outflow - Payments Subsequent to Measurement Date	45,888	18,266
Restated Net Position December 31, 2017	\$8,908,529	\$12,697,071

	Sanitation	Wastewater Treatment	Total Enterprise
Net Position December 31, 2017	\$849,598	\$13,010,553	\$13,860,151
Adjustments:			
Net OPEB Liability	(484,655)	(696,691)	(1,181,346)
Deferred Outflow - Payments Subsequent to Measurement Date	7,493	10,773	18,266
Restated Net Position December 31, 2017	\$372,436	\$12,324,635	\$12,697,071

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

Other than employer contributions subsequent to the measurement date, the City made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

Note 4 – Fund Balances

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

Fund Balances	General	Community Development Block Grant	Street Maintenance and Repair	Police Levy	Permanent Improvement	Other Governmental Funds	Total
<i>Nonspendable</i>							
Inventory	\$4,930	\$0	\$50,064	\$0	\$0	\$3,083	\$58,077
Prepays	9,436	0	3,138	0	0	0	12,574
Unclaimed Monies	31,661	0	0	0	0	0	31,661
<i>Total Nonspendable</i>	46,027	0	53,202	0	0	3,083	102,312
<i>Restricted for</i>							
Capital Improvement	0	0	0	0	577,244	144,990	722,234
Debt Service	0	0	0	0	0	59,619	59,619
Community Development	0	154,241	0	0	0	0	154,241
Street Maintenance and Repair	0	0	298,949	0	0	127,935	426,884
Public Safety	0	0	0	5,250	0	141,823	147,073
Municipal Court Services	0	0	0	0	0	157,697	157,697
Other Purposes:							
Recycling Grants	0	0	0	0	0	60,935	60,935
Park Improvements	0	0	0	0	0	183,156	183,156
Other Grants	0	0	0	0	0	45,000	45,000
<i>Total Restricted</i>	0	154,241	298,949	5,250	577,244	921,155	1,956,839
<i>Committed to</i>							
Code Enforcement	0	0	0	0	0	169,546	169,546
Public Health Nursing	0	0	0	0	0	13,777	13,777
<i>Total Committed</i>	0	0	0	0	0	183,323	183,323
<i>Assigned to</i>							
Purchases on Order:							
Supplies	3,270	0	0	0	0	0	3,270
Year 2019 Appropriations	219,452	0	0	0	0	0	219,452
<i>Total Assigned</i>	222,722	0	0	0	0	0	222,722
<i>Unassigned (Deficit)</i>	748,925	0	0	0	0	(29,928)	718,997
<i>Total Fund Balances</i>	\$1,017,674	\$154,241	\$352,151	\$5,250	\$577,244	\$1,077,633	\$3,184,193

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

Note 5 – Fund Deficits

The food service and police pension special revenue funds had deficit fund balances as of December 31, 2018 in the amount of \$1,355 and \$28,573, respectively. The deficits in the special revenue funds 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 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. Unreported cash represents amounts received but not included as revenue on the budgetary statements, but reported on the operating statements prepared using GAAP.
4. Encumbrances are treated as expenditures (budget) rather than as restricted, committed or assigned fund balance (GAAP).
5. Principal payment on short-term note obligations are reported on the operating statement (budget) rather than on the balance sheet (GAAP).
6. Advances In and 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	Police Levy
GAAP Basis	\$30,457	(\$28,627)	\$49,756	(\$61,805)
Net Adjustment for Revenue Accruals	(99,695)	(172,544)	(1,634)	0
Ending Value Unrecorded Cash	(31,467)	0	0	0
Net Adjustment for Expenditure Accruals	179,936	198,499	(33,725)	4,120
Advances Out	(25,000)	0	0	0
Principal Retirement	(122,091)	0	0	0
Encumbrances	(43,545)	(126,770)	(6,453)	0
Budget Basis	<u>(\$111,405)</u>	<u>(\$129,442)</u>	<u>\$7,944</u>	<u>(\$57,685)</u>

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

Note 7 – Interfund Transfers and Balances

Interfund Transfers

Interfund transfers for the year ended December 31, 2018, consisted of the following:

Transfers To	Transfers From		Totals
	General	Wastewater Treatment	
Major Governmental Funds:			
Street Maintenance and Repair	\$50,000	\$0	\$50,000
Other Governmental Funds	380,500	4,752	385,252
Totals	\$430,500	\$4,752	\$435,252

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

Interfund Balances

Interfund balances consisted of a \$225,000 advance made in 2010 from the workers’ compensation fund to the general fund due to an overall decrease in revenues in the general fund. The general fund began repaying the advance back to the workers’ compensation fund in \$25,000 increments over 10 years in 2012. As of December 31, 2018, the balance was \$100,000.

Internal Balances – Change in Proportionate Share

The City uses an internal proportionate share to allocate its net pension/OPEB liability and corresponding deferred outflows/inflows of resources and pension/OPEB to its various funds. This allocation creates a change in internal proportionate share. The effects of the internal of the internal proportionate share are eliminated from the pension/OPEB deferred outflows/inflows of resources in the governmental and business-type activities columns of the statement of net position, except for any residual amounts between governmental and business-type activities. These residual amounts are eliminated in the total column of the entity-wide statement of net position, thus allowing the total column to present the change in proportionate share for the City as a whole.

Eliminations made in the total column of the entity-wide statement of net position include deferred outflow of resources for the governmental activities and deferred inflow of resources for the business-type activities (\$9,260 sanitation enterprise fund and \$61,971 related to the wastewater treatment enterprise fund) in the amount of \$71,321.

Note 8 - Deposits and Investments

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

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

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

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

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

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

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

Investments in stripped principal or interest obligations, reverse repurchase agreement and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited.

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

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

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.

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2018, \$1,899,645 of the City's total bank balance of \$6,364,417 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. The City's financial institution participates in the Ohio Pooled Collateral System (OPCS) and was approved for a reduced collateral floor of 50 percent resulting in the uninsured and uncollateralized balance.

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

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

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

At December 31, 2018, the City's self-insurance internal service fund had a balance of \$259,969 with the Jefferson Health Plan, a claims servicing pool (See Note 24). The money is held by the claims servicer in a pooled account which is representative of numerous entities and therefore cannot be classified by risk under GASB Statement 3. The classification of cash and cash equivalents and investments for the Jefferson Health Plan as a whole may be obtained from the Plan's fiscal agent, the Jefferson County Educational Service Center. To obtain financial information, write to the Jefferson Health Plan, Steubenville, Ohio 43952.

Investments

At December 31, 2018, the City had \$104,081 invested in STAR Ohio with an average maturity of 44.9 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.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

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

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

Note 9 - Receivables

Receivables at December 31, 2018, consisted primarily of taxes, accounts (billings for utility service), special assessments and amounts due from other governments. All receivables, except property taxes 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.

The City has loaned money to the Ashtabula Port Authority (component unit). The loan has an interest rate of 4.5 percent and is to be repaid over twenty years. No allowances for doubtful accounts have been recorded. This loan is classified as "due from component unit" on the financial statements.

Special assessment collections expected to be collected in one year amount to \$10,300 in the debt service fund. At December 31, 2018, there were no delinquent special assessments.

Intergovernmental Receivables

A summary of intergovernmental receivables follows:

	Amounts
Governmental Activities	
Local Government	\$321,152
Gasoline and Excise Tax	276,227
Grants	222,880
Homestead and Rollback Taxes	135,174
Permissive Tax	98,936
Auto License Tax	55,417
Ashtabula County	9,270
Dispatch Services	7,500
<i>Total Governmental Activities</i>	\$1,126,556
Business-type Activities	
Grants	19,964
Ashtabula County	2,160
<i>Total Business-type Activities</i>	\$22,124

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2018 for real and public utility property taxes represents collections of 2017 taxes.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

2018 real property taxes are levied after October 1, 2018 on the assessed value as of January 1, 2018 the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2018 real property taxes are collected in and intended to finance 2019.

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. 2018 public utility property taxes which became a lien December 31, 2017, are levied after October 1, 2018, and are collected in 2019 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2018, was \$13.31 per \$1,000 of assessed value. The assessed values of real property and public utility property upon which 2018 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Estate	
Residential/Agricultural	\$123,280,970
Other Real Estate	59,284,160
Tangible Personal	
Public Utility Property	<u>28,272,550</u>
Total Assessed Values	<u><u>\$210,837,680</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, 2018 and for which there is an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2018 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collective delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

Income Taxes

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

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

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

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

Note 10 – Tax Abatements

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

Real Estate tax abatements

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

Income tax abatement programs

The City of Ashtabula enacted Codified Ordinance Chapter 193; Grants to Aid Economic Development in 2010, the purpose being to maintain Ashtabula’s competitiveness as a site for location of new businesses and the expansion of existing businesses. Pursuant to Ohio Revised Code Chapter 718 and City ordinance, the City provides an income tax incentive to the company based upon, the amount of excess income tax generated annually and the number of jobs created by the business. The abatement is administered as a refund based upon the company’s payroll taxes. Also, the time period of the incentive in years, is determined by the company’s estimate of average annual payroll attributable to new jobs created during the first three (3) years. The cap on the incentive is at 75 percent of refund of excess income tax per year, and the incentive period is limited to no more than 15 years. As of December 31, 2018, the City did not have any taxes abated by this program.

Below is the information relevant to the disclosure of those programs for the year ended December 31, 2018.

Tax Abatement Program	Total Amount of Taxes Abated (Incentives Abated) for the year 2018 (In Actual Dollars)
<i>Community Reinvestment Area (CRA)</i>	
- Professional Buildings	\$10,433
- Restaurants	1,158

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

Note 11 - Contingent Liabilities

Litigation

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

Federal and State Grants

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

Note 12 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2018, the City contracted with Argonaut Insurance Company for various types of insurance as follows:

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

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

For 2018, the City participated in the Jefferson Health Plan, an insurance purchasing pool. Each participant enters into an individual agreement with the Plan for insurance coverage and pays annual premiums to the Plan based on the types and limits of coverage and deductibles selected by the participant. The City offers medical, surgical, and dental insurances to employees through a self-insurance internal service fund. The City's monthly premiums are paid to the fiscal agent who in turn pays the claims on the City's behalf. The claims liability of \$208,498 reported in the internal service funds at December 21, 2018, is estimated by and based on the requirements of the Governmental Accounting Standards Board Statement No. 30 which required that a liability for unpaid claim costs, including estimates of costs relating to incurred but not report claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the self-insurance funds' claims liability amounts for 2017 and 2018 were:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2017	\$16,752	\$1,680,601	(\$1,280,305)	\$417,048
2018	417,048	1,785,905	(1,994,455)	208,498

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

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 \$177,865 have been accrued as a liability in the workers' compensation internal service fund at December 31, 2018 based on the requirements of the Governmental Accounting Standards Board Statement No. 30 which required that a liability for unpaid claims costs, including estimates of costs relating to incurred but not report claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the workers' compensation internal service funds' claims liability amounts in the last two years is as follows:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2017	\$177,990	\$117,834	(\$119,247)	\$176,577
2018	176,577	27,865	(26,577)	177,865

Note 13 - Compensated Absences

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

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

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

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

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

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

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

Note 14 - Related Party Transactions

The Ashtabula Port Authority, a discretely presented component unit of the City of Ashtabula, receives contributions from the City for salaries for the administration, implementation and supervision of its projects. During 2018, the City made \$11,700 in contributions to the Port Authority. The City of Ashtabula cosigns for debt that the Ashtabula Port Authority issues and also appoints the board of the Ashtabula Port Authority.

Note 15 - Capital Assets

Capital asset activity for the year ended December 31, 2018, was as follows:

	Balance 12/31/2017	Additions	Deductions	Balance 12/31/2018
Business-Type Activities:				
<i>Capital Assets not being Depreciated:</i>				
Land	\$86,863	\$0	\$0	\$86,863
Construction in Progress	5,286,060	1,593,691	(5,333,617)	1,546,134
<i>Total Capital Assets not being Depreciated:</i>	<u>5,372,923</u>	<u>1,593,691</u>	<u>(5,333,617)</u>	<u>1,632,997</u>
<i>Capital Assets being Depreciated:</i>				
Buildings and Improvements	9,179,247	5,124,969	0	14,304,216
Furniture, Fixtures and Equipment	3,048,775	135,362	(39,217)	3,144,920
Vehicles	1,630,225	32,375	(369,979)	1,292,621
Infrastructure:				
Sanitary Sewer System	15,545,626	0	(26,330)	15,519,296
<i>Total Capital Assets being Depreciated:</i>	<u>29,403,873</u>	<u>5,292,706</u>	<u>(435,526)</u>	<u>34,261,053</u>
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(5,905,977)	(791,681)	0	(6,697,658)
Furniture, Fixtures and Equipment	(2,489,681)	(258,013)	28,527	(2,719,167)
Vehicles	(1,258,332)	(65,616)	362,710	(961,238)
Infrastructure:				
Sanitary Sewer System	(5,791,950)	(210,716)	4,240	(5,998,426)
<i>Total Accumulated Depreciation</i>	<u>(15,445,940)</u>	<u>(1,326,026)</u>	<u>395,477</u>	<u>(16,376,489)</u>
Total Capital Assets being Depreciated, Net	<u>13,957,933</u>	<u>3,966,680</u>	<u>(40,049)</u>	<u>17,884,564</u>
Business-type Activities Capital Assets, Net	<u><u>\$19,330,856</u></u>	<u><u>\$5,560,371</u></u>	<u><u>(\$5,373,666)</u></u>	<u><u>\$19,517,561</u></u>

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

Sanitation	(\$180,818)
Wastewater Treatment	<u>(1,145,208)</u>
Total Depreciation Expense	<u><u>(\$1,326,026)</u></u>

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

	Balance 12/31/2017	Additions	Deductions	Balance 12/31/2018
Governmental Activities:				
<i>Capital Assets not being Depreciated</i>				
Land	\$1,977,331	\$0	\$0	\$1,977,331
Construction in Progress	807,995	239,882	(1,047,877)	0
<i>Total Capital Assets not being Depreciated</i>	<u>2,785,326</u>	<u>239,882</u>	<u>(1,047,877)</u>	<u>1,977,331</u>
<i>Capital Assets being Depreciated</i>				
Buildings and Improvements	12,287,103	826,131	(86,345)	13,026,889
Furniture, Fixtures and Equipment	3,297,661	416,372	(21,293)	3,692,740
Vehicles	4,256,243	484,226	(163,815)	4,576,654
Infrastructure:				
Bridges	16,808,632	0	0	16,808,632
Roads	16,285,726	4,155,048	(958,558)	19,482,216
Storm Sewers	2,619,251	0	0	2,619,251
Traffic Lights	1,520,129	0	0	1,520,129
<i>Total Capital Assets being Depreciated</i>	<u>57,074,745</u>	<u>5,881,777</u>	<u>(1,230,011)</u>	<u>61,726,511</u>
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(7,618,200)	(346,586)	36,886	(7,927,900)
Furniture, Fixtures and Equipment	(2,838,089)	(208,163)	42,426	(3,003,826)
Vehicles	(2,982,564)	(162,988)	163,815	(2,981,737)
Infrastructure:				
Bridges	(2,404,645)	(122,927)	0	(2,527,572)
Roads	(10,705,268)	(1,033,608)	592,761	(11,146,115)
Storm Sewers	(1,364,699)	(24,176)	0	(1,388,875)
Traffic Lights	(126,931)	(25,486)	0	(152,417)
<i>Total Accumulated Depreciation</i>	<u>(28,040,396)</u>	<u>(1,923,934)</u>	<u>835,888</u>	<u>(29,128,442)</u>
Total Capital Assets being Depreciated, Net	<u>29,034,349</u>	<u>3,957,843</u>	<u>(394,123)</u>	<u>32,598,069</u>
Governmental Activities Capital Assets, Net	<u><u>\$31,819,675</u></u>	<u><u>\$4,197,725</u></u>	<u><u>(\$1,442,000)</u></u>	<u><u>\$34,575,400</u></u>

Depreciation expense was charged to governmental functions as follows:

General Government	
Legislative and Executive	\$96,996
Judicial	70,465
Security of Persons and Property	
Police	180,225
Fire	88,506
Public Health Services	4,234
Street Maintenance and Repair	1,367,969
Housing and Community Development	38,071
Leisure Time Activities	77,468
Total Depreciation Expense	<u><u>\$1,923,934</u></u>

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

Note 16 – Short-Term Debt

A summary of note transactions for the year ended December 31, 2018, follows:

	Outstanding 12/31/2017	Additions	(Reductions)	Outstanding 12/31/2018
Governmental Activities				
<i>General Fund</i>				
Early Retirement Incentive 2017	\$122,091	\$0	(\$122,091)	\$0
Business-Type Activities				
<i>Sanitation</i>				
Early Retirement Incentive 2017	30,335	0	(30,335)	0
<i>Wastewater Treatment</i>				
Early Retirement Incentive 2017	107,574	0	(107,574)	0
Total Business-Type Activities	137,909	0	(137,909)	0
Total Notes Payable	\$260,000	\$0	(\$260,000)	\$0

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

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>State Infrastructure Bank:</i>				
Bonds	2014	6.25 %	\$4,010,000	2030
Loans	2014	3.00	1,229,083	2030
<i>Special Assessment Loans:</i>				
OPWC Loan - Harbor Heights	2000	0.00	195,647	2020
<i>Ohio Public Works Commission:</i>				
West Avenue Bridge	2015	0.00	44,286	2035
<i>Capital Loan:</i>				
Police Department Equipment	2018	0.00	149,540	2022
Business-Type Activities				
<i>Ohio Water Development Authority:</i>				
Final Settling Tanks Upgrade	2015	3.18	765,214	2045
Wastewater Plant Improvements	2015	1.50	767,638	2037
Wastewater Primary Tanks	2016	0.69	833,044	N/A
Wastewater Digesters	2018	2.14	245,003	N/A
<i>Ohio Public Works Commission:</i>				
Morton Drive Siphon Improvement	2008	0.00	183,659	2029
Michigan Avenue - EQ Basin	2008	0.00	500,000	2029
Chemical Feed Building	2012	0.00	42,961	2033
West Harbor Sewer Phase I	2014	0.00	111,724	2035
West Harbor Sewer Phase II	2015	0.00	47,180	2035
Sanitary Sewer Overflow Phase I	2018	0.00	43,923	2038
Sanitary Sewer Overflow Phase 2	2018	0.00	54,564	N/A

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

A schedule of changes in bonds and other long-term obligations of the City during 2018 follows:

	Principal Outstanding 12/31/2017	Additions	Deletions	Principal Outstanding 12/31/2018	Amounts Due in One Year
Governmental Activities					
<i>State Infrastructure Bank:</i>					
Bonds	\$3,755,000	\$0	\$260,000	\$3,495,000	\$260,000
Loan	1,169,658	0	76,447	1,093,211	92,186
<i>Total State Infrastructure Bank</i>	<u>4,924,658</u>	<u>0</u>	<u>336,447</u>	<u>4,588,211</u>	<u>352,186</u>
<i>Special Assessment OPWC Loan:</i>					
Harbor Heights	24,457	0	9,782	14,675	9,782
<i>OPWC Loan:</i>					
West Avenue Bridge	95,032	0	4,752	90,280	4,752
<i>Total OPWC Loans:</i>	<u>119,489</u>	<u>0</u>	<u>14,534</u>	<u>104,955</u>	<u>14,534</u>
<i>Other Long-term Obligations:</i>					
Capital Loan	0	148,540	29,708	118,832	29,708
Capital Leases	636,519	0	62,889	573,630	128,803
Claims Payable	176,577	27,865	26,577	177,865	52,865
Compensated Absences	2,168,068	836,559	682,790	2,321,837	679,431
<i>Total Other Long-term Obligations:</i>	<u>2,981,164</u>	<u>1,012,964</u>	<u>801,964</u>	<u>3,192,164</u>	<u>890,807</u>
<i>Net Pension Liability:</i>					
OPERS	4,349,270	0	1,225,714	3,123,556	0
OPF	10,270,102	574,774	0	10,844,876	0
<i>Total Net Pension Liability:</i>	<u>14,619,372</u>	<u>574,774</u>	<u>1,225,714</u>	<u>13,968,432</u>	<u>0</u>
<i>Net OPEB Liability:</i>					
OPERS	1,847,746	212,365	0	2,060,111	0
OPF	7,696,659	2,314,916	0	10,011,575	0
<i>Total Net OPEB Liability:</i>	<u>9,544,405</u>	<u>2,527,281</u>	<u>0</u>	<u>12,071,686</u>	<u>0</u>
<i>Total Governmental Activities</i>	<u>\$32,189,088</u>	<u>\$4,115,019</u>	<u>\$2,378,659</u>	<u>\$33,925,448</u>	<u>\$1,257,527</u>
	Principal Outstanding 12/31/2017	Additions	Deletions	Principal Outstanding 12/31/2018	Amounts Due in One Year
Business-type Activities					
<i>OWDA Loans:</i>					
Final Settling Tanks Upgrade	\$869,586	\$5,600	\$0	\$875,186	\$20,873
Wastewater Plant Improvements	3,324,786	143,228	160,976	3,307,038	0
Wastewater Primary Tanks	2,106,485	348,735	131,853	2,323,367	0
Wastewater Digesters	0	245,003	0	245,003	0
<i>Total OWDA Loans</i>	<u>6,300,857</u>	<u>742,566</u>	<u>292,829</u>	<u>6,750,594</u>	<u>20,873</u>

(continued)

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

	Principal Outstanding 12/31/2017	Additions	Deletions	Principal Outstanding 12/31/2018	Amounts Due in One Year
Business-type Activities (continued)					
<i>OPWC Loans:</i>					
Morton Drive Siphon Improvement	\$128,561	\$0	\$9,183	\$119,378	\$9,183
Michigan Avenue - EQ Basin	275,000	0	25,000	250,000	25,000
Chemical Feed Building	33,295	0	2,148	31,147	2,148
West Harbor Sewer - Phase I	97,758	0	5,586	92,172	5,586
West Harbor Sewer - Phase II	48,300	0	2,542	45,758	2,542
Sanitary Sewer Overflow Phase I	0	43,923	1,098	42,825	2,196
Sanitary Sewer Overflow Phase II	0	54,564	0	54,564	0
<i>Total OPWC Loans</i>	<u>582,914</u>	<u>98,487</u>	<u>45,557</u>	<u>635,844</u>	<u>46,655</u>
<i>Other Long-term Obligations:</i>					
Capital Leases	10,416	0	6,158	4,258	4,258
Compensated Absences	378,820	219,710	156,641	441,889	147,413
<i>Total Other Long-term Obligations</i>	<u>389,236</u>	<u>219,710</u>	<u>162,799</u>	<u>446,147</u>	<u>151,671</u>
<i>Net Pension Liability:</i>					
OPERS	2,780,680	0	783,652	1,997,028	0
<i>Net OPEB Liability:</i>					
OPERS	1,181,346	135,774	0	1,317,120	0
<i>Total Business-type Activities</i>	<u>\$11,235,033</u>	<u>\$1,196,537</u>	<u>\$1,284,837</u>	<u>\$11,146,733</u>	<u>\$219,199</u>

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

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

Lines of credit have been established with the Ohio Water Development Authority in the amount of \$7,618,911 for various projects in the wastewater enterprise fund. Since the loan repayment schedules have not yet been finalized, a repayment schedule is not included in the schedule of debt service requirements. Until a final repayment schedule is available, the City is paying based on estimates. The balance of these loans is as follows:

	December 31, 2018	Lines of Credit
Business-type Activities		
Wastewater Plant Improvements	\$3,307,038	\$3,678,322
Wastewater Primary Tanks	2,323,367	2,807,921
Wastewater Plant Digesters	245,003	1,132,668
Total	<u>\$5,875,408</u>	<u>\$7,618,911</u>

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

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

Lines of credit have been established with the Ohio Public Works Commission in the amount of \$182,000 for sanitary sewer overflow in the wastewater enterprise fund. Since the loan repayment schedules have not yet been finalized, a repayment schedule is not included in the schedule of debt service requirements. Until a final repayment schedule is available, the City is paying based on estimates. The balance of these loans at December 31, 2018 is \$54,564.

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

The City has pledged future wastewater treatment sewer bill charges to repay the OWDA, and OPWC loans. The loans are payable solely from net revenues and are payable through 2045. Annual principal and interest payments on the loans are expected to require 26.5 percent of net revenues. The total principal and interest remaining to be paid on the loans is \$7,821,805 payable through 2045. Principal and interest paid for the current year and total net revenues were \$433,189 and \$1,650,388 respectively.

Compensated absences will be paid from the general fund, the code enforcement, food service, street maintenance and repair, special revenue funds and the sanitation and wastewater treatment enterprise funds. The capital loan with ID Networks issued to purchase police equipment will be paid from the permanent improvement capital projects fund. Claims payable will be paid from the workers' compensation internal service fund (See Note 12). There is no repayment schedule for the net pension liability and net OPEB liability. However, employer pension/OPEB contributions are made from the following funds: the general fund, the policy levy, food service, street maintenance and repair, fire pension, police pension and community development block grant special revenue funds and the sanitation and wastewater treatment enterprise funds. For additional information related to the net pension liability and net OPEB liability see Notes 20 and 21.

The City's overall legal debt margin was \$17,490,532 at December 31, 2018. Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2018, are as follows:

Governmental Activities

	State Infrastructure Bank				Special Assessment OPWC Loan Harbor Heights	OPWC Loan West Avenue Bridge	Capital Loan
	Bonds		Loans				
	Principal	Interest	Principal	Interest			
2019	\$260,000	\$102,942	\$92,186	\$32,111	\$9,782	\$4,752	\$29,708
2020	270,000	97,692	94,972	29,324	4,893	4,752	29,708
2021	270,000	91,618	97,842	26,455	0	4,752	29,708
2022	280,000	83,442	100,801	23,495	0	4,752	29,708
2023	290,000	74,967	103,846	20,450	0	4,752	0
2024-2028	1,595,000	232,164	475,184	55,973	0	23,760	0
2029-2033	530,000	17,972	128,380	3,869	0	23,760	0
2034-2038	0	0	0	0	0	19,000	0
Total	<u>\$3,495,000</u>	<u>\$700,797</u>	<u>\$1,093,211</u>	<u>\$191,677</u>	<u>\$14,675</u>	<u>\$90,280</u>	<u>\$118,832</u>

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

Business-type Activities

	OPWC	OWDA Loans	
	Loans	Principal	Interest
2019	\$46,655	\$20,873	\$27,666
2020	46,655	21,542	26,997
2021	46,655	22,232	26,307
2022	46,655	22,944	25,595
2023	46,655	23,680	24,859
2024-2028	233,275	130,284	112,411
2029-2033	88,835	152,547	90,148
2034-2038	25,895	178,613	64,082
2039-2043	0	209,133	33,562
2044-2045	0	93,338	3,740
Total	<u>\$581,280</u>	<u>\$875,186</u>	<u>\$435,367</u>

Note 18 - Leases

Capital Leases

During 2018, the City entered into capitalized leases for police cruisers, public works equipment and a sanitation truck. These leases meet the criteria for a capital lease and have been recorded on the governmental-wide and business-type statements. The original amount capitalized for the capital lease and the book value as of December 31, 2018 for governmental and business-type activities follows:

	Governmental Activities	Business-Type Activities
Vehicles	\$820,137	\$34,124
Less: Accumulated Depreciation	(225,032)	(16,249)
Leased property, net of depreciation	<u>\$595,105</u>	<u>\$17,875</u>

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2018.

	Governmental Activities	Business-Type Activities
2019	\$148,648	\$4,413
2020	95,725	0
2021	80,216	0
2022	80,216	0
2023	80,216	0
2024-2025	160,432	0
Total minimum lease payments	645,453	4,413
Less: amount representing interest	(71,823)	(155)
Present value of minimum lease payments	<u>\$573,630</u>	<u>\$4,258</u>

City of Ashtabula, Ohio
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For the Year Ended December 31, 2018

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, 2018:

	Czup Fowler Limited, dba Hoffman's Pharmacy	Keybank National Corporation
Land	\$3,415	\$0
Buildings	0	88,179
Leased property, total value	3,415	88,179
Less: Accumulated Depreciation	0	(39,148)
Leased property, net of depreciation	<u>\$3,415</u>	<u>\$49,031</u>

The following is a schedule by years of minimum future rentals on the operating leases as of December 31, 2018:

	Hoffman's Pharmacy	Keybank National
2019	\$9,600	\$120,000
2020	9,600	40,000
2021	9,600	0
2022	9,600	0
2023	10,800	0
2024-2028	55,200	0
2029-2033	61,200	0
2034-2037	52,800	0
Total minimum lease payments	<u>\$218,400</u>	<u>\$160,000</u>

Note 19 – Construction and Other Significant Commitments

Contractual Commitments

At December 31, 2018, the City's significant contractual commitments consisted of:

Project	Contract Amount	Amount Paid	Remaining Contract
Wastewater Treatment Plant Improvements	\$3,678,322	\$1,898,718	\$1,779,604
Wastewater Treatment Plant Digester	1,132,668	582,856	549,812
Total	<u>\$4,810,990</u>	<u>\$2,481,574</u>	<u>\$2,329,416</u>

\$374,824 of the remaining commitment amounts were encumbered at December 31, 2018.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

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	\$43,545	Sanitation	\$18,690
Community Development Block Grant Fund	126,770	Wastewater Treatment	374,824
Street Maintenance and Repair Fund	6,453	Internal Service Funds	<u>193,893</u>
Permanent Improvement	186,907		
Other Governmental Funds	<u>8,811</u>	Total Proprietary Funds	<u>\$587,407</u>
Total Governmental Funds	<u>\$372,486</u>		

Note 20 - Defined Benefit Pension Plans

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Net Pension Liability/Net OPEB Liability

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

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

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability. Resulting adjustments to the net pension/OPEB liability would be effective when the changes are legally enforceable. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net pension/OBEB liability* on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 21 for the required OPEB disclosures.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple–employer defined benefit pension plan. The member–directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple–employer defined benefit/defined contribution pension plan. No employee members contribute to the combined plan.

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

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

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

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

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

City of Ashtabula, Ohio
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For the Year Ended December 31, 2018

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

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the purchase of a monthly defined benefit annuity from OPERS (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

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

	State and Local
2018 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
2018 Actual Contribution Rates	
Employer:	
Pension **	14.0 %
Post-employment Health Care Benefits **	0.0
	14.0 %
Total Employer	14.0 %
Employee	10.0 %

* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

For 2018, The City's contractually required contribution was \$607,260 for the traditional plan and \$12,324 for the member-directed plan. Of these amounts, \$96,174 is reported as an intergovernmental payable for the traditional plan and \$1,953 for the member-directed plan.

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

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

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

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

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

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit, surviving beneficiaries, and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

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

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

City of Ashtabula, Ohio
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	<u>Police</u>	<u>Firefighters</u>
2018 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2018 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50</u>	<u>0.50</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$778,231 for 2017. Of this amount, \$123,902 is reported as an intergovernmental payable.

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

The net pension liability for OPERS was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2017, and was determined by rolling forward the total pension liability as of January 1, 2017, to December 31, 2017. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense of the City's defined benefit pension plans:

	<u>OPERS Traditional Plan</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the Net Pension Liability/Asset:			
Current Measurement Date	0.03264000%	0.17670000%	
Prior Measurement Date	<u>0.03139800%</u>	<u>0.16214500%</u>	
Change in Proportionate Share	<u>0.00124200%</u>	<u>0.01455500%</u>	
Proportionate Share of the:			
Net Pension Liability	\$5,120,584	\$10,844,876	\$15,965,460
Pension Expense	1,124,577	1,260,271	2,384,848

2018 pension expense for the member-directed defined contribution plan was \$12,324.

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to defined benefit pensions from the following sources:

City of Ashtabula, Ohio
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	OPERS		
	Traditional Plan	OP&F	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$5,229	\$164,578	\$169,807
Changes of assumptions	611,944	472,568	1,084,512
Changes in proportion and differences between City contributions and proportionate share of contributions	131,612	700,438	832,050
City contributions subsequent to the measurement date	607,260	778,231	1,385,491
Total Deferred Outflows of Resources	\$1,356,045	\$2,115,815	\$3,471,860
Deferred Inflows of Resources			
Differences between expected and actual experience	\$100,910	\$19,619	\$120,529
Net difference between projected and actual earnings on pension plan investments	1,099,322	375,149	1,474,471
Changes in proportion and differences between City contributions and proportionate share of contributions	53,225	289,877	343,102
Total Deferred Inflows of Resources	\$1,253,457	\$684,645	\$1,938,102

\$1,385,491 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS		
	Traditional Plan	OP&F	Total
Year Ending December 31:			
2019	\$477,730	\$334,732	\$812,462
2020	(46,592)	236,102	189,510
2021	(484,083)	(152,463)	(636,546)
2022	(451,727)	(74,744)	(526,471)
2023	0	248,164	248,164
Thereafter	0	61,148	61,148
Total	(\$504,672)	\$652,939	\$148,267

Actuarial Assumptions - OPERS

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

City of Ashtabula, Ohio
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Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2017, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2017, are presented below.

	OPERS Traditional Plan
Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA:	
Pre-January 7, 2013 Retirees	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple
Investment Rate of Return	7.5 percent
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

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

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

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 16.82 percent for 2017.

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

City of Ashtabula, Ohio
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The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.20 %
Domestic Equities	19.00	6.37
Real Estate	10.00	5.26
Private Equity	10.00	8.97
International Equities	20.00	7.88
Other investments	18.00	5.26
Total	100.00 %	5.66 %

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

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability (asset)			
OPERS Traditional Plan	\$9,092,851	\$5,120,584	\$1,808,909

Changes between Measurement Date and Report Date

In October 2018, the OPERS Board adopted a change in the investment return assumption, reducing it from 7.5 percent to 7.2 percent. This change will be effective for the 2018 valuation. The exact amount of the impact to the City’s net pension liability is not known.

Actuarial Assumptions – OP&F

OP&F’s total pension liability as of December 31, 2017, is based on the results of an actuarial valuation date of January 1, 2017, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary

City of Ashtabula, Ohio
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increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2017, compared with January 1, 2016, are presented below.

	January 1, 2017	January 1, 2016
Valuation Date	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017	January 1, 2016, with actuarial liabilities rolled forward to December 31, 2016
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.25 percent
Projected Salary Increases	3.75 percent to 10.5 percent	4.25 percent to 11 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent	Inflation rate of 3.25 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent	3.00 percent simple; 2.6 percent simple for increased based on the lesser of the increase in CPI and 3 percent

For the January 1, 2017, valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

Age	Police	Fire
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

For the January 1, 2017, valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

Age	Police	Fire
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

For the January 1, 2016 valuation, rates of death were based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

City of Ashtabula, Ohio
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The most recent experience study was completed for the five year period ended December 31, 2016, the prior experience study was completed December 31, 2011.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2017, are summarized below:

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

Note: Assumptions are geometric.

* levered 2x

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

Discount Rate For 2017, the total pension liability was calculated using the discount rate of 8.00 percent. The discount rate used for 2016 was 8.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00 percent), or one percentage point higher (9.00 percent) than the current rate.

City of Ashtabula, Ohio
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	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$15,033,843	\$10,844,876	\$7,428,392

Note 21 – Defined Benefit OPEB Plans

See Note 20 for a description of the net OPEB liability

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

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

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

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$3,521 for 2018. Of this amount, \$558 is reported as an intergovernmental payable.

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

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment healthcare plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. OP&F provides health care benefits including coverage for medical, prescription drug, dental, vision, and Medicare Part B Premium to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 75.

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. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. There is one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. An Internal Revenue Code 401(h) account is maintained for Medicare Part B reimbursements.

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 2018, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll.

City of Ashtabula, Ohio
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The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contractually required contribution to OP&F was \$18,647 for 2018. Of this amount, \$2,991 is reported as an intergovernmental payable.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2017, and was determined by rolling forward the total OPEB liability as of January 1, 2017, to December 31, 2017. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&F</u>	
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.0311000%	0.1767000%	
Prior Measurement Date	<u>0.0299900%</u>	<u>0.1621450%</u>	
Change in Proportionate Share	<u>0.0011100%</u>	<u>0.0145550%</u>	
			<u>Total</u>
Proportionate Share of the Net Pension Liability	\$3,377,231	\$10,011,575	\$13,388,806
OPEB Expense	\$322,178	\$881,254	\$1,203,432

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$2,631	\$0	\$2,631
Changes of assumptions	245,898	976,917	1,222,815
Changes in proportion and differences between City contributions and proportionate share of contributions	75,850	590,457	666,307
City contributions subsequent to the measurement date	<u>3,521</u>	<u>18,647</u>	<u>22,168</u>
Total Deferred Outflows of Resources	<u>\$327,900</u>	<u>\$1,586,021</u>	<u>\$1,913,921</u>

City of Ashtabula, Ohio
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	OPERS	OP&F	Total
Deferred Inflows of Resources			
Differences between expected and actual experience	\$0	\$50,494	\$50,494
Net difference between projected and actual earnings on OPEB plan investments	251,581	65,901	317,482
Total Deferred Inflows of Resources	\$251,581	\$116,395	\$367,976

\$22,168 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	OPERS	OP&F	Total
Year Ending December 31:			
2019	\$92,191	\$205,291	\$297,482
2020	92,191	205,291	297,482
2021	(48,688)	205,291	156,603
2022	(62,896)	205,291	142,395
2023	0	221,766	221,766
Thereafter	0	408,049	408,049
Total	\$72,798	\$1,450,979	\$1,523,777

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.85 percent
Prior Measurement date	4.23 percent
Investment Rate of Return	6.50 percent
Municipal Bond Rate	3.31 percent
Health Care Cost Trend Rate	7.5 percent, initial 3.25 percent, ultimate in 2028
Actuarial Cost Method	Individual Entry Age

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Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

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

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

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 15.2 percent for 2017.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	1.88 %
Domestic Equities	21.00	6.37
Real Estate Investment Trust	6.00	5.91
International Equities	22.00	7.88
Other investments	17.00	5.39
Total	100.00 %	4.98 %

Discount Rate A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. A single discount rate of 4.23 percent was used to measure the OPEB liability on the measurement date of December 31, 2016. Projected benefit payments are required to be discounted to their

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.50 percent and a municipal bond rate of 3.31 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.85 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.85 percent) or one-percentage-point higher (4.85 percent) than the current rate:

	1% Decrease (2.85%)	Current Discount Rate (3.85%)	1% Increase (4.85%)
City's proportionate share of the net OPEB liability	\$4,486,797	\$3,377,231	\$2,479,603

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2018 is 7.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuary's project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$3,231,290	\$3,377,231	\$3,527,984

Changes between Measurement Date and Report Date

In October 2018, the OPERS Board adopted a change in the investment return assumption, reducing it from 6.5 percent to 6.0 percent. This change will be effective for the 2018 valuation. The exact amount of the impact to the City's net OPEB liability is not known.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

Actuarial Assumptions – OP&F

OP&F’s total OPEB liability as of December 31, 2017, is based on the results of an actuarial valuation date of January 1, 2017, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee’s entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Valuation Date	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Single discount rate:	
Current measurement date	3.24 percent
Prior measurement date	3.79 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

Age	Police	Fire
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

The most recent experience study was completed for the five year period ended December 31, 2016, the prior experience study was completed December 31, 2011.

The OP&F health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 21.

Discount Rate The total OPEB liability was calculated using the discount rate of 3.24 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 3.16 percent at December 31, 2017 and 3.71 percent at December 31, 2016, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 3.24 percent. The municipal bond rate was determined using the S&P Municipal Bond 20 Year High Grade Rate Index. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2025. The long-term expected rate of return on health care investments was applied to projected costs through 2025, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 3.24 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.24 percent), or one percentage point higher (4.24 percent) than the current rate.

	1% Decrease (2.24%)	Current Discount Rate (3.24%)	1% Increase (4.24%)
City's proportionate share of the net OPEB liability	\$12,514,589	\$10,011,575	\$8,085,597

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Net OPEB liability is sensitive to changes in the health care cost trend rate. The trend rate is the annual rate at which the cost of covered medical services is assumed to increase from the current year to the next year. Beginning in 2017, the per-capita costs are assumed to change by the following percentages each year:

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

Year	Non-Medicare	Non-AARP	AARP	Rx Drug	Medicare Part B
2017	-0.47%	-2.50%	4.50%	-0.47%	5.20%
2018	7.00%	7.00%	4.50%	7.00%	5.10%
2019	6.50%	6.50%	4.50%	6.50%	5.00%
2020	6.00%	6.00%	4.50%	6.00%	5.00%
2021	5.50%	5.50%	4.50%	5.50%	5.00%
2022	5.00%	5.00%	4.50%	5.00%	5.00%
2023 and Later	4.50%	4.50%	4.50%	4.50%	5.00%

To illustrate the potential impact, the following table presents the net OPEB liability calculated using the current healthcare cost trend current rates as outlined in the table above, a one percent decrease in the trend rates and a one percent increase in the trend rates.

	1% Decrease	Current Rates	1% Increase
City's proportionate share of the net OPEB liability	\$7,777,171	\$10,011,575	\$13,022,794

Changes between Measurement Date and Report Date

In March 2018, the OP&F Board of Trustees approved the implementation date and framework for a new health care model. Beginning January 1, 2019, the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. The impact to the City's NOL is not known.

Note 22 – Joint Economic Development Districts

Ashtabula Township

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

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

Saybrook Township

The City has two Joint Economic Development Districts (JEDD) with neighboring Saybrook Township. The City of Ashtabula - Saybrook Township Depot Road JEDD I was formed in 2013 and the City of Ashtabula - Saybrook Township Route 20 JEDD II was formed in 2015. The JEDDs are entirely located in Saybrook Township, and their

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

primary purpose is to promote regional growth and economic development. In March, 2013 the JEDD I Board levied a municipal income tax of 1.8 percent in the JEDD effective May 1, 2014. In March 2016, the JEDD II Board levied a municipal income tax of 1.8 percent in the JEDD effective March 31, 2016. Both Saybrook Township JEDD Boards also contract with the City of Ashtabula to administer this income tax.

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

Note 23 – Insurance Purchasing Pool

The City participates in the Jefferson Health Plan (Plan), a risk-sharing, claims servicing, and insurance purchasing pool, including two insurance consortiums. Each participant appoints a member of the insurance plan's assembly. The Plan's business and affairs are conducted by a nine member Board of Directors elected from the assembly. The Plan offers medical, dental, and prescription drug coverage to the members on a self-insured basis, as well as the opportunity to participate in the group purchasing of life insurance coverage. The medical coverage plan provides each plan participant the opportunity to choose a self-insurance deductible limit which can range from \$35,000 to \$100,000, under which the individual member is responsible for all claims through the claims servicing pool. Plan participants also participate in a shared risk internal pool for individual claims between the self-insurance deductible limit and \$500,000, and all claims between the deductible limit and the \$500,000 are paid from the internal shared risk pool. The internal pool is not owned by the plan's participants. All participants pay a premium rate that is actuarially calculated based on the participant's actual claims experience which are utilized for the payment of claims within the claims servicing pool up to the self-insurance deductible limit; and for this portion of the plan, all plan participants retain their own risk. All participants pay an additional fee for participation in the internal pool that is based on the claims of the internal pool in aggregate and is not based on individual claims experience. In the event of a deficiency in the internal pool, participants would be charged a higher rate for participation, and in the event of a surplus, the internal pool pays dividends to the participants. For all individual claims exceeding \$500,000, stop loss coverage is purchased, as well as from an annual total plan aggregate claims amount. All plan participants also pay a monthly administrative fee for fiscal services and third party administrative services.

Note 24 – Subsequent Event

On November 5, 2019, the citizens of the City of Ashtabula approved a 4 mill five year street paving levy. The levy is expected to generate approximately \$750,000 with collections beginning in 2020.

Consistent with the provisions of Ohio Revised Code Section 3709.36, the City's health department was reorganized as a legally separate organization rather than continuing to operate as a department of the City. This change was effective January 2019 and will be reported as a transfer of operations in 2019. Among its various duties, the Ashtabula Board of Health (Board) provides for the prompt diagnosis and control of communicable diseases. The Board may also inspect businesses where food is manufactured, handled, stored, or offered for sale. The Board will be operated by a six member board with all members being appointed by the City. The rates charged by the Board are subject to the approval of City Council, in addition, the City provides funding to the Board, thus the City can impose will on the Board and the Board imposes a financial burden to the City. Therefore, beginning in 2019, the Board will be reported as a discretely presented component unit of the City.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

Note 25 - Ashtabula City Port Authority

Description of Reporting Entity

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

Summary of Significant Accounting Policies

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

Due to Primary Government

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

Property, Plant, Equipment and Depreciation

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

Donated capital assets are recorded at their acquisition 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 \$149,387. The entire balance was covered by federal depository insurance.

City of Ashtabula, Ohio
Notes To The Basic Financial Statements
For the Year Ended December 31, 2018

Capital Assets

A summary of the Ashtabula City Port Authority's capital assets at December 31, 2018 follows:

	Balance 12/31/2017	Additions	Deductions	Balance 12/31/2018
Governmental Activities				
Capital Assets, Non-depreciable				
Land	\$1,717,541	\$14,594	\$0	\$1,732,135
Capital Assets, Depreciable				
Buildings and Improvements	654,017	0	(15,295)	638,722
Less: Accumulated Depreciation				
Buildings and Improvements	(462,204)	(18,619)	414	(480,409)
Total Assets, Depreciable, Net	191,813	(18,619)	(14,881)	158,313
Governmental Activities				
Capital Assets, Net	<u>\$1,909,354</u>	<u>(\$4,025)</u>	<u>(\$14,881)</u>	<u>\$1,890,448</u>

Long-term Debt

On August 30, 2008 Ohio Water Development Authority approved a loan that enabled 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, 2018, \$140,701 of the City's loan has been repaid leaving a balance of \$9,298.

A schedule of changes in long-term obligations of the Port Authority during 2018 follows:

	Principal Outstanding 12/31/2017	Additions	Deletions	Principal Outstanding 12/31/2018	Amounts Due in One Year
Due to Primary Government:					
City of Ashtabula - Loan	\$20,005	\$0	\$10,707	\$9,298	\$9,298
Other Long-Term Debt:					
Industrial Park Loan	137,670	0	39,867	97,803	41,080
OWDA Rural Industrial Park	33,055	0	33,055	0	0
<i>Total Other Long-Term Debt</i>	<u>170,725</u>	<u>0</u>	<u>72,922</u>	<u>97,803</u>	<u>41,080</u>
<i>Total Component Unit Debt</i>	<u>\$190,730</u>	<u>\$0</u>	<u>\$83,629</u>	<u>\$107,101</u>	<u>\$50,378</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	
	Principal	Interest	Principal	Interest
2019	\$9,298	\$194	\$41,080	\$2,372
2020	0	0	42,330	1,123
2021	0	0	14,393	90
Total	<u>\$9,298</u>	<u>\$194</u>	<u>\$97,803</u>	<u>\$3,585</u>

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

	2018	2017	2016
City's Proportion of the Net Pension Liability	0.03264000%	0.03139800%	0.03260200%
City's Proportionate Share of the Net Pension Liability	\$5,120,584	\$7,129,950	\$5,647,078
City's Covered Payroll	\$4,313,369	\$4,058,875	\$4,057,708
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	118.71%	175.66%	139.17%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.66%	77.25%	81.08%

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

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

See accompanying notes to required supplementary information

2015	2014
0.03234900%	0.03234900%
\$3,901,652	\$3,813,526
\$3,965,950	\$3,952,112
98.38%	96.49%
86.45%	86.36%

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

	2018	2017
City's Proportion of the Net OPEB Liability	0.03110000%	0.02999000%
City's Proportionate Share of the Net OPEB Liability	\$3,377,231	\$3,029,092
City's Covered Payroll	\$4,405,944	\$4,120,725
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	76.65%	73.51%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	54.14%	54.04%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

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

See accompanying notes to required supplementary information

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

	2018	2017	2016
City's Proportion of the Net Pension Liability	0.17670000%	0.16214500%	0.16968200%
City's Proportionate Share of the Net Pension Liability	\$10,844,876	\$10,270,102	\$10,915,762
City's Covered Payroll	\$3,463,441	\$3,821,838	\$3,492,208
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	313.12%	268.72%	312.57%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.91%	68.36%	66.77%

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

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

See accompanying notes to required supplementary information

2015	2014
0.17031280%	0.17031280%
\$8,822,913	\$8,294,768
\$3,394,120	\$3,377,143
259.95%	245.61%
71.71%	73.00%

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

	2018	2017
City's Proportion of the Net OPEB Liability	0.17670000%	0.16214500%
City's Proportionate Share of the Net OPEB Liability	\$10,011,575	\$7,696,659
City's Covered Payroll	\$3,463,441	\$3,821,838
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	289.06%	201.39%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	14.13%	15.96%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

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

See accompanying notes to required supplementary information

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City of Ashtabula, Ohio
Required Supplementary Information
Schedule of City Contributions
Ohio Public Employees Retirement System
Last Six Years (1)

	2018	2017	2016
Net Pension Liability - Traditional Plan			
Contractually Required Contribution	\$607,260	\$560,738	\$487,065
Contributions in Relation to the Contractually Required Contribution	<u>(607,260)</u>	<u>(560,738)</u>	<u>(487,065)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$4,337,571	\$4,313,369	\$4,058,875
Contributions as a Percentage of Covered Payroll	14.00%	13.00%	12.00%
Net OPEB Liability - OPERS Plan (2)			
Contractually Required Contribution	\$3,521	\$46,837	\$83,652
Contributions in Relation to the Contractually Required Contribution	<u>(3,521)</u>	<u>(46,837)</u>	<u>(83,652)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (3)	\$4,425,596	\$4,405,944	\$4,120,725
Contributions as a Percentage of Covered Payroll	0.08%	1.06%	2.03%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2013 is not available. An additional column will be added each year.

(2) Beginning in 2016, OPERS used one trust fund as the funding vehicle for all health care plans; therefore, information prior to 2016 is not presented.

(3) The OPEB plan includes the members from the traditional plan and the member directed plan. The member directed pension is a defined contribution pension plan; therefore, the pension side is not included above.

See accompanying notes to the required supplementary information

<u>2015</u>	<u>2014</u>	<u>2013</u>
\$486,925	\$475,914	\$513,775
<u>(486,925)</u>	<u>(475,914)</u>	<u>(513,775)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$4,057,708	\$3,965,950	\$3,952,112
12.00%	12.00%	13.00%

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

	2018	2017	2016	2015
Net Pension Liability				
Contractually Required Contribution	\$778,231	\$722,156	\$798,447	\$730,369
Contributions in Relation to the Contractually Required Contribution	<u>(778,231)</u>	<u>(722,156)</u>	<u>(798,447)</u>	<u>(730,369)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (1)	\$3,721,773	\$3,463,441	\$3,821,838	\$3,492,208
Pension Contributions as a Percentage of Covered Payroll:	<u>20.91%</u>	<u>20.85%</u>	<u>20.89%</u>	<u>20.91%</u>
Net OPEB Liability				
Contractually Required Contribution	\$18,647	\$17,317	\$19,109	\$17,461
Contributions in Relation to the Contractually Required Contribution	<u>(18,647)</u>	<u>(17,317)</u>	<u>(19,109)</u>	<u>(17,461)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll:	<u>0.54%</u>	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>
Total Contributions as a Percentage of Covered Payroll:	<u>21.45%</u>	<u>21.35%</u>	<u>21.39%</u>	<u>21.41%</u>

(1) The City's covered payroll is the same for the pension and OPEB.

See accompanying notes to the required supplementary information

2014	2013	2012	2011	2010	2009
\$712,748	\$602,246	\$429,316	\$491,755	\$482,102	\$751,227
<u>(712,748)</u>	<u>(602,246)</u>	<u>(429,316)</u>	<u>(491,755)</u>	<u>(482,102)</u>	<u>(751,227)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$3,394,120	\$3,377,143	\$2,915,647	\$3,335,715	\$3,270,716	\$5,117,409
<u>21.00%</u>	<u>17.83%</u>	<u>14.72%</u>	<u>14.74%</u>	<u>14.74%</u>	<u>14.68%</u>
\$16,971	\$122,140	\$196,807	\$225,161	\$220,773	\$345,425
<u>(16,971)</u>	<u>(122,140)</u>	<u>(196,807)</u>	<u>(225,161)</u>	<u>(220,773)</u>	<u>(345,425)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>0.50%</u>	<u>3.62%</u>	<u>6.75%</u>	<u>6.75%</u>	<u>6.75%</u>	<u>6.75%</u>
<u>21.50%</u>	<u>21.45%</u>	<u>21.47%</u>	<u>21.49%</u>	<u>21.49%</u>	<u>21.43%</u>

City of Ashtabula, Ohio
Notes to the Required Supplementary Information
For the year ended December 31, 2018

Changes in Assumptions – OPERS Pension

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

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

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

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

City of Ashtabula, Ohio
Notes to the Required Supplementary Information
For the year ended December 31, 2018

Changes in Assumptions – OP&F Pension

Amounts reported for 2018 incorporate changes in assumptions used by OP&F in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in 2017 and prior are presented below:

	2018	2017 and Prior
Valuation Date	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017	January 1, 2016, with actuarial liabilities rolled forward to December 31, 2016
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.25 percent
Projected Salary Increases	3.75 percent to 10.5 percent	4.25 percent to 11 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent	Inflation rate of 3.25 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent	3.00 percent simple; 2.6 percent simple for increased based on the lesser of the increase in CPI and 3 percent

Amounts reported for 2018 use valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

Age	Police	Fire
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

Amounts reported for 2018 use valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

Age	Police	Fire
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

Amounts reported for 2017 and prior use valuation, rates of death were based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

City of Ashtabula, Ohio
Notes to the Required Supplementary Information
For the year ended December 31, 2018

Changes in Assumptions – OPERS OPEB

For 2018, the single discount rate changed from 4.23 percent to 3.85 percent.

Changes in Assumptions – OP&F OPEB

For 2018, the single discount rate changed from 3.79 percent to 3.24 percent.

**Combining and Individual Fund Statements
and Schedules**

Fund Descriptions – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

Recycling Grant Fund - To account for and report restricted State monies to implement a curbside recycling program. This fund did not have any budgetary activity during 2018; therefore budgetary information is not provided.

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

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

(continued)

Fund Descriptions – Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Fund (continued)

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

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

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

Nonmajor Debt Service Fund

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

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

Nonmajor Capital Projects Funds

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

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

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

City of Ashtabula, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2018

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$970,640	\$59,619	\$140,737	\$1,170,996
Cash and Cash Equivalents:				
In Segregated Accounts	8,422	0	7,332	15,754
Receivables:				
Property Taxes	876,670	0	0	876,670
Accounts	305,914	0	0	305,914
Special Assessments	0	10,300	0	10,300
Intergovernmental Receivable	107,753	0	0	107,753
Materials and Supplies Inventory	3,083	0	0	3,083
<i>Total Assets</i>	<u>\$2,272,482</u>	<u>\$69,919</u>	<u>\$148,069</u>	<u>\$2,490,470</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$36,432	\$0	\$1,123	\$37,555
Accrued Wages	10,493	0	1,243	11,736
Intergovernmental Payable	105,972	0	713	106,685
<i>Total Liabilities</i>	<u>152,897</u>	<u>0</u>	<u>3,079</u>	<u>155,976</u>
Deferred Inflows of Resources				
Property Tax	733,125	0	0	733,125
Unavailable Revenue	513,436	10,300	0	523,736
<i>Total Deferred Inflows of Resources</i>	<u>1,246,561</u>	<u>10,300</u>	<u>0</u>	<u>1,256,861</u>
Fund Balances				
Nonspendable	3,083	0	0	3,083
Restricted	716,546	59,619	144,990	921,155
Committed	183,323	0	0	183,323
Unassigned (Deficit)	(29,928)	0	0	(29,928)
<i>Total Fund Balances</i>	<u>873,024</u>	<u>59,619</u>	<u>144,990</u>	<u>1,077,633</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$2,272,482</u>	<u>\$69,919</u>	<u>\$148,069</u>	<u>\$2,490,470</u>

City of Ashtabula, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2018

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	\$780,404	\$0	\$0	\$780,404
Charges for Services	308,587	0	0	308,587
Licenses and Permits	242,616	0	0	242,616
Fines and Forfeitures	102,136	0	112,185	214,321
Intergovernmental	377,531	0	0	377,531
Special Assessments	0	11,082	0	11,082
Contributions and Donations	7,850	0	0	7,850
Other	861	0	0	861
<i>Total Revenues</i>	<u>1,819,985</u>	<u>11,082</u>	<u>112,185</u>	<u>1,943,252</u>
Expenditures				
Current:				
General Government				
Legislative and Executive	0	386	0	386
Judicial System	77,474	0	23,729	101,203
Security of Persons and Property:				
Police	438,784	0	0	438,784
Fire	394,874	0	0	394,874
Public Health Services	73,373	0	0	73,373
Street Maintenance and Repairs	537,934	0	0	537,934
Housing and Community Development	308,877	0	0	308,877
Leisure Time Activities	191,077	0	0	191,077
Capital Outlay	0	0	80,817	80,817
Debt Service:				
Principal Retirement	0	14,534	0	14,534
<i>Total Expenditures</i>	<u>2,022,393</u>	<u>14,920</u>	<u>104,546</u>	<u>2,141,859</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(202,408)	(3,838)	7,639	(198,607)
Other Financing Sources (Uses)				
Transfers In	380,500	4,752	0	385,252
<i>Net Change in Fund Balances</i>	178,092	914	7,639	186,645
<i>Fund Balances Beginning of Year</i>	<u>694,932</u>	<u>58,705</u>	<u>137,351</u>	<u>890,988</u>
<i>Fund Balances End of Year</i>	<u>\$873,024</u>	<u>\$59,619</u>	<u>\$144,990</u>	<u>\$1,077,633</u>

City of Ashtabula, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2018

	Code Enforcement	Fire Pension	Food Service	Indigent Alcohol
Assets				
Equity in Pooled Cash and Cash Equivalents	\$165,630	\$44,565	\$1,322	\$65,680
Cash and Cash Equivalents: In Segregated Accounts	0	0	0	354
Receivables:				
Property Taxes	0	273,630	0	0
Accounts	170,491	0	0	0
Intergovernmental Receivable	7,131	16,126	0	0
Materials and Supplies Inventory	0	0	0	0
<i>Total Assets</i>	<u>\$343,252</u>	<u>\$334,321</u>	<u>\$1,322</u>	<u>\$66,034</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$0	\$28	\$0
Accrued Wages	7,204	0	1,691	0
Intergovernmental Payable	4,000	44,104	958	0
<i>Total Liabilities</i>	<u>11,204</u>	<u>44,104</u>	<u>2,677</u>	<u>0</u>
Deferred Inflows of Resources				
Property Tax	0	228,709	0	0
Unavailable Revenue	162,502	61,047	0	0
<i>Total Deferred Inflows of Resources</i>	<u>162,502</u>	<u>289,756</u>	<u>0</u>	<u>0</u>
Fund Balances				
Nonspendable	0	0	0	0
Restricted	0	461	0	66,034
Committed	169,546	0	0	0
Unassigned (Deficit)	0	0	(1,355)	0
<i>Total Fund Balances (Deficit)</i>	<u>169,546</u>	<u>461</u>	<u>(1,355)</u>	<u>66,034</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$343,252</u>	<u>\$334,321</u>	<u>\$1,322</u>	<u>\$66,034</u>

Law Enforcement Trust	Motor Vehicle License Tax	Municipal Probation Services	Municipal Court Security	Indigent Drivers Interlock and Alcohol Monitoring
\$60,851	\$52,417	\$25,540	\$44,742	\$15,828
95	0	6,268	1,705	0
0	0	0	0	0
0	0	0	0	0
0	19,963	0	0	0
0	0	0	0	0
<u>\$60,946</u>	<u>\$72,380</u>	<u>\$31,808</u>	<u>\$46,447</u>	<u>\$15,828</u>
\$495	\$745	\$0	\$284	\$0
0	0	1,048	550	0
0	0	228	310	0
<u>495</u>	<u>745</u>	<u>1,276</u>	<u>1,144</u>	<u>0</u>
0	0	0	0	0
0	14,055	0	0	0
0	14,055	0	0	0
0	0	0	0	0
60,451	57,580	30,532	45,303	15,828
0	0	0	0	0
0	0	0	0	0
<u>60,451</u>	<u>57,580</u>	<u>30,532</u>	<u>45,303</u>	<u>15,828</u>
<u>\$60,946</u>	<u>\$72,380</u>	<u>\$31,808</u>	<u>\$46,447</u>	<u>\$15,828</u>

(continued)

City of Ashtabula, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2018

	Police Pension	Public Health Nursing	State Highway	Recycling Grant
Assets				
Equity in Pooled Cash and Cash Equivalents	\$27,799	\$13,777	\$55,296	\$60,935
Cash and Cash Equivalents: In Segregated Accounts	0	0	0	0
Receivables:				
Property Taxes	273,630	0	0	0
Accounts	0	0	0	0
Intergovernmental Receivable	16,126	1,488	24,873	0
Materials and Supplies Inventory	0	3,083	0	0
<i>Total Assets</i>	<u>\$317,555</u>	<u>\$18,348</u>	<u>\$80,169</u>	<u>\$60,935</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$0	\$0	\$0
Accrued Wages	0	0	0	0
Intergovernmental Payable	56,372	0	0	0
<i>Total Liabilities</i>	<u>56,372</u>	<u>0</u>	<u>0</u>	<u>0</u>
Deferred Inflows of Resources				
Property Tax	228,709	0	0	0
Unavailable Revenue	61,047	1,488	16,668	0
<i>Total Deferred Inflows of Resources</i>	<u>289,756</u>	<u>1,488</u>	<u>16,668</u>	<u>0</u>
Fund Balances				
Nonspendable	0	3,083	0	0
Restricted	0	0	63,501	60,935
Committed	0	13,777	0	0
Unassigned (Deficit)	(28,573)	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>(28,573)</u>	<u>16,860</u>	<u>63,501</u>	<u>60,935</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$317,555</u>	<u>\$18,348</u>	<u>\$80,169</u>	<u>\$60,935</u>

Police Grant	Fire Grant	Walnut Beach	Street Lighting	Other Grants	Total Nonmajor Special Revenue Funds
\$63,686	\$2,682	\$183,195	\$41,695	\$45,000	\$970,640
0	0	0	0	0	8,422
0	0	329,410	0	0	876,670
0	0	0	135,423	0	305,914
14,543	0	7,503	0	0	107,753
0	0	0	0	0	3,083
<u>\$78,229</u>	<u>\$2,682</u>	<u>\$520,108</u>	<u>\$177,118</u>	<u>\$45,000</u>	<u>\$2,272,482</u>
\$0	\$0	\$39	\$34,841	\$0	\$36,432
0	0	0	0	0	10,493
0	0	0	0	0	105,972
0	0	39	34,841	0	152,897
0	0	275,707	0	0	733,125
0	0	61,206	135,423	0	513,436
0	0	336,913	135,423	0	1,246,561
0	0	0	0	0	3,083
78,229	2,682	183,156	6,854	45,000	716,546
0	0	0	0	0	183,323
0	0	0	0	0	(29,928)
<u>78,229</u>	<u>2,682</u>	<u>183,156</u>	<u>6,854</u>	<u>45,000</u>	<u>873,024</u>
<u>\$78,229</u>	<u>\$2,682</u>	<u>\$520,108</u>	<u>\$177,118</u>	<u>\$45,000</u>	<u>\$2,272,482</u>

City of Ashtabula, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2018

	Code Enforcement	Fire Pension	Food Service	Indigent Alcohol
Revenues				
Property Taxes	\$0	\$244,219	\$0	\$0
Charges for Services	8,536	0	0	0
Licenses and Permits	199,135	0	43,481	0
Fines and Forfeitures	2,371	0	0	6,908
Intergovernmental	71,803	33,071	0	6,057
Contributions and Donations	0	0	0	0
Other	0	0	0	0
<i>Total Revenues</i>	<u>281,845</u>	<u>277,290</u>	<u>43,481</u>	<u>12,965</u>
Expenditures				
Current:				
General Government:				
Judicial System	0	0	0	0
Security of Persons and Property:				
Police	0	0	0	0
Fire	0	385,195	0	0
Public Health Services	0	0	59,373	0
Street Maintenance and Repairs	0	0	0	0
Housing and Community Development	308,877	0	0	0
Leisure Time Activities	0	0	0	0
<i>Total Expenditures</i>	<u>308,877</u>	<u>385,195</u>	<u>59,373</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(27,032)	(107,905)	(15,892)	12,965
Other Financing Sources (Uses)				
Transfers In	0	110,000	5,000	0
<i>Net Change in Fund Balances</i>	(27,032)	2,095	(10,892)	12,965
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>196,578</u>	<u>(1,634)</u>	<u>9,537</u>	<u>53,069</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$169,546</u>	<u>\$461</u>	<u>(\$1,355)</u>	<u>\$66,034</u>

Law Enforcement Trust	Motor Vehicle License Tax	Municipal Probation Services	Municipal Court Security	Indigent Drivers Interlock and Alcohol Monitoring
\$0	\$0	\$0	\$0	\$0
0	0	0	0	0
0	0	0	0	0
25,184	0	39,967	27,706	0
0	38,244	0	0	6,612
0	0	0	0	0
861	0	0	0	0
<u>26,045</u>	<u>38,244</u>	<u>39,967</u>	<u>27,706</u>	<u>6,612</u>
0	0	53,791	21,641	2,042
26,764	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	24,386	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>26,764</u>	<u>24,386</u>	<u>53,791</u>	<u>21,641</u>	<u>2,042</u>
(719)	13,858	(13,824)	6,065	4,570
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(719)	13,858	(13,824)	6,065	4,570
<u>61,170</u>	<u>43,722</u>	<u>44,356</u>	<u>39,238</u>	<u>11,258</u>
<u>\$60,451</u>	<u>\$57,580</u>	<u>\$30,532</u>	<u>\$45,303</u>	<u>\$15,828</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, 2018

	Police Pension	Public Health Nursing	State Highway	Recycling Grant
Revenues				
Property Taxes	\$244,219	\$0	\$0	\$0
Charges for Services	0	0	0	0
Licenses and Permits	0	0	0	0
Fines and Forfeitures	0	0	0	0
Intergovernmental	33,071	3,625	50,953	0
Contributions and Donations	0	0	0	0
Other	0	0	0	0
<i>Total Revenues</i>	<u>277,290</u>	<u>3,625</u>	<u>50,953</u>	<u>0</u>
Expenditures				
Current:				
General Government:				
Judicial System	0	0	0	0
Security of Persons and Property:				
Police	410,441	0	0	0
Fire	0	0	0	0
Public Health Services	0	14,000	0	0
Street Maintenance and Repairs	0	0	37,746	0
Housing and Community Development	0	0	0	0
Leisure Time Activities	0	0	0	0
<i>Total Expenditures</i>	<u>410,441</u>	<u>14,000</u>	<u>37,746</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(133,151)	(10,375)	13,207	0
Other Financing Sources (Uses)				
Transfers In	<u>100,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(33,151)	(10,375)	13,207	0
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>4,578</u>	<u>27,235</u>	<u>50,294</u>	<u>60,935</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>(\$28,573)</u></u>	<u><u>\$16,860</u></u>	<u><u>\$63,501</u></u>	<u><u>\$60,935</u></u>

Police Grant	Fire Grant	Walnut Beach	Street Lighting	Other Grants	Total Nonmajor Special Revenue Funds
\$0	\$0	\$291,966	\$0	\$0	\$780,404
0	0	0	300,051	0	308,587
0	0	0	0	0	242,616
0	0	0	0	0	102,136
62,334	10,858	15,903	0	45,000	377,531
0	0	7,850	0	0	7,850
0	0	0	0	0	861
<u>62,334</u>	<u>10,858</u>	<u>315,719</u>	<u>300,051</u>	<u>45,000</u>	<u>1,819,985</u>
0	0	0	0	0	77,474
1,579	0	0	0	0	438,784
0	9,679	0	0	0	394,874
0	0	0	0	0	73,373
0	0	0	475,802	0	537,934
0	0	0	0	0	308,877
0	0	191,077	0	0	191,077
<u>1,579</u>	<u>9,679</u>	<u>191,077</u>	<u>475,802</u>	<u>0</u>	<u>2,022,393</u>
60,755	1,179	124,642	(175,751)	45,000	(202,408)
<u>0</u>	<u>0</u>	<u>0</u>	<u>165,500</u>	<u>0</u>	<u>380,500</u>
60,755	1,179	124,642	(10,251)	45,000	178,092
<u>17,474</u>	<u>1,503</u>	<u>58,514</u>	<u>17,105</u>	<u>0</u>	<u>694,932</u>
<u>\$78,229</u>	<u>\$2,682</u>	<u>\$183,156</u>	<u>\$6,854</u>	<u>\$45,000</u>	<u>\$873,024</u>

City of Ashtabula, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2018

	Municipal Court Computer Fund	Municipal Court Special Projects Fund	Total Nonmajor Capital Projects Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$42,755	\$97,982	\$140,737
Cash and Cash Equivalents In Segregated Accounts	1,705	5,627	7,332
<i>Total Assets</i>	<u>\$44,460</u>	<u>\$103,609</u>	<u>\$148,069</u>
Liabilities			
Accounts Payable	\$0	\$1,123	\$1,123
Accrued Wages	0	1,243	1,243
Intergovernmental Payable	0	713	713
<i>Total Liabilities</i>	0	3,079	3,079
Fund Balances			
Restricted	44,460	100,530	144,990
<i>Total Liabilities and Fund Balances</i>	<u>\$44,460</u>	<u>\$103,609</u>	<u>\$148,069</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, 2018

	Municipal Court Computer Fund	Municipal Court Special Projects Fund	Total Nonmajor Capital Projects Funds
Revenues			
Fines and Forfeitures	\$26,491	\$85,694	\$112,185
Expenditures			
Current:			
General Government:			
Judicial System	22,654	1,075	23,729
Capital Outlay	0	80,817	80,817
<i>Total Expenditures</i>	22,654	81,892	104,546
<i>Net Change in Fund Balances</i>	3,837	3,802	7,639
<i>Fund Balances Beginning of Year</i>	40,623	96,728	137,351
<i>Fund Balances End of Year</i>	\$44,460	\$100,530	\$144,990

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, 2018

	Self Insurance	Workers' Compensation	Total
Assets			
<i>Current Assets:</i>			
Equity in Pooled Cash and Cash Equivalents	\$216,716	\$557,800	\$774,516
Cash and Cash Equivalents with Fiscal Agent	259,969	0	259,969
Interfund Receivable	0	100,000	100,000
Prepaid Items	0	106,805	106,805
<i>Total Assets</i>	<u>476,685</u>	<u>764,605</u>	<u>1,241,290</u>
Liabilities			
<i>Current Liabilities</i>			
Accounts Payable	1,000	0	1,000
Intergovernmental Payable	0	23,388	23,388
Claims Payable	208,498	52,865	261,363
<i>Total Current Liabilities</i>	209,498	76,253	285,751
<i>Long-Term Liabilities (net of current portion)</i>			
Claims Payable	0	125,000	125,000
<i>Total Liabilities</i>	<u>209,498</u>	<u>201,253</u>	<u>410,751</u>
Net Position			
Unrestricted	<u>\$267,187</u>	<u>\$563,352</u>	<u>\$830,539</u>

City of Ashtabula, Ohio
*Combining Statement of Revenues, Expenses
and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2018*

	Self Insurance	Workers' Compensation	Total
Operating Revenues			
Charges for Services	\$2,553,593	\$300,781	\$2,854,374
Operating Expenses			
Contractual Services	423,793	151,333	575,126
Claims	1,785,905	27,865	1,813,770
<i>Total Operating Expenses</i>	2,209,698	179,198	2,388,896
<i>Operating Income (Loss)</i>	343,895	121,583	465,478
Non Operating Revenues (Expenses)			
Interest	2,356	0	2,356
<i>Change in Net Position</i>	346,251	121,583	467,834
<i>Net Position (Deficit) Beginning of Year</i>	(79,064)	441,769	362,705
<i>Net Position End of Year</i>	\$267,187	\$563,352	\$830,539

City of Ashtabula, Ohio
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2018

	Self Insurance	Workers' Compensation	Total
<i>Increase (Decrease) In Cash and Cash Equivalents</i>			
Cash Flows from Operating Activities			
Cash Received from Interfund Services	\$2,560,433	\$300,781	\$2,861,214
Cash Payments to Suppliers for Goods and Services	(424,043)	(237,505)	(661,548)
Cash Payments for Claims	(1,806,235)	(26,577)	(1,832,812)
<i>Net Cash Provided by (Used for) Operating Activities</i>	330,155	36,699	366,854
Cash Flows from Noncapital Financing Activities			
Advances In	0	25,000	25,000
Cash Flows from Investing Activities			
Interest on Investments	2,356	0	2,356
<i>Net Increase (Decrease) In Cash and Cash Equivalents</i>	332,511	61,699	394,210
<i>Cash and Cash Equivalents Beginning of Year</i>	144,174	496,101	640,275
<i>Cash and Cash Equivalents End of Year</i>	\$476,685	\$557,800	\$1,034,485
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
<i>Operating Income (Loss)</i>	\$343,895	\$121,583	\$465,478
(Increase) Decrease in Assets:			
Intergovernmental Receivable	6,840	0	6,840
Prepaid Items	188,220	(106,805)	81,415
Increase (Decrease) in Liabilities:			
Accounts Payable	1,000	0	1,000
Contracts Payable	(1,250)	0	(1,250)
Intergovernmental Payable	0	20,633	20,633
Claims Payable	(208,550)	1,288	(207,262)
<i>Net Cash Provided by (Used for) Operating Activities</i>	\$330,155	\$36,699	\$366,854

Combining Statements – Fiduciary Funds

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

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

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

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

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

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

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

City of Ashtabula, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2018

	Balance 12/31/2017	Additions	Reductions	Balance 12/31/2018
<i>Fire Deposits</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$77,696	\$60,793	\$1,733	\$136,756
Liabilities				
Deposits Held and Due to Others	\$77,696	\$60,793	\$1,733	\$136,756
<i>Law Library</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,225	\$30,308	\$24,468	\$8,065
Cash and Cash Equivalents in Segregated Accounts	2,291	1,734	2,291	1,734
Total Assets	\$4,516	\$32,042	\$26,759	\$9,799
Liabilities				
Intergovernmental Payable	\$4,516	\$32,042	\$26,759	\$9,799
<i>Marina</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$6,429	\$11,700	\$11,700	\$6,429
Liabilities				
Intergovernmental Payable	\$6,429	\$11,700	\$11,700	\$6,429
<i>Joint Economic Development - Ashtabula Township</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$40,492	\$44,867	\$40,217	\$45,142
Liabilities				
Intergovernmental Payable	\$40,492	\$44,867	\$40,217	\$45,142
<i>Joint Economic Development - Saybrook Township</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$28,346	\$34,723	\$31,044	\$32,025
Liabilities				
Intergovernmental Payable	\$28,346	\$34,723	\$31,044	\$32,025

(continued)

City of Ashtabula, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds (continued)
For the Year Ended December 31, 2018

	Balance 12/31/2017	Additions	Reductions	Balance 12/31/2018
<i>Ashtabula Municipal Court</i>				
Assets				
Cash and Cash Equivalents in Segregated Accounts	\$53,043	\$1,687,128	\$1,685,276	\$54,895
Liabilities				
Deposits Held and Due to Others	\$53,043	\$1,687,128	\$1,685,276	\$54,895
 <i>Total Agency</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$155,188	\$182,391	\$109,162	\$228,417
Cash and Cash Equivalents in Segregated Accounts	55,334	1,688,862	1,687,567	56,629
<i>Total Assets</i>	\$210,522	\$1,871,253	\$1,796,729	\$285,046
Liabilities				
Intergovernmental Payable	\$79,783	\$123,332	\$109,720	\$93,395
Deposits Held and Due to Others	130,739	1,747,921	1,687,009	191,651
<i>Total Liabilities</i>	\$210,522	\$1,871,253	\$1,796,729	\$285,046

**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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$886,462	\$886,462	\$882,265	(\$4,197)
Municipal Income Tax	6,033,046	6,033,046	6,400,530	367,484
Hotel Taxes	372	372	1,102	730
Charges for Services	413,015	413,015	345,112	(67,903)
Licenses and Permits	42,355	42,355	44,869	2,514
Fines and Forfeitures	524,901	524,901	568,991	44,090
Intergovernmental	775,633	902,617	898,600	(4,017)
Interest	1,404	1,404	2,009	605
Rentals	158,600	158,600	164,625	6,025
Franchise Fees	251,668	251,668	281,961	30,293
Contributions and Donations	250	250	250	0
Other	31,712	31,712	49,760	18,048
<i>Total Revenues</i>	<u>9,119,418</u>	<u>9,246,402</u>	<u>9,640,074</u>	<u>393,672</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive:				
Council:				
Personal Services	146,951	156,219	149,771	6,448
Materials and Supplies	1,200	1,200	796	404
Contractual Services	6,650	3,500	2,461	1,039
Total Council	<u>154,801</u>	<u>160,919</u>	<u>153,028</u>	<u>7,891</u>
Administration:				
Personal Services	119,537	120,624	118,584	2,040
Contractual Services	1,000	1,000	576	424
Total Administration	<u>120,537</u>	<u>121,624</u>	<u>119,160</u>	<u>2,464</u>
Auditor:				
Personal Services	185,443	166,432	164,438	1,994
Materials and Supplies	3,940	3,940	3,224	716
Contractual Services	43,560	43,560	22,115	21,445
Total Auditor	<u>232,943</u>	<u>213,932</u>	<u>189,777</u>	<u>24,155</u>
City Income Tax:				
Personal Services	108,424	110,290	110,229	61
Materials and Supplies	500	500	496	4
Contractual Services	13,750	13,655	13,551	104
Total City Income Tax	<u>\$122,674</u>	<u>\$124,445</u>	<u>\$124,276</u>	<u>\$169</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Solicitor:				
Personal Services	\$281,368	\$288,303	\$283,931	\$4,372
Materials and Supplies	3,750	3,750	3,402	348
Contractual Services	250	1,250	1,165	85
Total Solicitor	285,368	293,303	288,498	4,805
Motor Maintenance:				
Personal Services	160,606	166,734	166,491	243
Materials and Supplies	5,296	5,125	5,125	0
Contractual Services	454	454	454	0
Total Motor Maintenance	166,356	172,313	172,070	243
Engineering & PCD:				
Personal Services	85,475	87,438	80,676	6,762
Materials and Supplies	1,000	1,000	787	213
Contractual Services	3,500	5,000	3,356	1,644
Total Engineering & PCD	89,975	93,438	84,819	8,619
County Auditor Deductions:				
Contractual Services	248,000	214,247	182,206	32,041
General Services:				
Professional & Contractual	83,978	104,147	95,827	8,320
Dues and Fees	39,000	39,000	37,000	2,000
Total General Services	122,978	143,147	132,827	10,320
Civil Service:				
Contractual Services	10,000	10,000	7,275	2,725
Lands and Buildings:				
Personal Services	146,198	148,279	148,235	44
Materials and Supplies	34,956	34,956	33,487	1,469
Contractual Services	336,166	336,166	332,368	3,798
Total Lands and Buildings	517,320	519,401	514,090	5,311
Systems Analyst:				
Materials and Supplies	2,000	2,000	1,704	296
Contractual Services	35,000	35,000	34,184	816
Total Systems Analyst	37,000	37,000	35,888	1,112
Total Legislative and Executive	\$2,107,952	\$2,103,769	\$2,003,914	\$99,855

(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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Judicial System:				
Municipal Court/Probation:				
Personal Services	\$934,686	\$975,869	\$975,614	\$255
Materials and Supplies	22,017	22,017	22,017	0
Contractual Services	37,983	44,696	44,573	123
Total Judicial System	994,686	1,042,582	1,042,204	378
Total General Government	3,102,638	3,146,351	3,046,118	100,233
Security of Persons and Property:				
Police:				
Law Enforcement:				
Personal Services	2,888,653	2,944,721	2,943,125	1,596
Materials and Supplies	198,224	198,224	183,644	14,580
Contractual Services	106,719	124,814	124,320	494
Total Police	3,193,596	3,267,759	3,251,089	16,670
Fire:				
Fire Prevention:				
Personal Services	2,222,723	2,306,903	2,305,373	1,530
Materials and Supplies	50,633	50,633	49,633	1,000
Contractual Services	67,967	82,584	81,065	1,519
Total Fire	2,341,323	2,440,120	2,436,071	4,049
Total Security of Persons and Property	5,534,919	5,707,879	5,687,160	20,719
Public Health Services:				
Health:				
Personal Services	205,582	209,965	209,951	14
Materials and Supplies	3,249	3,249	3,139	110
Contractual Services	89,251	85,955	85,858	97
Total Public Health Services	298,082	299,169	298,948	221
Street Maintenance and Repairs:				
Street:				
Personal Services	\$120,822	\$135,984	\$135,782	\$202

(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, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Debt Service:				
Principal Retirement	\$122,091	\$122,091	\$122,091	\$0
Interest and Fiscal Charges	6,309	6,776	5,880	896
<i>Total Expenditures</i>	<u>9,184,861</u>	<u>9,418,250</u>	<u>9,295,979</u>	<u>122,271</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(65,443)</u>	<u>(171,848)</u>	<u>344,095</u>	<u>515,943</u>
Other Financing Sources (Uses)				
Advances Out	0	(25,000)	(25,000)	0
Transfers Out	(119,731)	(441,096)	(430,500)	10,596
<i>Total Other Financing Sources (Uses)</i>	<u>(119,731)</u>	<u>(466,096)</u>	<u>(455,500)</u>	<u>10,596</u>
<i>Net Change in Fund Balance</i>	(185,174)	(637,944)	(111,405)	526,539
<i>Fund Balance Beginning of Year</i>	702,918	702,918	702,918	0
Prior Year Encumbrances Appropriated	45,675	45,675	45,675	0
<i>Fund Balance End of Year</i>	<u>\$563,419</u>	<u>\$110,649</u>	<u>\$637,188</u>	<u>\$526,539</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$19,000	\$19,000	\$15,452	(\$3,548)
Contributions and Donations	131,000	131,000	0	(131,000)
Other	0	0	535	535
<i>Total Revenues</i>	<u>150,000</u>	<u>150,000</u>	<u>15,987</u>	<u>(134,013)</u>
Expenditures				
Current:				
Housing and Community Development:				
Community Development Block Grant:				
Contractual Services	40,000	40,000	18,954	21,046
Capital Outlay	0	226,475	126,475	100,000
<i>Total Expenditures</i>	<u>40,000</u>	<u>266,475</u>	<u>145,429</u>	<u>121,046</u>
<i>Net Change in Fund Balance</i>	110,000	(116,475)	(129,442)	(12,967)
<i>Fund Balance Beginning of Year</i>	<u>162,863</u>	<u>162,863</u>	<u>162,863</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$272,863</u>	<u>\$46,388</u>	<u>\$33,421</u>	<u>(\$12,967)</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, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$0	\$50	\$50	\$0
Intergovernmental	757,000	750,000	779,984	29,984
Interest	0	0	104	104
Other	0	0	1,146	1,146
<i>Total Revenues</i>	<u>757,000</u>	<u>750,050</u>	<u>781,284</u>	<u>31,234</u>
Expenditures				
Current:				
Street Maintenance and Repairs:				
Public Works:				
Personal Services	548,912	574,314	573,969	345
Materials and Supplies	225,358	235,021	198,194	36,827
Contractual Services	52,642	52,642	51,177	1,465
<i>Total Expenditures</i>	<u>826,912</u>	<u>861,977</u>	<u>823,340</u>	<u>38,637</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(69,912)	(111,927)	(42,056)	69,871
Other Financing Sources (Uses)				
Transfers In	0	50,000	50,000	0
<i>Net Change in Fund Balance</i>	(69,912)	(61,927)	7,944	69,871
<i>Fund Balance Beginning of Year</i>	194,295	194,295	194,295	0
Prior Year Encumbrances Appropriated	3,030	3,030	3,030	0
<i>Fund Balance End of Year</i>	<u>\$127,413</u>	<u>\$135,398</u>	<u>\$205,269</u>	<u>\$69,871</u>

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Levy Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$466,000	\$486,608	\$486,609	\$1
Intergovernmental	25,003	25,003	26,507	1,504
<i>Total Revenues</i>	<u>491,003</u>	<u>511,611</u>	<u>513,116</u>	<u>1,505</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Personal Services	555,371	563,785	560,270	3,515
Contractual Services	15,000	15,000	10,531	4,469
<i>Total Expenditures</i>	<u>570,371</u>	<u>578,785</u>	<u>570,801</u>	<u>7,984</u>
<i>Net Change in Fund Balance</i>	(79,368)	(67,174)	(57,685)	9,489
<i>Fund Balance Beginning of Year</i>	<u>83,275</u>	<u>83,275</u>	<u>83,275</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$3,907</u></u>	<u><u>\$16,101</u></u>	<u><u>\$25,590</u></u>	<u><u>\$9,489</u></u>

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Permanent Improvement Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$349,600	\$349,600	\$375,720	\$26,120
Municipal Income Tax	626,111	686,111	706,802	20,691
Intergovernmental	2,814,220	3,254,220	2,864,105	(390,115)
Other	0	0	11,706	11,706
<i>Total Revenues</i>	<u>3,789,931</u>	<u>4,289,931</u>	<u>3,958,333</u>	<u>(331,598)</u>
Expenditures				
Capital Outlay:				
Contractual Services	28,666	28,666	15,818	12,848
Capital Outlay	3,041,631	3,662,631	3,722,046	(59,415)
Total Capital Outlay	<u>3,070,297</u>	<u>3,691,297</u>	<u>3,737,864</u>	<u>(46,567)</u>
Debt Service:				
Principal Retirement	435,761	435,761	399,336	36,425
Interest and Fiscal Charges	145,007	145,007	145,007	0
Total Debt Service	<u>580,768</u>	<u>580,768</u>	<u>544,343</u>	<u>36,425</u>
<i>Total Expenditures</i>	<u>3,651,065</u>	<u>4,272,065</u>	<u>4,282,207</u>	<u>(10,142)</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	138,866	17,866	(323,874)	(341,740)
Other Financing Sources (Uses)				
Sale of Capital Assets	0	0	21,735	21,735
<i>Net Change in Fund Balance</i>	138,866	17,866	(302,139)	(320,005)
<i>Fund Balance Beginning of Year</i>	235,777	235,777	235,777	0
Prior Year Encumbrances Appropriated	602,351	602,351	602,351	0
<i>Fund Balance End of Year</i>	<u>\$976,994</u>	<u>\$855,994</u>	<u>\$535,989</u>	<u>(\$320,005)</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$1,977,000	\$1,925,000	\$1,743,816	(\$181,184)
Intergovernmental	25,000	25,000	22,395	(2,605)
Other	0	0	18,593	18,593
<i>Total Revenues</i>	<u>2,002,000</u>	<u>1,950,000</u>	<u>1,784,804</u>	<u>(165,196)</u>
Expenses				
Personal Services	1,105,891	1,134,422	1,134,355	67
Contractual Services	661,180	694,722	612,151	82,571
Materials and Supplies	149,520	149,520	128,853	20,667
Capital Outlay	18,000	18,000	16,649	1,351
Debt Service:				
Principal Retirement	30,335	30,335	30,335	0
Interest and Fiscal Charges	1,765	1,656	1,656	0
<i>Total Expenses</i>	<u>1,966,691</u>	<u>2,028,655</u>	<u>1,923,999</u>	<u>104,656</u>
<i>Net Change in Fund Balance</i>	35,309	(78,655)	(139,195)	(60,540)
<i>Fund Balance Beginning of Year</i>	211,767	211,767	211,767	0
Prior Year Encumbrances Appropriated	<u>11,956</u>	<u>11,956</u>	<u>11,956</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$259,032</u>	<u>\$145,068</u>	<u>\$84,528</u>	<u>(\$60,540)</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$4,268,000	\$4,268,000	\$4,326,462	\$58,462
Tap-In Fees	5,000	5,000	6,500	1,500
Intergovernmental	189,436	189,436	99,593	(89,843)
OWDA Loans Issued	983,663	1,059,663	742,566	(317,097)
OPWC Loans Issued	195,060	195,060	98,487	(96,573)
Other	0	0	720	720
<i>Total Revenues</i>	<u>5,641,159</u>	<u>5,717,159</u>	<u>5,274,328</u>	<u>(442,831)</u>
Expenses				
Personal Services	1,641,609	1,670,596	1,581,269	89,327
Contractual Services	1,413,727	1,515,895	1,278,903	236,992
Materials and Supplies	257,937	257,937	201,813	56,124
Capital Outlay	1,858,000	1,841,800	1,279,347	562,453
Debt Service:				
Principal Retirement	469,503	460,866	456,870	3,996
Interest and Fiscal Charges	74,693	99,172	99,087	85
<i>Total Expenses</i>	<u>5,715,469</u>	<u>5,846,266</u>	<u>4,897,289</u>	<u>948,977</u>
<i>Net Change in Fund Balance</i>	(74,310)	(129,107)	377,039	506,146
<i>Fund Balance Beginning of Year</i>	696,050	696,050	696,050	0
Prior Year Encumbrances Appropriated	<u>490,313</u>	<u>490,313</u>	<u>490,313</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,112,053</u>	<u>\$1,057,256</u>	<u>\$1,563,402</u>	<u>\$506,146</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$20,000	\$20,000	\$8,536	(\$11,464)
Licenses and Permits	200,000	200,000	189,430	(10,570)
Fines and Forfeitures	0	0	2,371	2,371
Intergovernmental	30,000	45,000	82,299	37,299
<i>Total Revenues</i>	<u>250,000</u>	<u>265,000</u>	<u>282,636</u>	<u>17,636</u>
Expenditures				
Current:				
Housing and Community Development:				
Code Enforcement:				
Personal Services	275,624	279,906	279,501	405
Materials and Supplies	13,500	13,500	12,013	1,487
Contractual Services	24,800	27,300	13,917	13,383
<i>Total Expenditures</i>	<u>313,924</u>	<u>320,706</u>	<u>305,431</u>	<u>15,275</u>
<i>Net Change in Fund Balance</i>	(63,924)	(55,706)	(22,795)	32,911
<i>Fund Balance Beginning of Year</i>	182,950	182,950	182,950	0
Prior Year Encumbrances Appropriated	<u>5,186</u>	<u>5,186</u>	<u>5,186</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$124,212</u></u>	<u><u>\$132,430</u></u>	<u><u>\$165,341</u></u>	<u><u>\$32,911</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$225,400	\$225,400	\$244,219	\$18,819
Intergovernmental	36,580	36,980	33,071	(3,909)
<i>Total Revenues</i>	261,980	262,380	277,290	14,910
Expenditures				
Current:				
Security of Persons and Property:				
Fire:				
Fire Prevention:				
Personal Services	371,370	371,370	350,587	20,783
Contractual Services	5,500	5,800	5,581	219
<i>Total Expenditures</i>	376,870	377,170	356,168	21,002
<i>Excess of Revenues Over (Under) Expenditures</i>	(114,890)	(114,790)	(78,878)	35,912
Other Financing Sources (Uses)				
Transfers In	115,000	115,000	110,000	(5,000)
<i>Net Change in Fund Balance</i>	110	210	31,122	30,912
<i>Fund Balance Beginning of Year</i>	13,443	13,443	13,443	0
<i>Fund Balance End of Year</i>	\$13,553	\$13,653	\$44,565	\$30,912

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Licenses and Permits	\$42,500	\$43,200	\$43,481	\$281
Expenditures				
Current:				
Public Health Services:				
Board of Health:				
Personal Services	50,012	52,006	52,006	0
Materials and Supplies	1,967	1,967	1,948	19
Contractual Services	6,733	4,740	4,651	89
<i>Total Expenditures</i>	<u>58,712</u>	<u>58,713</u>	<u>58,605</u>	<u>108</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(16,212)	(15,513)	(15,124)	389
Other Financing Sources (Uses)				
Transfers In	<u>15,500</u>	<u>15,500</u>	<u>5,000</u>	<u>(10,500)</u>
<i>Net Change in Fund Balance</i>	(712)	(13)	(10,124)	(10,111)
<i>Fund Balance Beginning of Year</i>	11,361	11,361	11,361	0
Prior Year Encumbrances Appropriated	<u>26</u>	<u>26</u>	<u>26</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$10,675</u></u>	<u><u>\$11,374</u></u>	<u><u>\$1,263</u></u>	<u><u>(\$10,111)</u></u>

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Indigent Alcohol Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$5,000	\$5,000	\$7,080	\$2,080
Intergovernmental	0	6,000	6,057	57
Total Revenues	5,000	11,000	13,137	2,137
Expenditures				
Current:				
General Government:				
Judicial System:				
Indigent Alcohol:				
Materials and Supplies	10,000	10,000	0	10,000
<i>Net Change in Fund Balance</i>	(5,000)	1,000	13,137	12,137
<i>Fund Balance Beginning of Year</i>	52,543	52,543	52,543	0
<i>Fund Balance End of Year</i>	<u>\$47,543</u>	<u>\$53,543</u>	<u>\$65,680</u>	<u>\$12,137</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$12,000	\$12,000	\$21,414	\$9,414
Other	0	0	861	861
Total Revenues	12,000	12,000	22,275	10,275
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Law Enforcement Trust:				
Materials and Supplies	45,000	45,000	26,269	18,731
<i>Net Change in Fund Balance</i>	(33,000)	(33,000)	(3,994)	29,006
<i>Fund Balance Beginning of Year</i>	61,045	61,045	61,045	0
<i>Fund Balance End of Year</i>	<u>\$28,045</u>	<u>\$28,045</u>	<u>\$57,051</u>	<u>\$29,006</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$37,500	\$37,500	\$37,918	\$418
Expenditures				
Current:				
Street Maintenance and Repairs:				
Public Works:				
Materials and Supplies	6,500	6,500	5,447	1,053
Contractual Services	31,000	31,000	19,544	11,456
Total Expenditures	37,500	37,500	24,991	12,509
<i>Net Change in Fund Balance</i>	0	0	12,927	12,927
<i>Fund Balance Beginning of Year</i>	38,140	38,140	38,140	0
<i>Fund Balance End of Year</i>	\$38,140	\$38,140	\$51,067	\$12,927

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$58,000	\$60,000	\$39,954	(\$20,046)
Expenditures				
Current:				
General Government:				
Judicial System:				
Municipal Probation Services:				
Personal Services	50,000	50,000	50,000	0
Materials and Supplies	6,000	6,000	2,515	3,485
Total Expenditures	56,000	56,000	52,515	3,485
<i>Net Change in Fund Balance</i>	2,000	4,000	(12,561)	(16,561)
<i>Fund Balance Beginning of Year</i>	38,101	38,101	38,101	0
<i>Fund Balance End of Year</i>	\$40,101	\$42,101	\$25,540	(\$16,561)

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Municipal Court Security Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$25,000	\$26,000	\$28,502	\$2,502
Expenditures				
Current:				
General Government				
Judicial:				
Security:				
Personal Services	19,950	19,950	11,519	8,431
Materials and Supplies	16,050	16,050	10,059	5,991
Contractual Services	1,000	1,000	228	772
<i>Total Expenditures</i>	37,000	37,000	21,806	15,194
<i>Net Change in Fund Balance</i>	(12,000)	(11,000)	6,696	17,696
<i>Fund Balance Beginning of Year</i>	38,046	38,046	38,046	0
<i>Fund Balance End of Year</i>	\$26,046	\$27,046	\$44,742	\$17,696

City of Ashtabula, Ohio
*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Indigent Drivers Interlock and Alcohol Monitoring Fund
For the Year Ended December 31, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$10,000	\$10,000	\$6,612	(\$3,388)
Expenditures				
Current:				
General Government				
Judicial System:				
Indigent Drivers and Alcohol Monitoring:				
Materials and Supplies	4,300	4,300	2,042	2,258
<i>Net Change in Fund Balance</i>	5,700	5,700	4,570	(1,130)
<i>Fund Balance Beginning of Year</i>	11,258	11,258	11,258	0
<i>Fund Balance End of Year</i>	<u>\$16,958</u>	<u>\$16,958</u>	<u>\$15,828</u>	<u>(\$1,130)</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$225,400	\$225,400	\$244,219	\$18,819
Intergovernmental	31,580	36,980	33,071	(3,909)
<i>Total Revenues</i>	256,980	262,380	277,290	14,910
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Law Enforcement:				
Personal Services	355,671	363,472	363,472	0
Contractual Services	5,500	5,800	5,582	218
<i>Total Expenditures</i>	361,171	369,272	369,054	218
<i>Excess of Revenues Over (Under) Expenditures</i>	(104,191)	(106,892)	(91,764)	15,128
Other Financing Sources (Uses)				
Transfers In	100,000	100,000	100,000	0
<i>Net Change in Fund Balance</i>	(4,191)	(6,892)	8,236	15,128
<i>Fund Balance Beginning of Year</i>	19,563	19,563	19,563	0
<i>Fund Balance End of Year</i>	\$15,372	\$12,671	\$27,799	\$15,128

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$15,000	\$3,200	\$3,825	\$625
Expenditures				
Current:				
Public Health Services:				
Public Health Nursing:				
Personal Services	3,200	3,200	0	3,200
Contractual Services	0	15,000	14,000	1,000
<i>Total Expenditures</i>	3,200	18,200	14,000	4,200
<i>Net Change in Fund Balance</i>	11,800	(15,000)	(10,175)	4,825
<i>Fund Balance Beginning of Year</i>	23,952	23,952	23,952	0
<i>Fund Balance End of Year</i>	\$35,752	\$8,952	\$13,777	\$4,825

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$50,000	\$50,000	\$50,848	\$848
Expenditures				
Current:				
Street Maintenance and Repairs:				
Public Works:				
Materials and Supplies	50,000	50,000	37,746	12,254
<i>Net Change in Fund Balance</i>	0	0	13,102	13,102
<i>Fund Balance Beginning of Year</i>	42,194	42,194	42,194	0
Prior Year Encumbrances Appropriated	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$42,194</u>	<u>\$42,194</u>	<u>\$55,296</u>	<u>\$13,102</u>

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Grant Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$20,000	\$81,600	\$23,875	(\$57,725)
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Contractual Services	28,700	45,300	1,579	43,721
<i>Net Change in Fund Balance</i>	(8,700)	36,300	22,296	(14,004)
<i>Fund Balance Beginning of Year</i>	16,323	16,323	16,323	0
<i>Fund Balance End of Year</i>	\$7,623	\$52,623	\$38,619	(\$14,004)

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Grant Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$15,000	\$15,000	\$10,858	(\$4,142)
Expenditures				
Current:				
Security of Persons and Property:				
Fire:				
Materials and Supplies	10,859	10,859	9,679	1,180
<i>Net Change in Fund Balance</i>	4,141	4,141	1,179	(2,962)
<i>Fund Balance Beginning of Year</i>	1,503	1,503	1,503	0
<i>Fund Balance End of Year</i>	<u>\$5,644</u>	<u>\$5,644</u>	<u>\$2,682</u>	<u>(\$2,962)</u>

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Walnut Beach Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$262,000	\$262,000	\$291,966	\$29,966
Intergovernmental	36,000	36,000	15,903	(20,097)
Contributions and Donations	7,500	7,500	7,850	350
<i>Total Revenues</i>	<u>305,500</u>	<u>305,500</u>	<u>315,719</u>	<u>10,219</u>
Expenditures				
Current:				
Leisure Time Activities:				
Walnut Beach:				
Personal Services	153,036	157,878	114,440	43,438
Materials and Supplies	20,000	20,000	16,956	3,044
Contractual Services	49,000	49,000	46,435	2,565
Capital Outlay	65,000	65,000	14,119	50,881
<i>Total Expenditures</i>	<u>287,036</u>	<u>291,878</u>	<u>191,950</u>	<u>99,928</u>
<i>Net Change in Fund Balance</i>	18,464	13,622	123,769	110,147
<i>Fund Balance Beginning of Year</i>	54,214	54,214	54,214	0
Prior Year Encumbrances Appropriated	4,300	4,300	4,300	0
<i>Fund Balance End of Year</i>	<u>\$76,978</u>	<u>\$72,136</u>	<u>\$182,283</u>	<u>\$110,147</u>

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Lighting Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$299,500	\$299,500	\$300,051	\$551
Expenditures				
Current:				
Street Maintenance and Repairs:				
Street Lighting:				
Contractual Services	458,500	458,500	440,961	17,539
<i>Excess of Revenues Over (Under) Expenditures</i>	(159,000)	(159,000)	(140,910)	18,090
Other Financing Sources (Uses)				
Transfers In	165,500	165,500	165,500	0
<i>Net Change in Fund Balance</i>	6,500	6,500	24,590	18,090
<i>Fund Balance Beginning of Year</i>	17,105	17,105	17,105	0
<i>Fund Balance End of Year</i>	\$23,605	\$23,605	\$41,695	\$18,090

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Other Grants Fund
For the Year Ended December 31, 2018

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

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Special Assessments	\$10,200	\$10,200	\$11,082	\$882
Expenditures				
Current:				
General Government:				
Legislative and Executive:				
Bond Retirement:				
Contractual Services	400	400	386	14
Debt Service:				
Principal Retirement	9,800	9,800	9,782	18
<i>Total Expenditures</i>	10,200	10,200	10,168	32
<i>Net Change in Fund Balance</i>	0	0	914	914
<i>Fund Balance Beginning of Year</i>	58,705	58,705	58,705	0
<i>Fund Balance End of Year</i>	\$58,705	\$58,705	\$59,619	\$914

City of Ashtabula, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Municipal Court Computer Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$25,000	\$26,000	\$27,212	\$1,212
Expenditures				
General Government:				
Judicial Technology:				
Personal Services	14,500	14,500	6,937	7,563
Materials and Supplies	20,000	20,000	15,717	4,283
<i>Total Expenditures</i>	34,500	34,500	22,654	11,846
<i>Net Change in Fund Balance</i>	(9,500)	(8,500)	4,558	13,058
<i>Fund Balance Beginning of Year</i>	38,197	38,197	38,197	0
<i>Fund Balance End of Year</i>	<u>\$28,697</u>	<u>\$29,697</u>	<u>\$42,755</u>	<u>\$13,058</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, 2018

	<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	\$75,000	\$75,000	\$85,719	\$10,719
Expenditures				
Capital Outlay:				
Personal Services	32,082	68,832	66,761	2,071
Materials and Supplies	20,000	25,750	13,842	11,908
<i>Total Expenditures</i>	52,082	94,582	80,603	13,979
<i>Excess of Revenues Over (Under) Expenditures</i>	22,918	(19,582)	5,116	24,698
Other Financing Sources (Uses)				
Transfers Out	(24,000)	0	0	0
<i>Net Change in Fund Balance</i>	(1,082)	(19,582)	5,116	24,698
<i>Fund Balance Beginning of Year</i>	91,957	91,957	91,957	0
<i>Fund Balance End of Year</i>	<u>\$90,875</u>	<u>\$72,375</u>	<u>\$97,073</u>	<u>\$24,698</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$2,200,000	\$2,559,749	\$2,559,433	(\$316)
Expenses				
Contractual Services	13,235	13,235	13,235	0
Claims	1,911,764	2,546,514	2,546,513	1
<i>Total Expenses</i>	1,924,999	2,559,749	2,559,748	1
<i>Net Change in Fund Equity</i>	275,001	0	(315)	(315)
<i>Fund Equity Beginning of Year</i>	22,138	22,138	22,138	0
<i>Fund Equity End of Year</i>	\$297,139	\$22,138	\$21,823	(\$315)

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$225,000	\$144,302	\$300,781	\$156,479
Expenses				
Current:				
Contractual Services	170,000	279,065	237,505	41,560
Claims	30,000	28,894	26,577	2,317
<i>Total Expenses</i>	200,000	307,959	264,082	43,877
<i>Excess of Revenues Over (Under) Expenses Before Advances</i>	25,000	(163,657)	36,699	200,356
Advances In	25,000	25,000	25,000	0
<i>Net Change in Fund Equity</i>	50,000	(138,657)	61,699	200,356
<i>Fund Equity Beginning of Year</i>	493,335	493,335	493,335	0
Prior Year Encumbrances Appropriated	2,766	2,766	2,766	0
<i>Fund Equity End of Year</i>	\$546,101	\$357,444	\$557,800	\$200,356

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STATISTICAL SECTION

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)

	2018 (2)	2017	2016	2015 (1)
Governmental Activities				
Net Investment in Capital Assets	\$28,981,792	\$26,009,181	\$26,242,611	\$26,578,704
Restricted:				
Capital Projects	1,096,179	1,171,340	2,064,719	2,093,617
Debt Service	34,468	61,462	49,326	48,482
Community Development	169,489	182,868	158,477	153,062
Sanitation	0	0	0	0
Street Maintenance and Repair	604,488	555,152	574,691	635,571
Public Safety	342,604	360,798	489,315	653,281
Municipal Court	91,663	94,852	58,041	96,620
Other Purposes	590,269	539,299	168,231	120,536
Unrestricted (Deficit)	<u>(21,708,246)</u>	<u>(20,066,423)</u>	<u>(9,430,563)</u>	<u>(8,593,534)</u>
<i>Total Governmental Activities Net Position</i>	<u>10,202,706</u>	<u>8,908,529</u>	<u>20,374,848</u>	<u>21,786,339</u>
Business Type - Activities				
Net Investment in Capital Assets	11,714,565	12,256,683	12,825,905	11,965,565
Unrestricted	<u>1,410,836</u>	<u>440,388</u>	<u>986,086</u>	<u>827,852</u>
<i>Total Business-Type Activities Net Position</i>	<u>13,125,401</u>	<u>12,697,071</u>	<u>13,811,991</u>	<u>12,793,417</u>
Primary Government				
Net Investment in Capital Assets	40,696,357	38,265,864	39,068,516	38,544,269
Restricted	2,929,160	2,965,771	3,562,800	3,801,169
Unrestricted (Deficit)	<u>(20,297,410)</u>	<u>(19,626,035)</u>	<u>(8,444,477)</u>	<u>(7,765,682)</u>
<i>Total Primary Government Net Position</i>	<u>\$23,328,107</u>	<u>\$21,605,600</u>	<u>\$34,186,839</u>	<u>\$34,579,756</u>

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

(2) The City reported the impact of GASB Statement No. 75 beginning in 2018.

2014	2013	2012	2011	2010	2009
\$29,432,989	\$26,927,369	\$26,144,204	\$27,040,775	\$18,695,971	\$19,304,462
651,142	1,578,684	1,038,535	996,559	519,091	616,317
115,047	114,585	103,521	108,509	125,280	212,116
1,017,387	280,633	768,002	546,108	1,330,094	2,266,481
0	0	0	0	0	883,394
438,034	442,393	180,727	154,647	151,130	140,771
356,913	289,776	230,784	389,697	436,726	N/A
96,474	112,153	84,473	102,650	134,952	N/A
137,960	22,458	19,915	102,874	369,503	791,656
(8,262,094)	1,069,855	391,808	962,152	160,862	841,775
23,983,852	30,837,906	28,961,969	30,403,971	21,923,609	25,056,972
11,929,668	11,960,613	11,545,705	11,224,236	10,615,079	10,339,668
1,334,345	2,474,402	2,530,937	2,084,496	3,249,898	1,701,294
13,264,013	14,435,015	14,076,642	13,308,732	13,864,977	12,040,962
41,362,657	38,887,982	37,689,909	38,265,011	29,311,050	29,644,130
2,812,957	2,840,682	2,425,957	2,401,044	3,066,776	4,910,735
(6,927,749)	3,544,257	2,922,745	3,046,648	3,410,760	2,543,069
\$37,247,865	\$45,272,921	\$43,038,611	\$43,712,703	\$35,788,586	\$37,097,934

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

	2018 (3)	2017	2016	2015 (2)
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government:				
Legislative and Executive	\$247,644	\$219,302	\$246,670	\$236,366
Judicial System	311,639	308,206	282,346	200,982
Security of Persons and Property:				
Police	430,392	386,144	414,081	390,843
Fire	280,977	273,207	278,732	250,345
Public Health Services	80,632	77,441	79,261	73,122
Street Maintenance and Repairs	182,336	432,562	302,625	413,226
Housing and Community Development	178,208	202,098	208,883	302,075
Sanitation Services	0	582	849	293
Leisure Time Activities	0	0	0	0
Subtotal - Charges for Services	<u>1,711,828</u>	<u>1,899,542</u>	<u>1,813,447</u>	<u>1,867,252</u>
Operating Grants and Contributions:				
General Government:				
Legislative and Executive	6,598	0	0	0
Judicial System	12,669	16,251	0	0
Security of Persons and Property:				
Police	168,204	105,733	132,037	114,477
Fire	44,381	34,756	57,684	0
Public Health Services	1,913	20,965	28,092	25,606
Street Maintenance and Repairs	888,714	876,883	805,132	769,401
Housing and Community Development	306,754	227,236	546,572	131,203
Sanitation Services	0	0	0	73,115
Leisure Time Activities	58,171	45,154	17,979	0
Subtotal - Operating Grants and Contributions	<u>1,487,404</u>	<u>1,326,978</u>	<u>1,587,496</u>	<u>1,113,802</u>
Capital Grants and Contributions:				
General Government:				
Legislative and Executive	0	0	0	0
Street Maintenance and Repairs	2,864,799	353,575	87,304	686,611
Housing and Community Development	0	0	0	0
Subtotal - Capital Grants and Contributions	<u>2,864,799</u>	<u>353,575</u>	<u>87,304</u>	<u>686,611</u>
<i>Total Governmental Activities Program Revenues</i>	<u>\$6,064,031</u>	<u>\$3,580,095</u>	<u>\$3,488,247</u>	<u>\$3,667,665</u>

2014	2013	2012	2011	2010	2009
\$388,450	\$411,518	\$414,538	\$236,006	\$299,400	\$265,773
267,805	265,461	258,606	645,600	210,280	759,859
507,597	552,112	468,505	387,791	404,073	44,108
323,428	339,718	358,161	76,175	277,242	51,658
77,984	118,555	102,777	168,489	117,408	174,062
259	63,763	27,539	12,176	59,080	40,554
259,122	295,579	243,585	137,636	280,833	295,469
264	0	0	28,372	2,734	1,801,553
0	0	1,562	3,005	15,794	13,830
<u>1,824,909</u>	<u>2,046,706</u>	<u>1,875,273</u>	<u>1,695,250</u>	<u>1,666,844</u>	<u>3,446,866</u>
100,000	0	0	0	0	0
0	0	0	15,708	15,708	87,818
83,866	35,112	206,181	187,228	100,718	381,438
68,835	35,112	30,367	42,961	77,269	36,438
14,403	11,073	12,508	9,522	111,983	207,053
767,828	849,842	817,848	868,021	779,720	94,120
1,333,052	219,343	962,920	0	108,985	233,330
0	0	0	0	0	40,000
0	0	0	0	0	0
<u>2,367,984</u>	<u>1,150,482</u>	<u>2,029,824</u>	<u>1,123,440</u>	<u>1,194,383</u>	<u>1,080,197</u>
0	0	13,250	1,956,961	184,138	97,318
983,641	1,668,993	0	1,802,011	0	407,687
0	0	0	0	0	173,444
<u>983,641</u>	<u>1,668,993</u>	<u>13,250</u>	<u>3,758,972</u>	<u>184,138</u>	<u>678,449</u>
<u>\$5,176,534</u>	<u>\$4,866,181</u>	<u>\$3,918,347</u>	<u>\$6,577,662</u>	<u>\$3,045,365</u>	<u>\$5,205,512</u>

(continued)

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

	2018 (3)	2017	2016	2015 (2)
Business-Type Activities:				
Charges for Services:				
Sanitation	\$1,964,039	\$1,818,480	\$1,777,296	\$1,846,883
Wastewater Treatment	4,675,398	3,991,537	3,641,035	3,516,906
Capital Grants and Contributions				
Sanitation	22,395	24,107	26,265	19,980
Wastewater Treatment	318,056	94,786	27,763	5,710
<i>Total Business-Type Activities Program Revenues</i>	<u>6,979,888</u>	<u>5,928,910</u>	<u>5,472,359</u>	<u>5,389,479</u>
<i>Total Primary Government Program Revenues</i>	<u>13,043,919</u>	<u>9,509,005</u>	<u>8,960,606</u>	<u>9,057,144</u>
Expenses				
Governmental Activities:				
General Government:				
Legislative and Executive	2,265,480	2,135,112	2,073,507	2,258,619
Judicial System	1,322,561	1,254,676	1,133,813	1,006,688
Security of Persons and Property:				
Police	4,893,717	4,707,610	4,630,686	4,244,476
Fire	2,981,749	3,054,167	2,678,611	2,845,390
Public Health Services	414,443	408,976	380,260	388,432
Street Maintenance and Repairs	2,853,250	2,790,436	2,376,580	2,989,848
Housing and Community Development	580,996	1,095,221	772,464	1,288,296
Sanitation Services	0	5,016	6,485	334,856
Leisure Time Activities	261,746	289,845	55,362	95,965
Interest and Fiscal Charges	166,507	136,251	3,650	70,338
<i>Total Governmental Activities Expenses</i>	<u>15,740,449</u>	<u>15,877,310</u>	<u>14,111,418</u>	<u>15,522,908</u>
Business-Type Activities				
Sanitation	2,252,634	1,805,365	2,088,252	1,672,859
Wastewater Treatment	4,313,335	4,078,229	2,416,530	4,253,305
<i>Total Business-Type Activities Expenses</i>	<u>6,565,969</u>	<u>5,883,594</u>	<u>4,504,782</u>	<u>5,926,164</u>
<i>Total Primary Government Program Expenses</i>	<u>22,306,418</u>	<u>21,760,904</u>	<u>18,616,200</u>	<u>21,449,072</u>
Net (Expense)/Revenue				
Governmental Activities	(9,676,418)	(12,297,215)	(10,623,171)	(11,855,243)
Business-Type Activities	413,919	45,316	967,577	(536,685)
<i>Total Primary Government Net Expense</i>	<u>(\$9,262,499)</u>	<u>(\$12,251,899)</u>	<u>(\$9,655,594)</u>	<u>(\$12,391,928)</u>

2014	2013	2012	2011	2010	2009
\$1,799,424	\$1,833,371	\$1,950,321	\$1,576,051	\$1,863,359	\$0
3,085,997	3,089,877	3,142,336	3,280,585	3,645,979	3,601,213
31,280	3,945	5,000	40,000	40,000	0
635,540	455,232	625,308	0	147,860	231,298
5,552,241	5,382,425	5,722,965	4,896,636	5,697,198	3,832,511
10,728,775	10,248,606	9,641,312	11,474,298	8,742,563	9,038,023
2,634,808	2,503,864	2,821,885	2,792,923	2,721,988	3,227,472
1,126,553	977,180	995,974	1,084,083	1,149,058	1,183,400
3,645,947	3,799,246	3,372,417	3,548,942	3,704,992	3,686,839
2,519,128	2,515,373	2,687,460	2,874,864	2,776,175	3,021,851
329,426	338,346	334,693	328,577	404,670	365,246
1,121,229	1,678,580	2,529,822	4,237,406	1,612,921	1,922,571
792,050	902,972	1,012,690	1,002,021	1,312,203	601,846
1,730	1,853	38,831	116,525	160,453	1,928,179
39,713	75,701	68,873	24,655	75,811	79,793
17,330	3,118	5,972	23,355	14,669	31,026
12,227,914	12,796,233	13,868,617	16,033,351	13,932,940	16,048,223
1,900,604	2,001,720	1,943,508	1,788,036	1,776,030	0
3,453,195	3,068,420	3,060,797	3,664,845	3,641,968	4,230,206
5,353,799	5,070,140	5,004,305	5,452,881	5,417,998	4,230,206
17,581,713	17,866,373	18,872,922	21,486,232	19,350,938	20,278,429
(7,051,380)	(7,930,052)	(9,950,270)	(9,455,689)	(10,887,575)	(10,842,711)
198,442	312,285	718,660	(556,245)	279,200	(397,695)
(\$6,852,938)	(\$7,617,767)	(\$9,231,610)	(\$10,011,934)	(\$10,608,375)	(\$11,240,406)

(continued)

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

	2018 (3)	2017	2016	2015 (2)
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes:				
Property Taxes Levied For:				
General Purposes	\$911,158	\$746,685	\$698,451	\$658,161
Capital Outlay	388,128	317,087	293,845	275,061
Other Purposes	1,308,236	1,139,482	773,281	1,046,981
Income Taxes Levied for:				
General Purposes	6,475,818	6,269,177	5,737,015	5,802,538
Capital Outlay	715,168	693,921	632,880	641,178
Hotel Taxes	732	370	0	0
Grants and Entitlements not Restricted to				
Specific Programs	783,909	811,616	808,303	877,128
Investment Earnings	4,469	3,580	538	175
Unrestricted Contributions	250	0	0	0
Franchise Taxes	290,452	269,859	225,803	244,176
Gain on Sale of Capital Assets	21,735	0	0	0
Other	65,788	77,636	87,282	167,832
Special Item - Capital Contribution (1)	0	0	0	0
Transfers	4,752	0	(45,718)	(55,500)
<i>Total Governmental Activities</i>	<u>10,970,595</u>	<u>10,329,413</u>	<u>9,211,680</u>	<u>9,657,730</u>
Business-Type Activities				
Other	19,163	2,844	5,279	10,589
Transfers	(4,752)	0	45,718	55,500
<i>Total Business-Type Activities</i>	<u>14,411</u>	<u>2,844</u>	<u>50,997</u>	<u>66,089</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<u>10,985,006</u>	<u>10,332,257</u>	<u>9,262,677</u>	<u>9,723,819</u>
Change in Net Position				
Governmental Activities	1,294,177	(1,967,802)	(1,411,491)	(2,197,513)
Business-Type Activities	428,330	48,160	1,018,574	(470,596)
<i>Total Primary Government Change in Net Position</i>	<u>\$1,722,507</u>	<u>(\$1,919,642)</u>	<u>(\$392,917)</u>	<u>(\$2,668,109)</u>

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

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

(3) Expenses are first impacted by the implementation of GASB Statement No. 75 beginning in 2018.

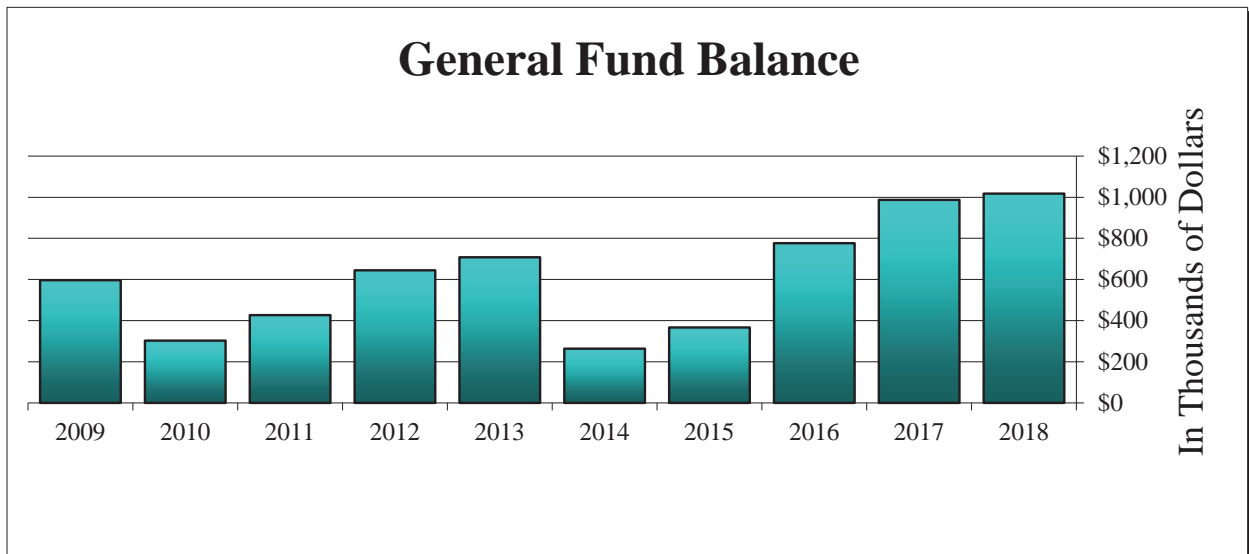
2014	2013	2012	2011	2010	2009
\$1,052,932	\$964,733	\$825,015	\$967,282	\$1,020,451	\$1,116,701
448,033	411,018	350,201	412,653	438,820	476,191
599,810	551,687	489,993	579,508	571,202	618,918
5,861,891	6,006,298	5,137,126	5,902,284	4,814,382	5,508,718
647,014	663,396	566,893	665,177	548,618	622,236
0	0	0	0	0	0
780,305	863,451	811,927	1,127,596	1,628,612	3,135,994
112	60	190	144	5,450	11,572
0	0	0	0	0	0
235,233	221,520	252,342	273,773	242,362	0
0	0	0	22,500	15,415	0
119,304	164,581	113,856	62,855	7,345	250,783
0	0	0	7,922,279	0	0
(29,473)	(40,755)	(39,275)	0	0	76,500
9,715,161	9,805,989	8,508,268	17,936,051	9,292,657	11,817,613
2,880	5,333	9,975	0	12,600	28,196
29,473	40,755	39,275	0	0	(76,500)
32,353	46,088	49,250	0	12,600	(48,304)
9,747,514	9,852,077	8,557,518	17,936,051	9,305,257	11,769,309
2,663,781	1,875,937	(1,442,002)	8,480,362	(1,594,918)	974,902
230,795	358,373	767,910	(556,245)	291,800	(445,999)
\$2,894,576	\$2,234,310	(\$674,092)	\$7,924,117	(\$1,303,118)	\$528,903

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

	2018	2017	2016	2015
General Fund				
Nonspendable	\$46,027	\$84,878	\$65,930	\$75,492
Restricted	0	0	194,091	266,091
Assigned	222,722	221,791	263,424	124,172
Unassigned (Deficit)	748,925	680,548	253,197	(98,903)
Reserved	N/A	N/A	N/A	N/A
Unreserved	N/A	N/A	N/A	N/A
Total General Fund	1,017,674	987,217	776,642	366,852
All Other Governmental Funds				
Nonspendable	56,285	28,148	\$46,161	\$104,784
Restricted	1,956,839	1,930,158	2,547,068	2,227,539
Committed	183,323	230,267	283,528	234,492
Unassigned (Deficit)	(29,928)	(1,634)	(45,098)	(34,915)
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	2,166,519	2,186,939	2,831,659	2,531,900
Total Governmental Funds	\$3,184,193	\$3,174,156	\$3,608,301	\$2,898,752

Note: This City implemented GASB 54 during 2011.

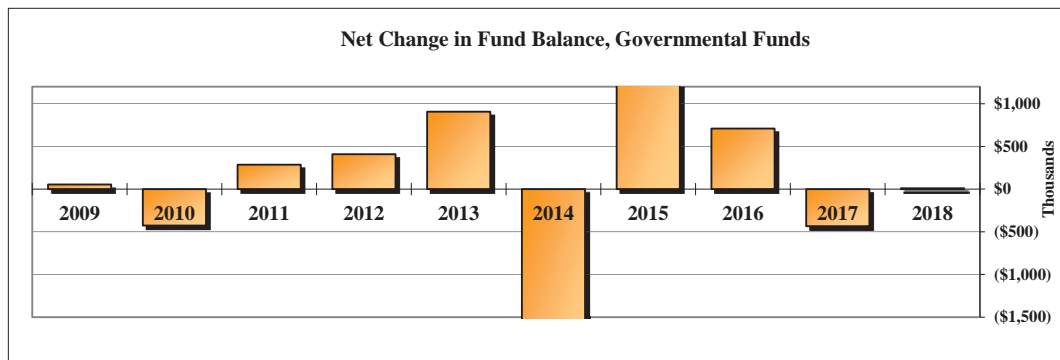
N/A - Information not available.



2014	2013	2012	2011	2010	2009
\$66,706	\$42,245	\$82,872	\$107,285	\$106,906	N/A
333,291	357,291	0	0	0	N/A
0	74,561	70,852	40,815	31,608	N/A
(136,282)	234,067	491,066	278,805	164,368	N/A
N/A	N/A	N/A	N/A	N/A	25,373
N/A	N/A	N/A	N/A	N/A	571,410
<u>263,715</u>	<u>708,164</u>	<u>644,790</u>	<u>426,905</u>	<u>302,882</u>	<u>596,783</u>
\$74,489	\$52,438	\$43,985	\$44,391	\$55,179	N/A
719,855	2,287,051	1,475,482	1,233,854	1,075,408	N/A
186,060	220,690	188,096	238,162	224,464	N/A
(278,456)	(9,363)	(282)	(77)	(962)	N/A
N/A	N/A	N/A	N/A	N/A	978,996
N/A	N/A	N/A	N/A	N/A	136,120
N/A	N/A	N/A	N/A	N/A	592,875
N/A	N/A	N/A	N/A	N/A	122,947
N/A	N/A	N/A	N/A	N/A	3,311
<u>701,948</u>	<u>2,550,816</u>	<u>1,707,281</u>	<u>1,516,330</u>	<u>1,354,089</u>	<u>1,834,249</u>
<u>\$965,663</u>	<u>\$3,258,980</u>	<u>\$2,352,071</u>	<u>\$1,943,235</u>	<u>\$1,656,971</u>	<u>\$2,431,032</u>

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

	2018	2017	2016	2015
Revenues				
Property Taxes	\$2,524,998	\$2,356,545	\$2,098,416	\$2,131,803
Municipal Income Tax	7,267,649	7,080,136	6,752,323	6,502,818
Hotel Taxes	760	342	0	0
Charges for Services	658,766	685,555	698,519	675,889
Licenses and Permits	284,415	261,612	358,858	314,797
Fines and Forfeitures	763,821	741,678	710,049	609,535
Intergovernmental	5,135,650	2,463,048	2,395,130	3,859,188
Special Assessments	11,082	9,984	10,755	12,369
Interest	2,113	1,146	538	175
Rentals	168,314	137,377	144,767	126,720
Franchise Taxes	281,961	250,509	136,561	244,176
Contributions and Donations	8,100	184,920	0	0
Other	65,788	77,636	87,282	167,832
Total Revenues	17,173,417	14,250,488	13,393,198	14,645,302
Expenditures				
Current:				
General Government				
Legislative and Executive	2,086,928	1,901,390	1,896,454	1,973,362
Judicial System	1,138,826	1,069,311	1,013,169	907,484
Security of Persons and Property:				
Police	4,309,518	4,118,222	3,793,441	3,753,944
Fire	2,842,705	2,702,614	2,535,606	2,486,759
Public Health Services	376,169	368,784	368,941	352,770
Street Maintenance and Repairs	1,456,878	1,271,982	1,507,789	1,380,569
Housing and Community Development	526,035	461,372	760,473	1,174,548
Sanitation Services	0	5,060	6,503	315,558
Leisure Time Activities	191,077	261,476	29,744	54,574
Capital Outlay	3,817,794	2,474,851	834,385	3,581,189
Debt Service:				
Principal Retirement	443,578	492,368	261,526	237,029
Interest and Fiscal Charges	148,899	156,201	14,230	21,965
Total Expenditures	17,338,407	15,283,631	13,022,261	16,239,751
<i>Excess of Revenues Over</i> <i>(Under) Expenditures</i>	<i>(164,990)</i>	<i>(1,033,143)</i>	<i>370,937</i>	<i>(1,594,449)</i>
Other Financing Sources (Uses)				
State Infrastructure Bank Bonds Issued	0	0	79,978	2,563,015
State Infrastructure Bank Loan Issued	0	56,241	231,751	856,691
OPWC Loan Issued	0	50,746	0	44,286
Capital Loan Issued	148,540	0	0	0
Notes Issued	0	0	0	0
Inception of Capital Lease	0	492,011	72,601	119,046
Sale of Capital Assets	21,735	0	0	0
Proceeds of Loan	0	0	0	0
Transfers In	435,252	423,281	531,859	739,597
Transfers Out	(430,500)	(423,281)	(577,577)	(795,097)
Total Other Financing Sources (Uses)	175,027	598,998	338,612	3,527,538
Net Change in Fund Balances	\$10,037	(\$434,145)	\$709,549	\$1,933,089
Debt Service as a Percentage of Noncapital Expenditures	4.8%	4.8%	2.4%	1.9%



2014	2013	2012	2011	2010	2009
\$1,724,033	\$1,788,847	\$1,747,271	\$1,934,311	\$1,819,144	\$2,151,450
6,188,837	6,603,322	6,050,045	6,029,632	5,640,581	6,254,545
0	0	0	0	0	0
680,609	750,560	631,480	264,357	2,153,776	2,013,439
316,089	291,403	274,644	251,638	316,038	295,278
579,395	642,937	738,446	1,063,308	765,130	838,037
2,983,575	3,992,017	3,403,671	4,988,304	4,119,247	3,344,447
9,652	10,901	9,843	10,151	10,334	35,975
112	60	190	144	5,450	11,572
137,740	164,069	169,002	161,372	161,196	152,434
235,233	221,520	302,884	271,836	245,454	0
0	0	0	0	0	0
119,304	164,581	109,492	60,690	6,888	245,540
<u>12,974,579</u>	<u>14,630,217</u>	<u>13,436,968</u>	<u>15,035,743</u>	<u>15,243,238</u>	<u>15,342,717</u>
2,613,649	2,538,405	2,576,120	2,516,841	2,401,156	2,610,914
1,061,785	972,965	961,805	1,111,726	1,105,350	1,021,185
3,503,212	3,729,018	3,301,408	3,357,299	3,482,742	3,338,973
2,634,535	2,446,715	2,572,934	2,844,417	2,750,100	2,626,619
331,273	332,026	323,401	312,972	401,284	347,872
876,214	1,040,537	1,266,996	1,034,253	1,067,277	1,172,826
817,751	910,001	1,013,371	1,002,686	1,318,340	556,125
1,728	0	12,000	21,122	1,740,323	1,690,724
28,040	35,057	28,895	24,655	36,108	38,838
4,346,012	2,069,647	735,005	2,474,089	1,482,536	1,953,177
188,758	299,785	187,772	165,525	210,308	234,736
17,941	9,421	9,150	13,263	14,669	27,440
<u>16,420,898</u>	<u>14,383,577</u>	<u>12,988,857</u>	<u>14,878,848</u>	<u>16,010,193</u>	<u>15,619,429</u>
<u>(3,446,319)</u>	<u>246,640</u>	<u>448,111</u>	<u>156,895</u>	<u>(766,955)</u>	<u>(276,712)</u>
1,011,562	0	0	0	0	0
49,583	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	325,000	250,000
121,330	699,524	0	106,869	0	0
0	0	0	22,500	15,415	3,975
0	0	0	0	0	699
411,624	587,421	601,000	487,400	430,800	724,200
<u>(441,097)</u>	<u>(626,676)</u>	<u>(640,275)</u>	<u>(487,400)</u>	<u>(430,800)</u>	<u>(647,700)</u>
<u>1,153,002</u>	<u>660,269</u>	<u>(39,275)</u>	<u>129,369</u>	<u>340,415</u>	<u>331,174</u>
<u>(\$2,293,317)</u>	<u>\$906,909</u>	<u>\$408,836</u>	<u>\$286,264</u>	<u>(\$426,540)</u>	<u>\$54,462</u>
1.9%	2.5%	1.6%	1.4%	1.9%	5.8%

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

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2018	\$123,280,970	\$59,284,160	\$521,614,657	\$28,272,550	\$32,127,898
2017	116,921,770	58,353,270	500,785,829	28,006,210	31,825,239
2016	117,166,590	59,420,240	504,533,800	26,588,520	30,214,227
2015	117,928,540	59,894,270	508,065,171	26,936,300	30,609,432
2014	132,014,600	73,752,050	587,904,714	23,144,090	26,300,102
2013	132,789,880	71,431,510	583,489,686	22,006,640	25,007,545
2012	131,582,310	66,345,860	565,509,057	18,236,510	20,723,307
2011	147,859,010	65,382,980	609,262,829	18,910,200	21,488,864
2010	148,055,540	67,061,010	614,618,714	15,924,070	18,095,534
2009	147,855,920	64,595,680	607,004,571	18,409,090	20,919,420

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

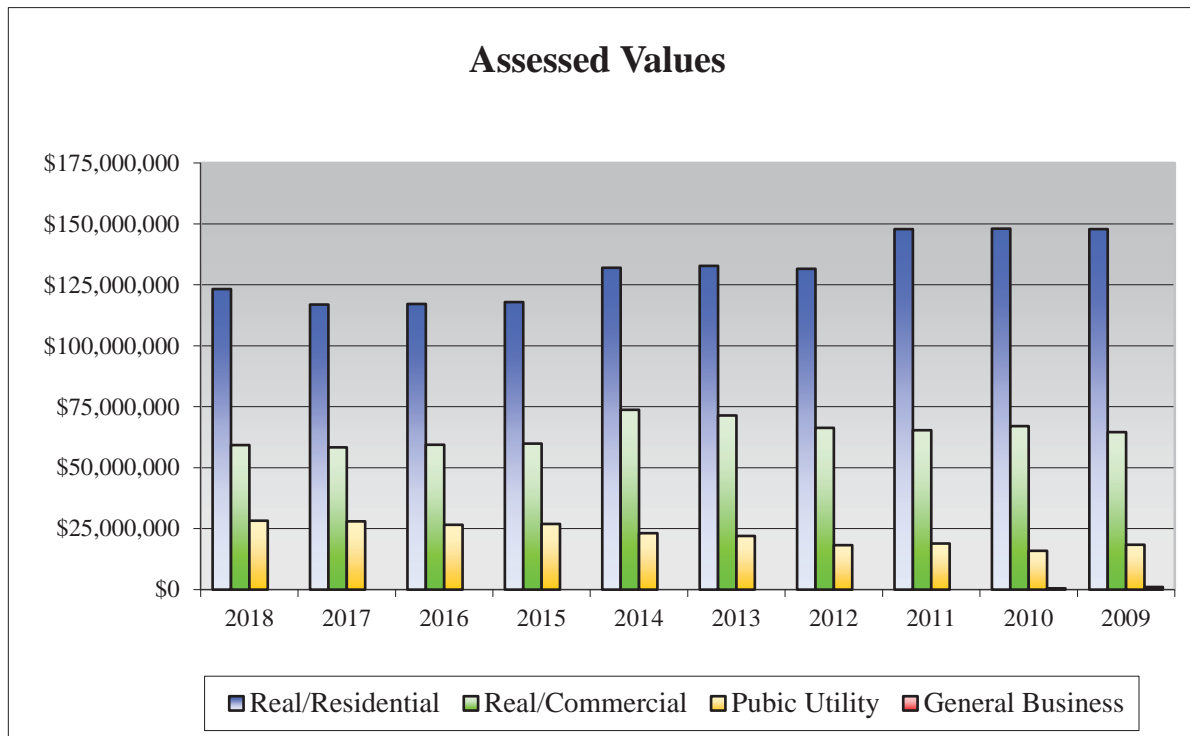
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General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

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

Source: Ashtabula County, Ohio; County Auditor

Tangible Personal Property

General Business		Total		Ratio	Total Direct Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
\$0	\$0	\$210,837,680	\$553,742,555	38.08 %	\$13.31
0	0	203,281,250	532,611,067	38.17	13.31
0	0	203,175,350	534,748,027	37.99	11.81
0	0	204,759,110	538,674,603	38.01	9.31
0	0	228,910,740	614,204,817	37.27	9.31
0	0	226,228,030	608,497,231	37.18	9.31
0	0	216,164,680	586,232,364	36.87	9.31
0	0	232,152,190	630,751,692	36.81	9.31
529,545	4,236,360	231,570,165	636,950,608	36.36	9.31
1,078,833	8,630,664	231,939,523	636,554,656	36.44	9.31



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

	2018	2017	2016	2015
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
Police Levy	1.5000	1.5000	0.0000	0.0000
Police Levy	2.5000	2.5000	2.5000	0.0000
<i>Total Charter Millage</i>	<u>10.4400</u>	<u>10.4400</u>	<u>8.9400</u>	<u>6.4400</u>
Total Millage	<u>\$13.3100</u>	<u>\$13.3100</u>	<u>\$11.8100</u>	<u>\$9.3100</u>
Overlapping Rates by Taxing District				
Ashtabula Area City Schools				
Residential/Agricultural Real	\$30.7692	\$33.3887	\$33.7287	\$32.2700
Commerical/Industrial and Public Utility Real	38.6505	40.2538	40.1112	35.9439
General Business and Public Utility Personal	49.1500	50.8500	50.8500	50.8500
Ashtabula County District Library				
Residential/Agricultural Real	1.2001	1.2500	1.2500	1.2500
Harbor Topky Library				
Residential/Agricultural Real	3.3798	3.5635	3.3737	3.4762
Ashtabula County Commissioner				
Residential/Agricultural Real	9.7962	10.0306	10.0135	10.8876
Commerical/Industrial and Public Utility Real	11.2001	11.2176	11.1687	9.4306
General Business and Public Utility Personal	11.5200	11.5200	11.5200	11.0200
Ashtabula Township Park				
Residential/Agricultural Real	1.1242	1.1800	1.1800	1.1800
Commerical/Industrial and Public Utility Real	1.1672	1.1800	1.1800	1.1800
General Business and Public Utility Personal	1.1800	1.1800	1.1800	1.1800
Ashtabula County Metroparks				
Residential/Agricultural Real	0.4844	0.5000	0.5000	0.0000
Commerical/Industrial and Public Utility Real	0.4990	0.5000	0.5000	0.0000
General Business and Public Utility Personal	0.5000	0.5000	0.5000	0.0000

Source: Ashtabula County, Ohio; County Auditor

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

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

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

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

2014	2013	2012	2011	2010	2009
\$0.2700	\$0.2700	\$0.2700	\$0.2700	\$0.2700	\$0.2700
1.3000	1.3000	1.3000	1.3000	1.3000	1.3000
1.3000	1.3000	1.3000	1.3000	1.3000	1.3000
2.8700	2.8700	2.8700	2.8700	2.8700	2.8700
4.1400	4.1400	4.1400	4.1400	4.1400	4.1400
2.0000	2.0000	2.0000	2.0000	2.0000	2.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
6.4400	6.4400	6.4400	6.4400	6.4400	6.4400
\$9.3100	\$9.3100	\$9.3100	\$9.3100	\$9.3100	\$9.3100
\$32.2706	\$32.2056	\$33.3330	\$31.1325	\$31.4467	\$31.4015
35.9439	35.8310	37.7939	36.8580	37.0858	36.9317
50.8500	50.8500	52.0000	52.0000	52.5000	52.5000
1.2500	0.0000	0.0000	0.0000	0.0000	0.0000
3.4762	3.4762	3.4762	3.4762	3.4762	2.0000
9.0012	8.9962	8.9922	8.5409	8.5336	8.5375
9.9622	9.9304	9.9223	9.4041	9.2995	9.2656
11.0200	11.0200	11.0200	11.0200	11.0200	11.0300
1.1800	1.1800	1.1800	1.1697	1.1073	1.1063
1.1730	1.1704	1.1800	1.1799	1.1151	1.1126
1.1800	1.1800	1.1800	1.1800	1.1800	1.1800
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

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

Year	Total Tax Levy	Current Tax Collections	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections (1)
2018	\$2,767,947	\$2,606,634	94.17 %	\$183,060	\$2,789,694
2017	2,455,042	2,483,474	101.16	113,791	2,597,265
2016	2,395,264	2,233,110	93.23	110,614	2,343,724
2015	2,414,738	1,966,527	81.44	117,106	2,083,633
2014	2,117,275	1,662,044	78.50	85,294	1,747,338
2013	2,095,080	1,637,734	78.17	380,713	2,018,447
2012	1,860,753	1,659,952	89.21	118,655	1,778,607
2011	2,144,612	1,823,971	85.05	107,520	1,931,491
2010	2,182,331	1,974,489	90.48	100,370	2,074,859
2009	2,122,541	1,998,790	94.17	123,751	2,122,541

Source: Ashtabula County, Ohio; County Auditor

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

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

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

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

<u>Percent of Total Tax Collections To Tax Levy</u>	<u>Accumulated Outstanding Delinquent Taxes</u>	<u>Percentage of Delinquent Taxes to Total Tax Levy</u>
100.79 %	\$389,179	14.06 %
105.79	410,301	16.71
97.85	373,048	15.57
86.29	536,936	22.24
82.53	564,410	26.66
96.34	166,031	7.92
95.59	303,506	16.31
90.06	265,728	12.39
95.08	415,173	19.02
100.00	164,557	7.75

City of Ashtabula, Ohio
Principal Real Property Taxpayers
 2018 and 2009

<i>2018</i>		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Assessed Valuation
Norfolk & Southern	\$4,667,510	2.21 %
Pinney Dock	4,574,130	2.17
Aqua Ohio Water	1,442,360	0.68
Chromaflo Technologies	1,375,830	0.65
Molded Fiber Glass	1,163,580	0.55
American Care Center	1,136,840	0.54
Country Club Center III	1,032,610	0.50
Ashtabula Towers	965,590	0.46
Giangola Acquisitions	759,730	0.36
K B Portfolio LLC	756,950	0.36
Total	<u>\$17,875,130</u>	<u>8.48 %</u>
Total Assessed Valuation	<u>\$210,837,680</u>	

<i>2009</i>		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Assessed Valuation
Ohio American Water	\$12,184,100	5.25 %
Cleveland Electric Illuminating Company	6,182,560	2.67
Pinney Dock	2,816,160	1.21
Molded Fiber Glass	1,573,250	0.68
Ashtabula Care Center	1,325,670	0.57
Ash-L Associates	1,284,120	0.55
Marion Plaza	1,114,440	0.48
Ashtabula Towers	1,087,240	0.47
Ashtabula Homes II LLC	1,053,031	0.45
Hupco Inc	967,880	0.43
Total	<u>\$29,588,451</u>	<u>12.76 %</u>
Total Assessed Valuation	<u>\$231,939,523</u>	

Source: Ashtabula County, Ohio; County Auditor

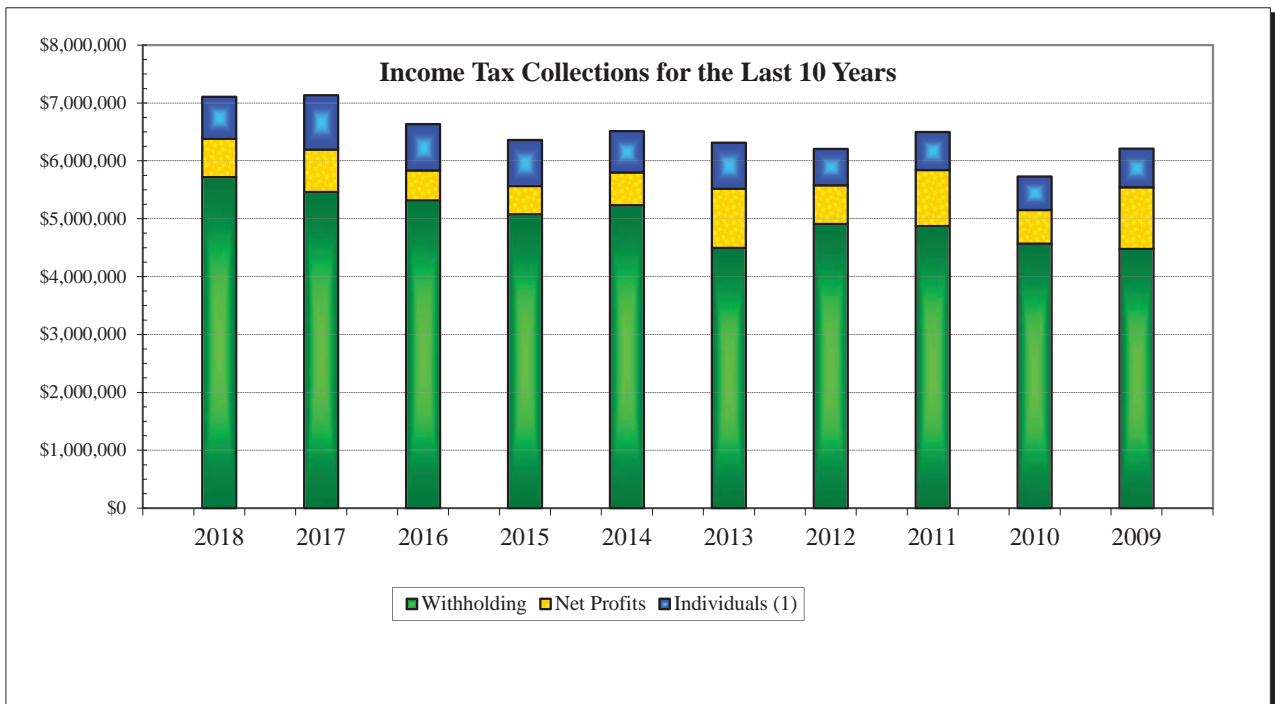
(1) Amounts represent assessed values upon which 2018 and 2009 collections were based.

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
2018	1.80 %	\$7,107,332	\$5,719,579	80.48%	\$661,959	9.31%	\$725,794	10.21%
2017	1.80	7,134,381	5,462,288	76.56	733,514	10.28	938,579	13.16
2016	1.80	6,635,357	5,317,286	80.14	517,533	7.80	800,538	12.06
2015	1.80	6,361,273	5,077,129	79.81	488,607	7.68	795,537	12.51
2014	1.80	6,513,601	5,234,169	80.35	565,194	8.68	714,238	10.97
2013	1.80	6,314,037	4,496,535	71.21	1,020,147	16.16	797,355	12.63
2012	1.80	6,206,237	4,909,193	79.10	669,093	10.78	627,951	10.12
2011	1.80	6,498,912	4,873,631	74.99	968,156	14.90	657,125	10.11
2010	1.80	5,729,893	4,570,158	79.76	580,899	10.14	578,836	10.10
2009	1.80	6,211,306	4,478,610	72.10	1,065,081	17.15	667,615	10.75

Source: City of Ashtabula Income Tax Department

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



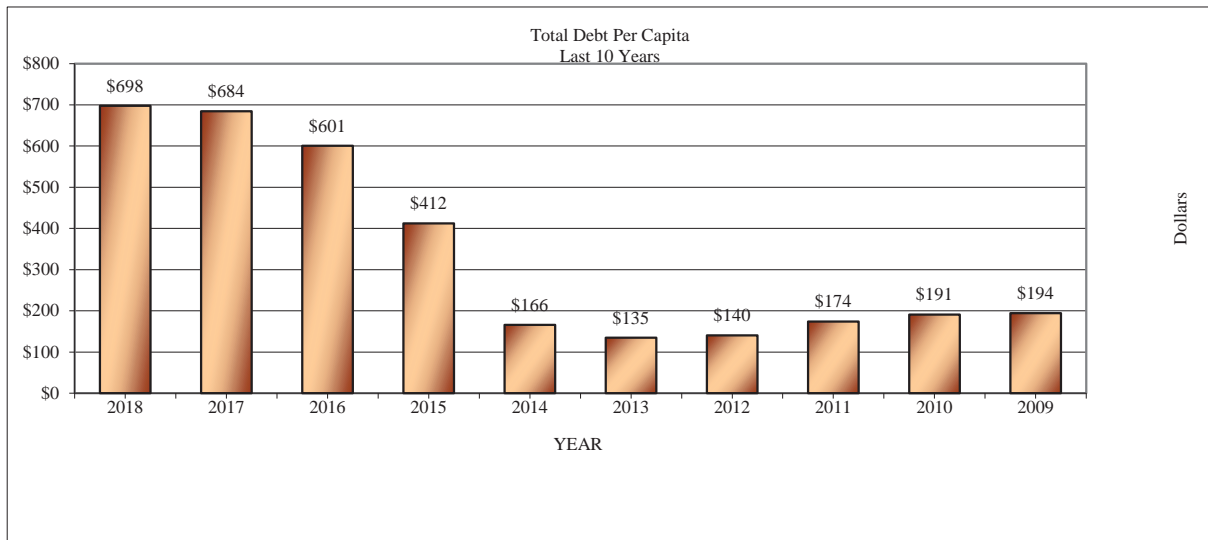
City of Ashtabula, Ohio
*Ratio of Outstanding Debt to
Total Personal Income and Debt Per Capita
Last Ten Years*

Year	Governmental Activities						
	State Infrastructure Bank Bonds	General Obligation Bonds	Special Assessment Bonds	State Infrastructure Bank Loans	OPWC Loans	Capital Loan	Capital Leases
2018	\$3,495,000	\$0	\$0	\$1,093,211	\$104,955	\$118,832	\$573,630
2017	3,755,000	0	0	1,169,658	119,489	0	636,519
2016	4,010,000	0	0	1,172,842	78,525	0	312,669
2015	3,574,577	0	0	906,274	88,307	0	491,812
2014	1,011,562	0	0	49,583	53,803	0	600,013
2013	0	0	0	0	63,586	0	657,658
2012	0	160,944	0	0	73,369	0	87,192
2011	0	319,257	0	0	83,151	0	106,869
2010	0	475,000	0	0	92,933	0	0
2009	0	349,827	0	0	103,414	0	0

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

Business Type Activities

Equalization Basin Loan	OWDA Loans	OPWC Loans	KeyCorp Bonds	Capital Leases	Notes Payable	Total Debt	Percentage of Personal Income(1)	Per Capita(1)
\$0	\$6,750,594	\$635,844	\$0	\$4,258	\$0	\$12,776,324	4.23 %	\$698
0	6,300,857	582,914	0	10,416	0	12,574,853	4.25	684
0	4,679,870	627,373	0	16,427	137,909	11,035,615	3.75	601
298,757	1,611,877	665,628	0	59,920	0	7,697,152	2.57	412
585,471	232,064	657,573	0	73,690	0	3,263,759	1.07	166
860,628	378,657	582,180	0	108,258	0	2,650,967	0.80	135
1,124,695	519,076	605,304	50,000	141,391	0	2,761,971	0.83	140
1,378,117	653,580	608,659	100,000	173,149	0	3,422,782	1.03	174
1,621,325	782,419	633,659	150,000	0	0	3,755,336	1.14	191
1,854,730	905,831	658,659	200,000	0	0	4,072,461	1.38	194



City of Ashtabula, Ohio
Legal Debt Margin
Last Ten Years

	2018	2017	2016	2015
Total Assessed Property Value	<u>\$210,837,680</u>	<u>\$203,281,250</u>	<u>\$203,175,350</u>	<u>\$204,759,110</u>
General Bonded Debt Outstanding:				
General Obligation Bonds	\$0	\$0	\$0	\$0
State Infrastructure Bonds	3,495,000	3,755,000	4,010,000	3,574,577
State Infrastructure Loan	1,093,211	1,169,658	1,172,842	906,274
Equalization Basin Loan	0	0	0	298,757
OWDA Loans	6,750,594	6,300,857	4,679,870	1,611,877
OPWC Loans	740,799	702,403	705,898	753,935
Capital Loan	118,832	0	0	0
KeyCorp Loan	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Gross Indebtedness	12,198,436	11,927,918	10,568,610	7,145,420
Less:				
State Infrastructure Bonds	0	0	0	0
State Infrastructure Loan	0	0	0	0
Equalization Basin Loan	0	0	0	(298,757)
OWDA Loans	(6,750,594)	(6,300,857)	(4,679,870)	(1,611,877)
OPWC Loans	(740,799)	(702,403)	(705,898)	(753,935)
KeyCorp Loan	0	0	0	0
General Obligation Bond Retirement Fund Balance	<u>(59,619)</u>	<u>(58,705)</u>	<u>(55,483)</u>	<u>(54,887)</u>
Total Net Debt Applicable to Debt Limit	<u>4,647,424</u>	<u>4,865,953</u>	<u>5,127,359</u>	<u>4,425,964</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>22,137,956</u>	<u>21,344,531</u>	<u>21,333,412</u>	<u>21,499,707</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$17,490,532</u>	<u>\$16,478,578</u>	<u>\$16,206,053</u>	<u>\$17,073,743</u>
Legal Debt Margin as a Percentage of the Debt Limit	79.01%	77.20%	75.97%	79.41%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$11,596,072</u>	<u>\$11,180,469</u>	<u>\$11,174,644</u>	<u>\$11,261,751</u>
Total Gross Indebtedness	12,198,436	11,927,918	10,568,610	7,145,420
Less:				
State Infrastructure Bonds	0	0	0	0
State Infrastructure Loan	0	0	0	0
Equalization Basin Loan	0	0	0	(298,757)
OWDA Loans	(6,750,594)	(6,300,857)	(4,679,870)	(1,611,877)
OPWC Loans	(740,799)	(702,403)	(705,898)	(753,935)
KeyCorp Loan	0	0	0	0
General Obligation Bond Retirement Fund Balance	<u>(59,619)</u>	<u>(58,705)</u>	<u>(55,483)</u>	<u>(54,887)</u>
Net Debt Within 5 ½ % Limitations	<u>4,647,424</u>	<u>4,865,953</u>	<u>5,127,359</u>	<u>4,425,964</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$6,948,648</u>	<u>\$6,314,516</u>	<u>\$6,047,285</u>	<u>\$6,835,787</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	59.92%	56.48%	54.12%	60.70%

Source: City Financial Records

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

2014	2013	2012	2011	2010	2009
<u>\$228,910,740</u>	<u>\$226,228,030</u>	<u>\$216,164,680</u>	<u>\$232,152,190</u>	<u>\$231,570,165</u>	<u>\$231,939,523</u>
\$0	\$0	\$160,944	\$319,257	\$475,000	\$349,827
1,011,562	0	0	0	0	0
49,583	0	0	0	0	0
585,471	860,628	1,124,695	1,378,117	1,621,325	1,854,730
232,064	378,657	519,076	653,580	782,419	905,831
711,376	582,180	678,673	691,810	726,592	762,073
0	0	0	0	0	0
0	0	50,000	100,000	150,000	200,000
2,590,056	1,821,465	2,533,388	3,142,764	3,755,336	4,072,461
(1,011,562)	0	0	0	0	0
(49,583)	0	0	0	0	0
(585,471)	(860,628)	(1,124,695)	(1,378,117)	(1,621,325)	(1,854,730)
(232,064)	(378,657)	(519,076)	(653,580)	(782,419)	(905,831)
(711,376)	(582,180)	(678,673)	(691,810)	(726,592)	(762,073)
0	0	(50,000)	(100,000)	(150,000)	(200,000)
0	0	(50,285)	(48,328)	(45,861)	(122,947)
0	0	110,659	270,929	429,139	226,880
24,035,628	23,753,943	22,697,291	24,375,980	24,314,867	24,353,650
<u>\$24,035,628</u>	<u>\$23,753,943</u>	<u>\$22,586,632</u>	<u>\$24,105,051</u>	<u>\$23,885,728</u>	<u>\$24,126,770</u>
100.00%	100.00%	99.51%	98.89%	98.24%	99.07%
\$12,590,091	\$12,442,542	\$11,889,057	\$12,768,370	\$12,736,359	\$12,756,674
2,590,056	1,821,465	2,533,388	3,142,764	3,755,336	4,072,461
(1,011,562)	0	0	0	0	0
(49,583)	0	0	0	0	0
(585,471)	(860,628)	(1,124,695)	(1,378,117)	(1,621,325)	(1,854,730)
(232,064)	(378,657)	(519,076)	(653,580)	(782,419)	(905,831)
(711,376)	(582,180)	(678,673)	(691,810)	(726,592)	(762,073)
0	0	(50,000)	(100,000)	(150,000)	(200,000)
0	0	(50,285)	(48,328)	(45,861)	(122,947)
0	0	110,659	270,929	429,139	226,880
<u>\$12,590,091</u>	<u>\$12,442,542</u>	<u>\$11,778,398</u>	<u>\$12,497,441</u>	<u>\$12,307,220</u>	<u>\$12,529,794</u>
100.00%	100.00%	99.07%	97.88%	96.63%	98.22%

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

Year	Population (1)		Estimated Actual Value of Taxable Property (2)	Gross Bonded Debt	Ratio of Bonded Debt to Estimated Actual Value of Taxable Property	Bonded Debt Per Capital
2018	18,079	a	\$553,742,555	\$0	0.00 %	\$0.00
2017	18,311	a	532,611,067	0	0.00	0.00
2016	18,371	a	534,748,027	0	0.00	0.00
2015	18,371	a	538,674,603	0	0.00	0.00
2014	18,673	a	614,204,817	0	0.00	0.00
2013	19,680	b	608,497,231	0	0.00	0.00
2012	19,680	b	586,232,364	160,944	0.03	8.18
2011	19,680	b	630,751,692	319,257	0.05	16.22
2010	19,680	b	636,950,608	475,000	0.07	24.14
2009	20,962	c	636,554,656	349,827	0.05	16.69

Sources:

(1) U. S. Bureau of Census, Census of Population.

(a) Year 2014-2018 Federal Census Estimate

(b) Year 2010-2013 The 2010 Federal Census

(c) Year 2009 The 2000 Federal Census

(2) Ashtabula County, Ohio; County Auditor

City of Ashtabula, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2018

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of Ashtabula
Direct - City of Ashtabula			
State Infrastructure Bonds	\$3,495,000	100.00 %	\$3,495,000
State Infrastructure Loan	1,093,241	100.00	1,093,241
OPWC Loans	104,955	100.00	104,955
Capital Loan	118,832	100.00	118,832
Capital Leases	573,630	100.00	573,630
<i>Total Direct Debt</i>	<u>5,385,658</u> *		<u>5,385,658</u>
Overlapping			
Ashtabula Area City School District			
General Obligation Bonds	26,038,751	45.53	11,855,443
Ashtabula County			
General Obligation Bonds	15,626,747	10.32	1,612,680
OPWC Loans	168,428	10.32	17,382
<i>Total Overlapping Debt</i>	<u>41,833,926</u>		<u>13,485,505</u>
Total	<u><u>\$47,219,584</u></u>		<u><u>\$18,871,163</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

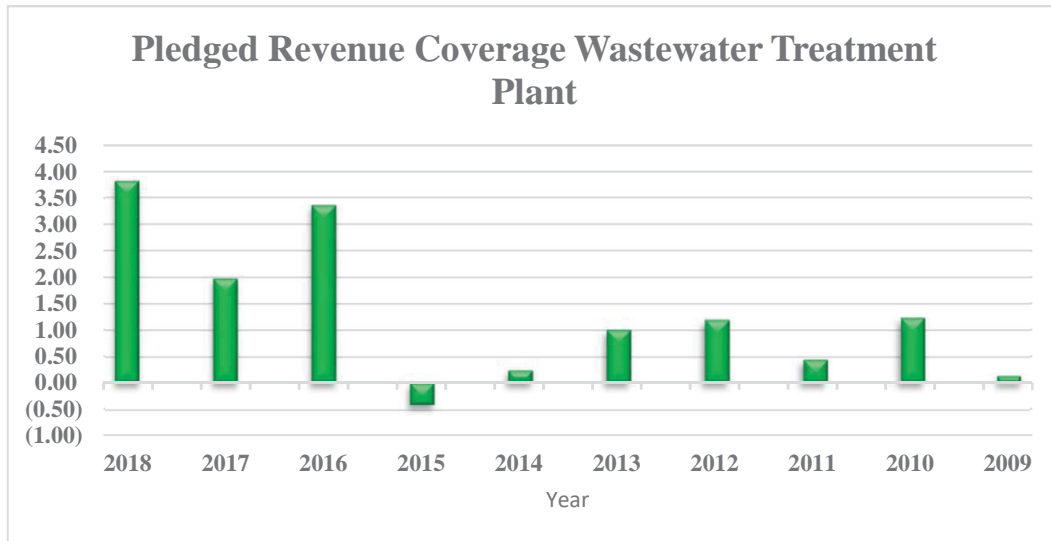
	2018	2017	2016	2015
Wastewater Treatment Fund				
Operating Revenues (1)	\$4,675,968	\$3,994,378	\$3,646,281	\$3,527,467
Less: Operating Expenses (2)	3,025,580	3,446,881	1,863,752	3,742,036
Net Available Revenue	1,650,388	547,497	1,782,529	(214,569)
Debt Service *				
Principal	338,386	221,448	443,738	478,878
Interest	94,803	57,040	88,098	38,232
Total Debt Service	433,189	278,488	531,836	517,110
Coverage	3.81	1.97	3.35	(0.41)

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

(2) Operating expenses do not include depreciation.

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

Source: Ashtabula City Auditor's office



2014	2013	2012	2011	2010	2009
\$3,085,997	\$3,089,877	\$3,148,190	\$3,280,585	\$3,658,579	\$3,629,409
2,964,547	2,527,194	2,479,050	3,039,182	2,975,385	3,559,397
121,450	562,683	669,140	241,403	683,194	70,012
458,081	489,743	472,109	447,047	431,817	417,211
54,350	70,131	88,526	106,220	123,973	139,706
512,431	559,874	560,635	553,267	555,790	556,917
0.24	1.01	1.19	0.44	1.23	0.13

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)
2018	18,079	a	\$302,335,117	\$16,723	\$29,421	38.8
2017	18,311	a	296,107,181	16,171	28,865	38.8
2016	18,371	a	294,395,275	16,025	28,265	38.4
2015	18,371	a	299,098,251	16,281	28,682	38.3
2014	18,673	a	305,415,588	16,356	27,876	37.5
2013	19,680	b	330,801,120	16,809	29,605	41.8
2012	19,680	b	330,801,120	16,809	29,605	41.8
2011	19,680	b	330,801,120	16,809	29,605	41.8
2010	19,680	b	330,801,120	16,809	29,545	37.3
2009	20,962	c	294,180,708	14,034	27,354	34.9

(1) Source: U. S. Census

(a) Year 2014-2018 Federal Census Estimate

(b) Year 2010-2013 The 2010 Federal Census

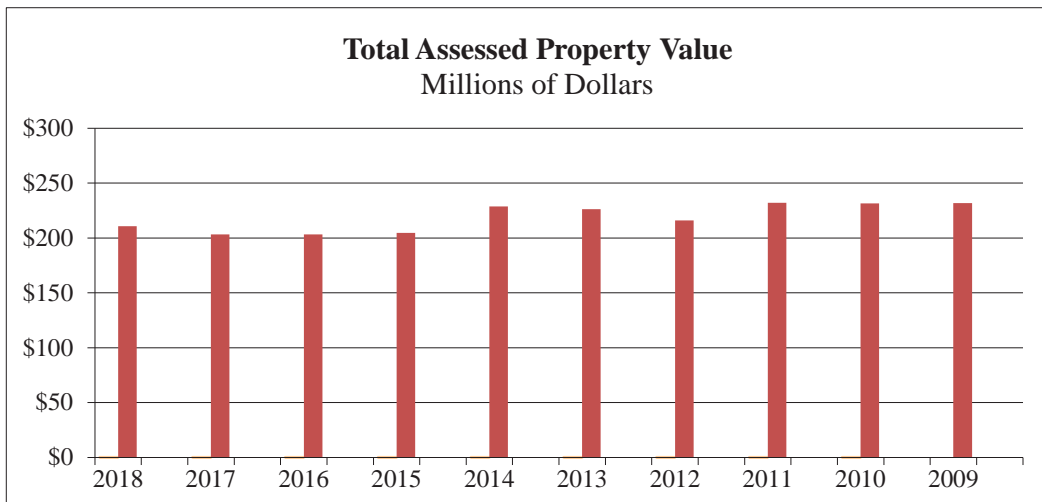
(c) Years 2009 The 2000 Federal Census

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

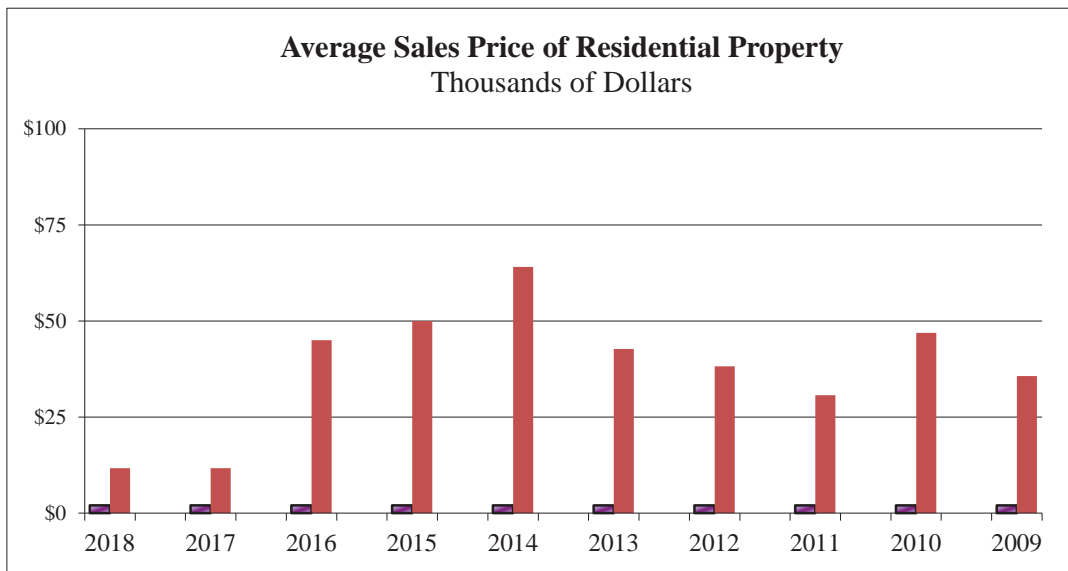
(3) The unemployment rate for the City is unavailable. County rate obtained from Ohio Labor Market information.

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

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



Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment	Ashtabula County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (5)
10.2	3,996	5.3%	\$11,695	\$210,837,680
9.4	3,427	0.1	11,695	203,281,250
8.4	3,193	0.1	45,000	203,175,350
9.0	4,090	6.2	50,000	204,759,110
8.9	4,625	5.9	64,080	228,910,740
10.4	4,300	9.0	42,720	226,228,030
10.4	4,373	9.0	38,185	216,164,680
10.4	4,375	11.9	30,657	232,152,190
10.4	4,277	11.9	46,920	231,570,165
10.4	4,463	14.2	35,630	231,939,523



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

2018		
Employer	Nature of Activity	Employees
Ashtabula County Medical Center	Medical Center	1,271
Ashtabula Area City School District	Public Education/College	655
Molded Fiber Glass	Manufacturing - composites	550
Kent State University	Public Education/College	242
Iten Industries	Manufacturing - composites	217
Chromoflo (formerly Plasticolors)	Manufacturing - pigments	210
Ashtabula Rubber Company	Manufacturing - rubber components	209
Signature Health	Mental Health Services	170
City of Ashtabula	Municipal Government	164
Cleveland Clinic Foundation	Medical Center	26
Total		<u>3,714</u>
Total Employment within the City		<u>n/a</u>

2009		
Employer	Nature of Activity	Employees
Ashtabula County Medical Center	Medical Center	1,051
Ashtabula Area City School District	Public Education	858
Molded Fiber Glass	Manufacturing - composites	447
Kent State University - Ashtabula Campus	Public Education/College	254
CHS - Lake Erie	Nursing Home	252
Tri-County Business	Staffing Agency	198
City of Ashtabula	Municipal Government	192
Country Club Retirement Center	Nursing Home	147
Plasticolors	Pigment and additive dispersions	139
Community Care Ambulance	Emergency Services	133
Total		<u>3,671</u>
Total Employment within the City		<u>n/a</u>

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

n/a - Information not available

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

Function/Program	2018	2017	2016	2015	2014
General Government					
Legislative and Executive					
Council	8	8	8	8	8
Administration	2	2	2	2	2
Auditor	5	5	7	6	6
Treasurer	0	0	0	0	0
Income Tax	2	2	2	2	2
Solicitor	4	4	4	4	4
Motor Maintenance	2	2	2	2	2
Engineering	0	0	0	0	0
Civil Service	0	0	0	0	1
Lands and Buildings	2	2	2	2	2
Systems Analyst	0	0	0	0	0
Judicial System					
Municipal Court	14	15	13	14	15
Probation	3	4	4	4	4
Security of Persons and Property					
Police	33	30	30	31	26
Police - Civilian	7	11	8	11	11
Fire	32	23	23	23	23
Fire - Civilian	0	0	0	0	0
Public Health Services					
Administration	1	1	1	1	1
Food Service	1	1	1	1	1
Nursing	3	3	3	3	2
Street Maintenance and Repair					
Public Works	13	13	11	11	11
Housing and Community Development					
Code Enforcement	4	4	4	4	4
CDBG	2	2	2	1	2
Business Type Activity					
Sanitation	14	15	13	15	14
Wastewater Treatment	12	12	12	12	12
Totals:	<u>164</u>	<u>159</u>	<u>152</u>	<u>157</u>	<u>153</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>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
8	8	8	8	8
2	2	3	2	2
6	6	5	6	6
1	1	1	1	1
2	2	2	2	2
4	3	3	4	4
2	2	2	2	2
0	0	1	2	2
1	1	1	1	1
2	3	3	2	2
0	0	0	1	1
10	12	11	12	14
3	3	3	4	5
26	27	29	31	29
8	6	2	4	5
23	22	23	25	25
0	0	0	1	1
1	1	1	1	1
1	1	1	1	1
3	3	3	3	5
13	19	17	17	20
3	1	2	2	2
2	3	1	2	2
14	13	14	15	15
<u>11</u>	<u>10</u>	<u>9</u>	<u>12</u>	<u>13</u>
<u>146</u>	<u>149</u>	<u>145</u>	<u>161</u>	<u>169</u>

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

Function/Program	2018	2017	2016	2015
General Government				
Legislative and Executive				
<i>Council & Clerk</i>				
Number of Ordinances Passed	100	138	136	152
Number of Resolutions Passed	20	13	27	45
<i>Finance</i>				
Number of checks/ vouchers issued	1,490	1,561	1,786	2,414
Number of Electronic Payments	157	168	133	881
Amount of checks and electronic payments	\$9,504,019	\$10,162,019	\$8,791,467	\$14,095,703
Number of Budget Adjustments issued	8	7	na	12
Agency Ratings - Standard & Poors	A-/Stable	A-/Stable	A-/Stable	A/Stable
Agency Ratings - Moody's Financial Services	WR	WR	WR	WR
Health Insurance Costs vs General Fund Expenditures %	28.00%	23.00%	21.00%	21.00%
General Fund Receipts	\$9,860,897	\$9,401,942	\$9,446,383	\$9,171,140
General Fund Expenditures	\$9,295,979	\$8,933,951	\$9,125,069	\$9,223,573
General Fund Cash Balances	\$680,733	\$747,589	\$566,294	\$244,986
Number of Pay-Ins issued	2,856	1,945	2,018	1,943
Interest earnings for fiscal year (cash basis)	\$2,008	\$1,083	\$538	\$122
<i>Income Tax Department</i>				
Number of Individual Returns	3,171	3,993	4,236	4,002
Number of Business Returns	757	1,013	1,078	1,120
Number of business withholding accounts	2,253	1,294	1,253	912
Amount of Penalties and Interest Collected	\$18,532	\$23,894	\$31,631	\$31,695
Annual number of Corporate withholding forms processed	8,323	9,346	9,329	7,782
Annual number of balance due statements forms processed	335	1,160	972	707
Annual number of estimated payment forms processed	2,827	1,254	880	745
Annual number of reconciliations of withholdings processed	57	121	0	40
<i>Planning & Community Development (4)</i>				
Zoning Permits Issued	143	165	151	162
Estimated Value of Construction	\$803,770	\$1,352,752	\$2,604,055	\$5,145,415
Number of Street Cut Permits Issued	227	298	195	449
Number of Sewer Tap-In permits issued	11	2	11	3
Amount of Revenue generated from permits	\$44,869	\$46,225	\$71,271	\$61,926
Number of Planning Commission meetings	6	7	5	7
Number of Administrative/Zoning Board meetings	1	2	2	5
<i>Civil Service</i>				
Number of police entry tests administered	0	0	0	1
Number of fire entry tests administered	0	1	0	0
Number of police promotional tests administered	0	0	1	0
Number of fire promotional tests administered	1	0	0	4
Number of hires of Police Officers from certified lists	0	0	0	5
Number of hires of Fire/Medics from certified lists	1	1	0	2
Number of promotions from police certified lists	0	0	0	0
Number of promotions from fire certified lists	0	0	0	6
Judicial System				
<i>Municipal Court</i>				
Number of Civil Cases	1,227	1,234	1,063	841
Number of Criminal cases	5,912	8,302	7,195	6,316
<i>Probation</i>				
Community Diversion participants	103	100	203	56
Community Diversion service hours	2,148	2,596	4,852	1,499

2014	2013	2012	2011	2010	2009
175	166	182	184	161	153
18	29	28	27	32	29
2,573	2,839	2,794	2,640	2,861	2,998
824	na	na	na	na	na
\$13,784,331	\$9,266,296	\$8,891,361	\$8,497,466	\$9,401,527	\$9,167,900
15	na	na	na	na	na
A/Stable	A/Stable	BBB+	BBB+	BBB+	A-
WR	WR	BBA	BBA	BBA	BBA
20.00%	19.61%	24.10%	24.10%	16.74%	11.40%
\$9,487,225	\$9,490,337	\$9,436,569	\$10,014,548	\$9,471,911	\$9,564,894
\$9,557,487	\$9,374,066	\$9,528,679	\$9,726,456	\$9,439,112	\$9,350,341
\$297,418	\$367,681	\$251,409	\$343,520	\$55,428	\$251,607
1,819	1,763	1,719	1,768	1,767	1,733
\$112	\$60	\$191	\$144	\$5,450	\$10,888
4,153	4,369	4,785	5,083	5,356	5,830
1,223	1,162	1,311	1,202	1,217	1,214
873	848	680	604	861	876
\$30,043	\$34,443	\$42,189	\$44,378	\$30,326	\$33,760
4,792	6,203	6,530	6,581	6,390	6,819
771	867	713	779	655	795
524	795	952	927	788	848
112	202	19	37	36	51
134	298		239	214	263
\$2,518,576	\$5,066,330	\$2,500,000	\$2,789,923	\$2,429,018	\$3,150,828
486	25				
2	5	656	966	964	968
\$327,919	\$60,423	\$202,704	\$298,506	\$298,863	\$298,149
5	7	8	8	9	7
2	4	2	2	2	2
1	0	1	0	0	0
1	0	0	1	0	1
0	0	0	0	1	0
0	0	0	0	3	0
3	0	0	0	0	2
2	0	2	0	1	0
0	0	0	0	2	9
0	0	0	8	0	2
835	966	1,172	1,225	1,215	1,336
5,692	6,512	6,867	6,004	6,826	7,410
47	147	215	188	285	263
1,255	3,520	5,645	3,486	6,937	4,447

(continued)

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

Function/Program	2018	2017	2016	2015
Security of Persons and Property				
<i>Police</i>				
Total Calls for Services	18,531	15,642	15,641	13,511
Number of traffic citations issued	752	1,066	1,232	1,027
Number of parking citations issued	45	61	80	141
Number of criminal arrests	845	836	1,010	1,348
Operating Motor Vehicle Under the Influence (OMVI) Arrests	89	106	87	89
Adult Driving Under Suspension (DUS) Arrests	145	261	233	255
Prisoners	372	470	585	751
Prisoner meal costs	\$24,438	\$29,964	\$27,068	\$27,557
Motor Vehicle Accidents	338	381	453	432
Fatalities from Motor Vehicle Accidents	4	0	1	2
Gasoline costs of fleet	\$45,732	\$56,805	\$47,061	\$54,329
<i>Fire</i>				
EMS/Medical Calls (Mutual Aid, Non Transport)	1,286	1,291	1,233	1,019
Fire Calls	777	677	693	1,003
Fire Fatalities	3	0	0	0
Fires with Loss	29	40	40	26
Fires with Losses exceeding \$10K	14	13	22	12
Fire Losses \$	763,950	1,088,500	1,438,950	951,750
Fire Investigations	27	46	34	32
Number of times Mutual Aid given to Fire and EMS	15	11	17	28
Ambulance Runs / Number of Transports	867/657	916/743	1601/824	1019/732
Departmental Training Hours (2)	1,081	1,603	2,481	2,527
Public Health & Welfare				
Health Department				
Certificates Filed				
Number of Births	355	377	356	377
Number of Deaths	302	276	260	290
Certificates Issued				
Number of Births	2,269	2,240	2,117	2,076
Number of Deaths	947	789	787	993
Burial Permits Issued	642	574	519	471
Receipts from Certificates Issued	\$80,400	\$75,725	\$72,600	\$76,725
Number of Health Inspections				
Food Service Operations, Licensed/Number of Inspections	82/207	80/215	81/207	88/212
Food Establishments, Licensed/Number of Inspections	42/68	42/64	41/67	43/69
Vending Operations, Licensed/Number of Inspections	171/17	17/17	19/19	19/18
Marinas, Licensed/Number of Inspections	11/11	11/14	11/13	11/13
Manufactured Home Parks, Licensed/Number of Inspections	3/3	3/5	3/3	3/3
Campgrounds, Licensed/Number of Inspections	4/7	4/13	4/8	4/9
Swimming Pools and Spas, Licensed/Number of Inspections	6/12	6/14	6/12	6/17
Mobile Food Operations Licensed/Number of Inspections	7/7	8/14	10/10	n/a

2014	2013	2012	2011	2010	2009
13,155	13,062	13,272	14,193	18,484	20,229
854	989	1,330	1,450	2,366	2,053
79	69	71	84	126	163
1,236	681	1,268	1,095	1,172	1,146
55	50	102	73	119	131
218	229	285	261	444	375
505	472	563	479	620	735
\$23,446	\$23,010	\$14,317	\$16,130	\$10,609	\$22,998
335	389	358	356	399	426
0	0	1	1	0	3
\$98,326	\$87,728	\$84,150	\$91,476	\$65,000	\$61,353
813	821	1,000	811	770	868
1,091	881	744	636	664	668
0	0	1	0	0	0
n/a	n/a	38	26	26	28
n/a	n/a	n/a	n/a	12	13
n/a	n/a	n/a	\$1,114,210	\$758,700	\$421,530
27	28	40	26	28	27
11	17	35	18	20	23
797/645					
n/a	n/a	n/a	1,436	3,992	4,310
397	426	428	441	495	518
251	281	284	284	289	274
2,056	2,187	2,265	2,156	2,192	2,451
921	991	960	1,042	988	1,049
442	459	490	456	437	407
\$74,425	\$79,450	\$80,625	\$79,950	\$79,500	\$73,898
77/208	80/224	80/235	83/211	81/238	91/207
38/51	38/60	39/65	40/57	44/78	47/66
16/16	15/11	16/16	15/15	13/12	14/13
11/12	11/11	11/12	10/10	10/10	10/10
3/3	3/3	3/6	3/4	3/6	3/6
4/9	4/5	4/5	4/5	4/4	4/4
6/16	6/11	6/13	6/11	6/17	6/10
n/a	n/a	n/a	n/a	n/a	n/a

(continued)

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

Function/Program	2018	2017	2016	2015
Street Maintenance and Repair				
Guardrail Repair (hours)	12	180	16	192
Paint Striping (hours)	236	378	376	408
Street Sweeper (hours)	404	462	597	530
Cold Patch (hours)	2,733	2,233	1,558	1,838
Snow & Ice Removal regular hours	1,989	1,752	1,877	2,015
Snow & Ice Removal overtime hours	497	274	499	673
Sewer and Sanitary calls for service	717	913	571	820
After hours Sewer Calls (hours)	239	200	185	273
Sewer Crew (hours)	1,695	978	1,365	1,733
Sewer jet, Vac-all, other services (hours)	2,431	3,111	2,266	2,711
Landscaping Stump-Chipper service (hours)	4,258	4,836	140	108
Leaf collection (hours)	1,692	1,753	1,548	1,656
Holiday lights setup (hours)	80	80	80	80
Equipment repair/body shop (hours)	4,160	4,160	4,160	4,160
Sign department (hours)	800	800	800	800
Tons of snow melting salt purchased (Jan-Dec)	2,102	2,708	3,045	993
Cost of salt purchased	\$100,256	\$102,134	\$176,175	\$68,490
Planning & and Community Development (4)				
Community Development Block Grant				
Grant amounts received	\$70,800	\$70,800	\$501,580	\$1,019,168
Demolitions (5)	\$48	\$48	39	26
Code Enforcement				
Number of rental inspections performed	1,091	1,091	1,859	1,115
Number of inspections for code enforcement	498	498	504	504
Code Enforcement fees collected	\$218,855	\$218,855	\$287,871	\$217,047
Sanitation (3)				
Residential trash pickup rate (billed every 2 months)	\$15.50	\$15.50	\$15.00	\$15.00
Refuse disposal per year (in tons)	11,202	11,070	11,310	11,775
Refuse disposal costs per year	\$468,000	\$516,318	\$519,150	\$549,663
Annual recycling tonnage (excluding leaf, and compost items)	800	725	550	420
Percentage of waste recycled	10.00%	9.00%	8.00%	5.00%
Revenue generated from sale of recyclables	\$7,271	\$11,064	\$8,935	\$9,672
Wastewater Treatment				
Sewer Rates per unit of water used (1 unit equals 750 gallons)	\$3.53	\$3.48	\$3.22	\$2.73
Total flow of wastewater treatment plant (Billions of Gallons)	1.971	1.731	1.42	1.53
Average daily flow (Millions of gallons per day)	5.414	4.755	3.89	4.19
Tons of dry sludge removed	817.88	645.45	592.52	521.16

- (1) No response from department (N/S)
- (2) The way training recorded changed in 2010
- (3) Fuel charge added to rate in 2009
- (4) Engineering & Housing & Community Development combined to create Planning & Community Development in 2012
- (5) Information prior to 2011 is not available

Source: City Financial Records and Departments

2014	2013	2012	2011	2010	2009
106	16	58	25	36	53
425	450	480	476	505	513
370	234	976	80	447	2,047
2,689	1,748	2,225	2,750	2,781	4,026
2,078	2,175	928	8,650	8,194	12,231
385	185	140	350	471	703
998	802	730	687	772	1,151
186	142	133	125	254	387
1,500	1,200	2,400	1,891	1,808	2,695
2,537	3,399	558	513	695	1,437
18	8	546	416	245	359
2,035	2,599	4,142	4,657	4,413	4,227
80	80	80	80	80	80
4,160	3,280	4,300	4,300	4,300	4,300
800	800	1,200	1,200	1,200	1,200
3,428	2,612	1,549	1,457	1,875	1,112
\$126,324	\$104,471	\$72,707	\$80,755	\$105,768	\$70,960
\$606,988	\$468,397	\$979,295	\$916,000	\$987,000	\$1,154,000
27	15	15	6		
1,649	1,349	2,464	2,631	2,072	903
351	422	513	200	200	1,550
\$221,765	\$212,190	\$160,712	\$158,109	\$155,720	\$150,418
\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00
11,775	16,750	14,494	13,802	12,475	13,060
\$453,000	\$679,000	\$594,271	\$546,376	\$500,000	\$546,000
420	600	520	530	524	482
5.00%	4.00%	5.00%	3.80%	4.02%	3.60%
\$10,520	\$13,500	\$16,888	\$10,586	\$8,350	\$5,874
\$2.67	\$2.62	\$2.30	\$2.95	\$2.66	\$2.61
1.90	2.103	1.669	2.463	1.552	1.644
5.24	5.778	4.559	6.750	4.254	4.530
522.50	551.93	523.61	505.99	489.10	504.84

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

Function/Program	2018	2017	2016	2015
General Government				
Square Footage Occupied	95,943	95,943	95,943	95,943
Administrative Vehicles	1	1	2	1
Inspection Vehicles	3	3	3	3
Municipal Court Vehicles	1	1	1	2
Lands & Buildings Vehicles	2	2	2	4
Police				
Stations	1	1	1	1
Square Footage of Building	14,491	14,491	14,491	14,491
Vehicles	36	40	40	37
Fire				
Stations	1	1	1	1
Square Footage of Building	11,560	11,560	11,560	11,560
Vehicles	15	14	11	11
Street Maintenance and Repairs				
Square Footage of Building	25,050	25,050	25,050	25,050
Streets (miles)	97	97	97	97
Bridges	7	7	7	7
Traffic Signals	54	54	54	54
Service Vehicles	22	24	25	31
Sanitation Services				
Square Footage of Building	9,100	9,100	9,100	9,100
Vehicles	9	9	8	9
Leisure Time Activities				
Number of Parks	8	8	8	8
Number of Tennis Courts	2	2	2	2
Number of Skateboarding Areas	1	1	1	1
Number of Baseball Diamonds	4	4	4	4
Number of Soccer Fields	1	1	1	1
Square Footage of Walnut Beach Building	6,420	6,420	6,420	6,420
Square Footage of Smith Field Building	336	336	336	336
Square Footage of Massucci Building	1,944	1,944	1,944	1,944
Wastewater Treatment				
Square Footage of Building	22,344	22,344	22,344	22,344
Sanitary Sewers (miles)	92	92	92	92
Storm Sewers (miles)	76	76	76	76
Vehicles	7	7	7	8

Source: City of Ashtabula Auditor's Office

2014	2013	2012	2011	2010	2009
95,943	95,943	95,943	95,943	95,943	95,943
2	2	3	3	3	3
1	1	1	1	0	0
2	1	2	2	2	2
4	3	3	4	3	3
1	1	1	1	1	1
14,491	14,491	14,491	14,491	14,491	14,491
36	33	33	29	34	32
1	1	1	1	1	1
11,560	11,560	11,560	11,560	11,560	11,560
10	9	11	10	9	10
25,050	25,050	25,050	25,050	25,050	25,050
97	97	97	97	97	97
7	7	7	7	6	6
54	52	53	53	53	53
31	26	29	30	29	29
9,100	9,100	9,100	9,100	9,100	9,100
9	9	9	10	9	9
8	8	8	8	8	8
2	2	2	2	2	2
1	1	1	1	1	1
4	4	4	4	4	4
1	1	1	1	1	1
6,420	6,420	6,420	6,420	6,420	6,420
336	336	336	336	336	336
1,944	1,944	1,944	1,944	1,944	1,944
22,344	22,344	22,344	22,344	22,344	22,344
92	92	92	92	92	92
76	76	76	76	76	76
7	9	9	5	6	5

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Sewer Billings (1)	\$1,722,718	\$2,779,786	\$2,603,834	\$2,630,279	\$2,771,974
Residential Trash Billings	<u>985,444</u>	<u>1,176,140</u>	<u>1,228,118</u>	<u>1,218,982</u>	<u>1,254,840</u>
Total Utility Billing	<u>\$2,708,162</u>	<u>\$3,955,926</u>	<u>\$3,831,952</u>	<u>\$3,849,261</u>	<u>\$4,026,814</u>
Sewer Collections (1)(2)	\$2,265,543	\$2,085,705	\$2,370,135	\$2,255,805	\$2,352,662
Residential Trash Collections(2)	<u>956,373</u>	<u>999,275</u>	<u>1,034,071</u>	<u>1,035,812</u>	<u>1,062,116</u>
Total Utility Billing Collections	<u>\$3,221,916</u>	<u>\$3,084,980</u>	<u>\$3,404,206</u>	<u>\$3,291,617</u>	<u>\$3,414,778</u>
Percentage Collected from Billings Before Outstanding Balances are Certified to Property Taxes	118.97%	77.98%	88.84%	85.51%	84.80%
Delinquent Sewer Collections(2)	\$511,124	\$457,374	\$393,970	\$445,625	\$457,055
Delinquent Residential Trash Collections(2)	<u>206,047</u>	<u>253,239</u>	<u>233,624</u>	<u>272,883</u>	<u>280,141</u>
Total Delinquent Collections	<u>\$717,171</u>	<u>\$710,613</u>	<u>\$627,594</u>	<u>\$718,508</u>	<u>\$737,196</u>

Source: City of Ashtabula Auditor's Office

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

(2) Delinquent collections are one year behind, ie: delinquent amounts collected in 2018 were for the amounts certified in 2017.

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$2,538,450	\$2,961,690	\$2,346,108	\$2,499,499	\$2,480,146
<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>
<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>
\$1,902,077	\$2,178,292	\$1,734,485	\$1,931,758	\$1,929,394
<u>1,131,789</u>	<u>1,190,305</u>	<u>968,297</u>	<u>1,085,080</u>	<u>1,043,043</u>
<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>
78.50%	77.89%	75.27%	80.06%	79.47%
\$468,186	\$459,392	\$501,466	\$492,898	\$520,624
<u>290,326</u>	<u>264,266</u>	<u>290,460</u>	<u>306,864</u>	<u>314,738</u>
<u>\$758,512</u>	<u>\$723,658</u>	<u>\$791,926</u>	<u>\$799,762</u>	<u>\$835,362</u>

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OHIO AUDITOR OF STATE KEITH FABER



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
MARCH 19, 2020**