

**CITY OF ASHTABULA**  
**ASHTABULA COUNTY, OHIO**

**SINGLE AUDIT**

**FOR THE YEAR ENDED DECEMBER 31, 2002**





**Auditor of State  
Betty Montgomery**

Mayor and Members of City Council  
City of Ashtabula

We have reviewed the Independent Auditor's Report of the City of Ashtabula, Ashtabula County, prepared by S.R. Snodgrass, A.C. for the audit period January 1, 2002 through December 31, 2002. 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.

*Betty Montgomery*

BETTY MONTGOMERY  
Auditor of State

August 29, 2003

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**City of Ashtabula, Ohio**

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*December 31, 2002*

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**City of Ashtabula, Ohio**  
Schedule of Expenditures of Federal Awards  
For The Year Ended December 31, 2002

Federal Grantor/ Pass Through Grantor Program Title	CFDA Number	Pass Through Entity Number	Disbursements
<u>U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
<i>Passed through Ohio Department of Development:</i>			
<i>Community Development Block Grant/States Program</i>			
Community Housing Improvement Program	14.228	A-C-00-085-1	42,001
New Horizons Fair Housing Assistance Program	14.228	A-N-00-085-1	15,000
Rehab Revolving Loan Funds	14.228	N/A	3,058
Formula Allocation Program	14.228	A-F-01-085-1	152,048
			<u>212,107</u>
<i>Community Development Block Grant/Small Cities Program:</i>			
Revolving Loan Funds	14.219	N/A	5,309
Total passed through Ohio Department of Development			<u>217,417</u>
Total U.S. Department of Housing and Urban Development			<u>217,417</u>
<u>U. S. DEPARTMENT OF JUSTICE</u>			
Public Safety Partnerships and Community Policing Grants- Community Oriented Policing Services (COPS):			
Universal	16.710	95-CF-WX-0647	22,115
More	16.710	97-CM-WX-0866	25,899
Total U.S. Department of Justice			<u>48,015</u>
<u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u>			
Assistance To Firefighters Grant Program	83.554	EMW-2002-FG- 06345	18,279
Total Expenditures of Federal Awards			<u><u>283,710</u></u>

The accompanying notes to this schedule are an integral part of this schedule.

City of Ashtabula  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2002

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**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Expenditures of Federal Awards summarizes activity of the City of Ashtabula's federal award programs. The schedule has been prepared on the cash basis of accounting.

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

The City of Ashtabula has established revolving loan programs to provide low-interest loans to businesses to create jobs for persons from low to moderate income households and to rehabilitate homes. The Federal Department of Housing and Urban Development (HUD) grants money for these loans to the City of Ashtabula passed through the Ohio Department of Development. The initial loan of this money is recorded as a disbursement on the accompanying Schedule of Expenditures of Federal Awards. Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as disbursements on the schedule.

These loans are collateralized by personal guarantees, assigned insurance and/or mortgages on the property. At December 31, 2002, the gross amount of loans outstanding under these programs was \$230,395. This amount was included as part of the federal disbursements by the City in determining the audit requirements for major and nonmajor programs in accordance with the OMB Circular A-133.





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

Members of Council  
City of Ashtabula  
Ashtabula, Ohio

We have audited the financial statements of the City of Ashtabula, Ohio, as of and for the year ended December 31, 2002, and have issued our report thereon dated May 23, 2003. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City of Ashtabula's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the City of Ashtabula in a separate letter dated May 23, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Ashtabula's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the City of Ashtabula in a separate letter dated May 23, 2003.

Members of Council  
City of Ashtabula  
Report on Compliance and Internal Controls Over  
Financial Reporting Based on an Audit of Financial Statements  
Performed In Accordance With *Government Auditing Standards*  
Page 2

This report is intended for the information of management, members of council, federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

*S. R. Snodgrass, A.C*

May 23, 2003



# SNODGRASS

Certified Public Accountants and Consultants

## REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Members of Council  
City of Ashtabula  
Ashtabula, Ohio

### Compliance

We have audited the compliance of the City of Ashtabula, Ohio, with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2002. The City of Ashtabula's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City of Ashtabula's management. Our responsibility is to express an opinion on the City of Ashtabula's compliance based on our audit.

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

In our opinion, the City of Ashtabula complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended December 31, 2002.

### Internal Control Over Compliance

The management of the City of Ashtabula is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Ashtabula's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Members of Council  
City of Ashtabula  
Report on Compliance With Requirements Applicable to Each Major  
Major Program And Internal Control Over Compliance  
In Accordance With OMB Circular A-133  
Page 2

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregated remaining fund information of the City of Ashtabula as of and for the year ended December 31, 2002, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 23, 2003. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended for the information of management, members of council and federal awarding agencies and pass-through entities and it is not intended to be and should not be used by anyone other than these specified parties.

*S. R. Snodgrass, A.C*

May 23, 2003

City of Ashtabula  
SCHEDULE OF FINDINGS  
For the Year Ended December 31, 2002

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Section I – Summary of Auditor’s Results

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***Financial Statements***

Type of auditor’s report issued: **Unqualified**

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_yes   X  no
- Reportable condition(s) identified that are not considered to be material weakness(es)? \_\_\_\_\_yes   X  none reported

Noncompliance material to financial statements noted? \_\_\_\_\_yes   X  no

***Federal Awards***

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_yes   X  no
- Reportable condition(s) identified that are not considered to be material weakness(es)? \_\_\_\_\_yes   X  none reported

Type of auditor’s report issued on compliance for major programs: **Unqualified**

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? \_\_\_\_\_yes   X  no

Identification of major programs:

*CFDA Numbers*  
14.228

*Name of Federal Program or Cluster*  
Community Development Block Grant/  
States Program

Dollar threshold used to distinguish between type A and B programs:   \$ 300,000  

Auditee qualified as low-risk auditee?   X  yes \_\_\_\_\_no

City of Ashtabula  
SCHEDULE OF FINDINGS (Continued)  
For the Year Ended December 31, 2002

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Section II – Financial Statement Findings

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None

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Section III – Federal Award Findings

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None

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# CITY OF ASHTABULA



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For the year ended December 31, 2002**

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ISSUED BY  
AUDITOR'S OFFICE

Michael A. Zullo, CPA  
City Auditor





CITY OF ASHTABULA  
OFFICE OF CITY MANAGER

MUNICIPAL BUILDING  
4717 MAIN AVENUE  
ASHTABULA, OHIO 44004

AUGUST PUGLIESE  
CITY MANAGER



(440) 992-7103  
Fax: (440) 992-4515

June 2, 2003

Citizens of Ashtabula:

Over the years, in my term of office, I have made a commitment to "clean up" Ashtabula City. We continue to hold a "Spring Clean Up" every year as well as handling individual needs for our residents. Through these efforts, we will make Ashtabula a better community than it was, but not as good as it will be tomorrow.

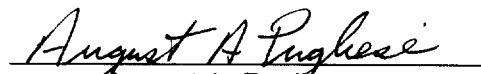
The revitalization of Main Avenue and Bridge Street proved to be an important topic to the residents of Ashtabula. A study was provided by the Urban Design Center of Northeast Ohio and the Colbalt Group Inc. Many residents attended a charrette held by the Colbalt Group Inc., to provide input on this revitalization effort.

Continuation of the Issue II Infiltration (I&I) Study of the West 52<sup>nd</sup> St. Tributary is near completion leading the way to Round 16 West Prospect/Trunk Line Tributary Area Sanitary Sewer Improvements. The City has committed \$82,998.20 towards this project with a total project cost of \$439,994.00. This project funding is a matched grant through the Ohio Public Works Department.

The City of Ashtabula provides a sidewalk program each summer. The program offers reimbursement at the cost of \$2.50 a square foot for the purchase of concrete, thus providing incentive for participation. Fifty-eight area residents took advantage of this program for a cost of \$45,347.46 to the City. The annual street resurfacing project covered approximately fourteen streets that were resurfaced, for a total cost of \$103,702.

In an effort to keep up with the recreational needs of the city, several items were added at Walnut Beach to provide a wide variety of activities to all, including a bocce court, skate park and horseshoe pit. In addition, several pieces of playground equipment were added at Smith Field and West 48<sup>th</sup> St. Park to enhance playground activities for our youth.

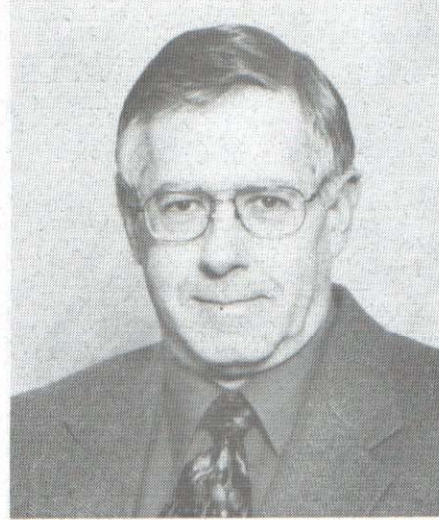
While the city offices were feeling the downward effect of the economy, all departments pulled together to tighten their belts in a concerted effort to progress through these trying times.

  
August A. Pugliese

# City Council



Josephine Misener  
President



Robert E. Beacom  
Vice President



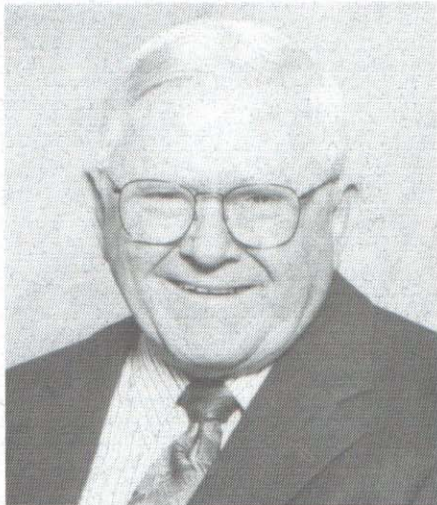
Joseph L. Rose  
Ward I



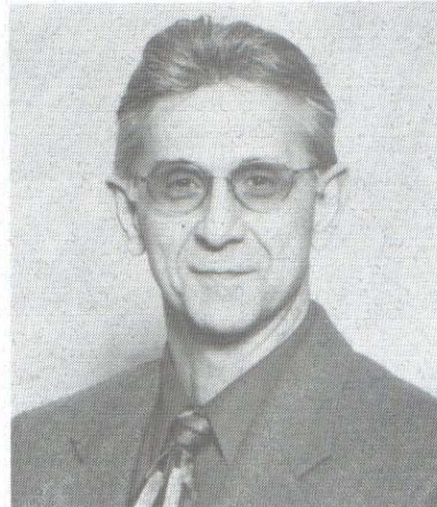
Betty Kist  
Ward III



Sue Zaebst-Beacon  
Ward V



Clifford D. McClure  
Ward IV



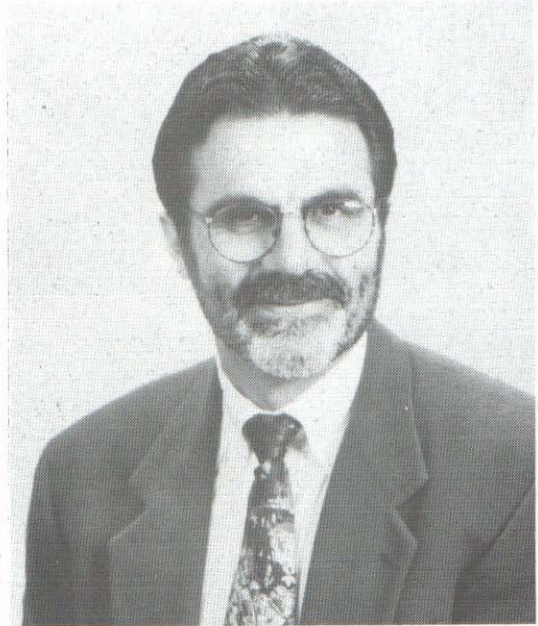
James P. Paulchel  
Ward II



# City Officials



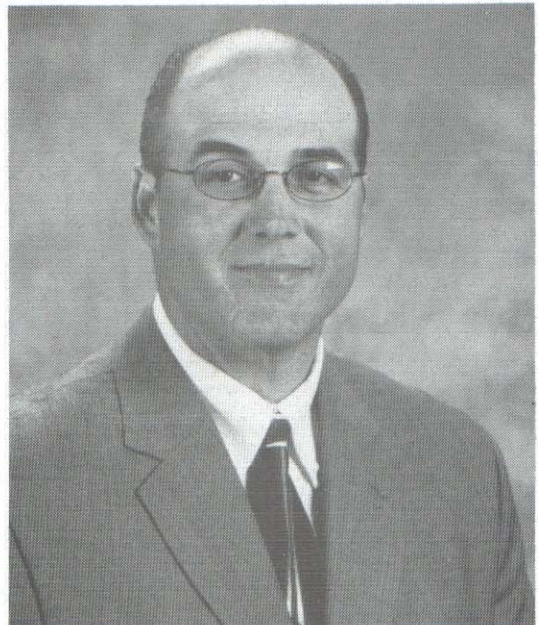
August A. Pugliese  
City Manager



Thomas J. Simon  
City Solicitor



Lori G. Stillman  
City Treasurer



Michael A. Zullo, CPA  
City Auditor

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# INTRODUCTORY SECTION

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**City of Ashtabula, Ohio**  
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*For the Year Ended December 31, 2002*  
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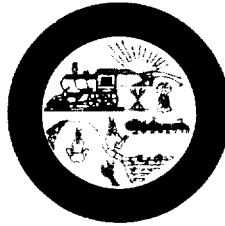
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CITY OF ASHTABULA  
OFFICE OF THE CITY AUDITOR

4717 MAIN AVENUE  
ASHTABULA, OHIO 44004

MICHAEL A. ZULLO, CPA  
CITY AUDITOR



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

June 1, 2003

Citizens of Ashtabula  
City Manager, August Pugliese  
and Members of City Council  
City of Ashtabula, Ohio

I am pleased to present the sixteenth Comprehensive Annual Financial Report (CAFR) for the City of Ashtabula. This GASB 34 compliant report, for the year ended December 31, 2002, reflects our intent to provide an organized, comprehensive, and informative presentation of the financial statements and other financial and statistical data that represent a complete and full disclosure of the City's financial activities. This is the fourth CAFR prepared by the City of Ashtabula using the new GASB standards.

The responsibility for the report's completeness and fairness of presentation rests with the City, specifically the City Auditor's and City Treasurer's Office.

In preparing this report, the City Auditor, Deputy City Auditor, and the City Treasurer stress the ongoing commitment of the City of Ashtabula to follow nationally recognized standards of excellence in financial reporting, a commitment shared by a growing number of governmental entities in Ohio.

The CAFR is divided into three sections:

1. The introductory section contains the table of contents, letter of transmittal, the GFOA Certificate of Achievement, elected and principal officials of the City, and the organizational chart of the City.
2. The Financial Section, which begins with the Report of Independent Accountants, includes Management's Discussion and Analysis, the Basic Financial Statements and Notes that provide an overview of the City's financial position and operating results, the Combining Statements for nonmajor funds and other schedules that provide detailed information relative to the Basic Financial Statements.
3. The statistical section presents various tables reflecting social and economic information, financial trends, and fiscal capacity of the City.

## **REPORTING ENTITY**

The City has reviewed its reporting entity definition in order to insure conformance with the Governmental Accounting Standards Board Statement 14 "The Financial Reporting Entity." In evaluating how to define the City for financial reporting purposes, management has considered all agencies, departments and organizations making up the City of Ashtabula (the primary government) and its potential component units. The Ashtabula Port Authority has been determined to be a component unit of the City.

The Ashtabula City School District has not been included in the accompanying financial statements because it is not fiscally dependent on the City, nor is the Ashtabula County Medical Center, which is privately owned and operated.

The Ashtabula Municipal Court has been included in the City's financial statements. The clerk of courts is an appointed City official who has a fiduciary responsibility for the collection and distribution of the court fees and fines.

## **THE CITY OF ASHTABULA**

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. According to the 2000 census, the City's population was 20,962. The Ashtabula County area population is now estimated at approximately 102,728.

The City's area is 7.6 square miles with other areas considering annexation into the City corporation limits. The City of Ashtabula is five hundred ninety feet above sea level.

Ashtabula was named by the Indians. The word was originally pronounced "Hash - Ta La," and its name, meaning in English "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 has one of the finest harbors on the Great Lakes. In terms of tonnage shipped in and out, Ashtabula is one of the largest coal and iron ore ports on the Great Lakes. The facility uses a coal loader, which is the newest and best of its kind on the Lakes. The Port of Ashtabula generally receives more iron ore and rubber than any other lake port and ships out tremendous quantities of coal. The entire harbor is dredged and canalized to the highest Great Lakes' standards, enabling the docks to serve vessels of any size.

The Port of Ashtabula has also become a fisherman's paradise. The walleye-fishing boom out of Ashtabula has exceeded all expectations. In addition to private boating, the area's charter boat fleet has increased from four boats in 1984 to well over one hundred sport fishing charters running out of the Port of Ashtabula in 2002. The Port of Ashtabula is one of the area's most valuable assets.

The chief industries of the City and surrounding territory are manufacturing, agriculture, dairying, coal, iron ore, rubber and transportation, including shipping. Industries such as Molded Fiberglass, which make fiberglass hoods for the big eighteen-wheelers trucks and many fiberglass parts for the Chevrolet Corvettes, is now expanding into many other car parts as many of these parts are going from steel to fiberglass. Another big industry in Ashtabula is the paint pigment business of Plasticolors. These pigments are used in the coloring of paints used not only in the interior and exterior of your home, but also in paints for automobiles.

Within its boundaries, the City of Ashtabula has twenty-one public and private elementary and secondary schools, including nine public elementary schools; two junior high schools, one of which is a parochial school; two public and one private high schools. Approximately 4,788 students are enrolled in public schools and 365 in parochial and private schools.

The Ashtabula Campus of Kent State University is a three-building, one hundred twenty-acre facility, located on State Route 531 at the western border of the City. In most cases, pre-baccalaureate students are able to complete two full years of a four-year degree available in the four colleges of the University: Arts and Sciences, Business Administration, Education, and Fine and Professional Arts. The Nursing Program is the most noted of the four colleges' specialties.

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.

City residents purchase water service from the Ohio American Water Company, located in the City. The daily average water pumpage is 4,325,000 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. ALLTEL provides local telephone service, and Adelphia Cable Company provides cable television services.

## **CITY 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. A council of seven members, five ward and two at-large representatives, is elected to serve for four-year terms. The at-large candidate receiving the most votes becomes the council president, and the other at-large candidate becomes the vice president. The City Manager and the City Solicitor are elected by a vote of the people and also serve for four-year terms. The Counsel selects the City Auditor and City Treasurer. Good government is reflected in the City's low property tax rate of \$12.61 per \$1,000 of assessed valuation.

To provide necessary services to its citizens, the City of Ashtabula is divided into departments and financial management and control systems. Services provided include police and fire protection, garbage and rubbish disposal, street maintenance, construction and repair, cultural, parks and recreational facilities, a municipal court, and a staff to provide support (i.e., payroll processing and accounts payable) to the service providers. The operation and control of these activities are provided by the City Council through the budgetary process and by the City Manager through administrative and managerial requirements and procedures. All are responsible to the citizens of Ashtabula and are included as part of the reporting entity. All elected officials, with the exception of the City Manager, serve on a part-time basis.

## **EMPLOYEE RELATIONS**

The City has one hundred and ninety four employees, including part time workers. Full time employees may join one of the bargaining units for their group as determined by the State Employee Relations Board (SERB). The three unions in the City are:

Name	Contract Expires	Membership
AFSCME Local #1197	April 30, 2003	72
Fraternal Order of Police, Lodge #26	April 30, 2003	37
International Association of Firefighters, Local #165	April 30, 2003	26

The remaining full time employees are either not authorized to join a bargaining unit or have elected not to do so. The City of Ashtabula and AFSCME Local #1197, Fraternal Order of Police, and the International Association of Firefighters have come to terms on three-year contracts. All nonunion employees including department heads will receive the same pay increases and follow the same contract changes.

In the judgment of the City Management, the City's employee relations have been stable and are expected to remain so.

### **ECONOMIC CONDITION 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. An enterprise zone has been established by the City of Ashtabula. City Council will execute agreements with certain businesses for the purpose of establishing, expanding, renovating or occupying facilities, hiring new employees and preserving jobs within the zone, in exchange for specified local tax incentives granted by the County. The City's first enterprise zone has grown very rapidly as every piece of property within this zone has either been purchased or has a purchase option on it. The City port authority has finished the purchasing of land for our next enterprise zone which is fifty acres of land at the end of State Route 11, within the City boundaries. The City is very optimistic about future growth of businesses and employment in this industrial park.

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

Adelphia Cable Company is continuing to improve service to the area by installing state-of-the-art equipment and expanding the options provided to its customers. Adelphia continues to broadcast City Council meetings live on the local government access channel, bringing the workings of City government to all citizens. Among the programs Adelphia makes available to citizens are Pay-Per-View Sports Events. New choices including digital service make available Sports and Comedy channels, Court TV and many other new premium channels including a Spanish-speaking channel.

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

Another project, known as the Ashtabula River deep water dredging, is scheduled for the year 2004. This project will provide a twelve-foot deep river dredging which will remove toxins. Several government bodies and agencies have committed funds for this expensive project. The State of Ohio has budgeted seven million dollars, the federal government has committed twenty-two million and the Army Corp of Engineers has pledged eleven million dollars for this project. With the growth of recreational boating on the river and on Lake Erie, the number of boats docked at marinas on the river has grown from 150, eight years ago, to over 1,000 today. Most marinas' dock space is filled to capacity. The dredging of the Ashtabula River should result in more available dock space for this growing recreational activity.

A working relationship was established between the City's administration and the Downtown Merchants' Association. Through combined efforts of the Administration and the Association, a sign program was implemented. Signs were placed in visible spots around Ashtabula, directing visitors to the downtown area. New downtown stores have opened as a direct result of the City's and the Association's efforts.

The scope of responsibility of the City of Ashtabula's Port Authority was broadened. The Port Authority became active in surveying land Citywide for future industrial development, particularly for an industrial park. The Port Authority has put together the West 38<sup>th</sup> Street Enterprise Zone, filling every available site with a new business attracted to the area. The newest City industrial park at the end of State Route 11 will hopefully be the new home of the Ohio Department of Transportation's State garage. The Port Authority is working on extending the current transient dock in the river to allow boaters from any other port to tie up their boats and enjoy Bridge Street's many fine shops and restaurants. The dock extension project began in October of 2002 and is expected to be completed before the boating season begins in the spring of 2003. The Port Authority was also instrumental in building one of the most modern coast guard stations ever built on the great lakes, as they borrowed money from the City's revolving loan fund and built the station for the coast guard who in turn signed a twenty-year lease. Future plans to this area include more transient docks, which will allow additional out of town boaters access to this historic riverfront.

With the help of programs through the Ohio Department of Development and the Ohio Department of Transportation, the County obtained State and Federal grants to continue the public transportation system, which is now administered by Ashtabula County. The County runs the day-to-day operations of the bus system out of a City owned and maintained building. The City contributes \$31,000 of cash to the system, as well as inkind monies for repairs and maintenance of the bus garage building.

The City of Ashtabula continues to change for the better. By networking, team building, re-establishing working relationships and citizen friendships, implementing program planning and enhancing its natural resources, the City of Ashtabula is experiencing the 2000's as a "Decade of Difference," while doing aggressive planning for the future.

## **MAJOR INITIATIVES**

Construction and major renovations on many of Ashtabula's roads took place during 2002. The City of Ashtabula spent over to \$192,000 on street paving and reconstruction projects. The engineering firm of Burgess and Niple has completed a major infiltration study. This study will televise our entire sewer system over a period of five years showing the City exactly where we need to repair broken, plugged or even missing sections of our sanitary sewers. The study has begun at the farthest point from our wastewater treatment plant, with repairs conducted immediately after the problem has been diagnosed. The improvement will reduce the flow of storm water into the treatment plant and possible back-ups in our collection system. The City has committed to the Ohio Environmental Protection Agency to invest over five million dollars in our sewer collection system over the next five years. Payment of this extensive replacement/repair project will be funded using Issue II Funds, distributed by the State of Ohio, and user fees from the residents. The projected split of monies will be seventy percent Issue II and thirty percent local match. The City of

Ashtabula is also in the initial stages of designing and constructing a septage waste-receiving center. This center will allow septic tank cleaners to properly dispose of the septage sewage from systems in our county.

The City of Ashtabula's participation in the United States Construction Grants Program has been completed. After a review of the Wastewater Treatment Plant and Sewer Improvements Project Performance Certification Report, the program's certification was approved for 2002 to allow the City to continue operations and maintain its wastewater treatment plant.

The City of Ashtabula focused on recreation, paving and sidewalk reconstruction in 2002. The City of Ashtabula offered a homeowner up to \$2.50 per square foot reimbursement for the replacement of any broken pieces of sidewalks. The reimbursement is equal to approximately sixty percent of the total cost. Several large park projects such as renovations to Nappi Field and West 58<sup>th</sup> Street Field were continued. Smith Field, which is the City's biggest and most used recreation complex, had the baseball playing field completely redone. New bleachers, fencing and parking area were also added at Smith Field and many improvements to the pond were completed during the year. The biggest improvement was the addition of lights on the walking track. With the lights added, the track is now used consistently from 6am to 10pm daily. The current project, which has received a fifty thousand dollar State grant, is the lighting of the field. In the near future, we will see nighttime high school baseball games as well as evening and night softball games at Smith field. I believe that all members of the administration are very surprised at the amount of usage the walking track is experiencing, and we are excited about night time sports at the field.

With the use of Community Development Block Grant funds, the Division of Housing and Community Development continued its efforts to rehabilitate the existing housing inventory in the City of Ashtabula. Specific activities include the Comprehensive Neighborhood Revitalization Program in Ashtabula Harbor, the Section 17 Rental Rehabilitation Project, scattered site demolition, the Certificate of Occupancy Rental Inspection Program, the Minimum Housing Code Inspection Program and Fair Housing. These activities contribute to the health and safety of the community through rehabilitation and code enforcement efforts. The programs offered and administered by the Division of Housing and Community Development demonstrate the City's commitment to safe, decent and sanitary housing within the community.

The Fire Department answered 1,739 alarms in 2002 including 76 structure fires with building and content losses of \$1,180,700. Fire department employees received 5,628 hours of in-service training. Extensive training continues on the 1998 HME/General 1,250-gallon Paramedic Engine fire truck. Other equipment for the fire department was purchased in 2002 such as another thermal imaging camera for ladder 1, SCBA breathing equipment, fans, lights and other small items with Permanent Improvement fund money.

The Public Works Department kept busy in 2002 patching streets with cold mix, cleaning and maintaining sanitary and storm sewers, picking up leaves in the fall and plowing and controlling ice in the winter. Approximately 276,525 square feet of streets were paved with hot asphalt in 2002. The City of Ashtabula spent over \$133,000 on paving contracts. All paving in 2002 was done by Velotta Paving Company, rather than our City employees, due to their expertise in the field and owning the proper equipment for handling big jobs such as this. The City also purchased several miscellaneous pieces of equipment for our public works department including a dump truck with snowplow, sign making machine and sign post pounder/installer.

The City of Ashtabula's Sanitation Department services approximately 7,000 households and 150 commercial accounts per week. In a move toward self-sufficiency, City Council voted to increase the monthly trash service charge from ten to eleven dollars per month. The City Manager recommended the higher fee as part of the 2003 budget. The extra money will be used to offset higher labor, fuel and landfill fees. The general fund subsidizes the sanitation department by approximately \$100,000 annually. With a grant from the Ashtabula County Solid Waste District, the City constructed a state-of-the-art-recycling center. This center will handle all types of recyclables. The goal for the recycling center is not to sell the

recycled goods for a profit but rather reduce the tonnage that is hauled to the landfill, and reduce the amount of tipping fees paid during the year. The City of Ashtabula took in 697,730 pounds of recyclable materials and 3,002 tires during the year 2002. The City sold the recyclable materials for \$3,464 and avoided paying \$15,041 in landfill tipping fees.

The Auditor's and Treasurer's Offices completed their fifteenth Comprehensive Annual Financial Report (CAFR) during May of 2002. The CAFR that was completed in 2002 for year ended December 31, 2001, was the City's third report using the new GASB standards. The process of converting to these new standards was interesting, frustrating and tedious during different phases of the process. By far the biggest challenge was the capital assets portion and how to start the infrastructure valuation process. Special thanks to the City Engineer's Office who spent many hours helping us construct this data, and Traci Vanek of the Auditor's Office who not only spent many hours working on the capital assets, but also designed an Access database to list and depreciate these assets, since no commercial software was available yet which was GASB 34 compliant. Since the initial report was completed, we have tried to continually update the capital asset information to give the most detail possible. The financial report took all members of the Auditor's and Treasurer's Office hundreds of hours to complete.

An agreement between the Ashtabula County Commissioners and the Auditor's Office to do the billing and collecting of the County's sewer charges remains in effect. This billing, along with the City's service billing, takes two members of the Auditor's office to maintain this program effectively and efficiently.

The Income Tax Department's use of an on-line computer system improved compliance with federal and local tax regulations and made collection of current and delinquent taxes more efficient. New tax forms made collection of taxes more accurate, and filing requirements have changed to include submission of various federal forms. Enforcement of late filing penalties and interest has increased timely filings.

The Ashtabula Police Department's Crime Prevention Unit, funded in part through a grant from the Governor's Office of Criminal Justice Services, provided training, education and materials to the residents of Ashtabula on various crime prevention topics. Crime prevention programs were conducted for senior citizens, residents, businesses and schools from preschool to high school. A weekly crime prevention cable television program was also produced. The Police Department has joined forces with Ashtabula Metropolitan Housing Authority (AMHA) to apply for and receive State funding to increase the police presence in the AMHA projects. We believe that the three extra patrolmen working in those areas have greatly reduced the drug and gang activity. The Police Department also played a major role in instituting the new 911 emergency response program. This enhanced 911 system automatically gives the caller's name and address from the calling location. Any type of emergency response can be achieved by calling this number. The police department is undergoing a complete reorganization by eliminating captain positions through attrition and replacing these positions with additional patrolman. The City's goal is to get more policemen on the road and less in the administration positions.

The caseload for the Municipal Court totaled 10,331 in 2002, representing a 145 case decrease from 2001. This decrease is hopefully a reflection on the stepped up law enforcement efforts made by all City officials. Crime and drug related offenses in our City have been the top priority with the administration during 2002. The City administration has explored many ways to increase revenues and therefore increase funding to our police department. The increased funding allows more officers on the streets, all the time. The municipal court has spent many hours on the new security rules in effect for courts. The City is committed to making this area and the individuals working in the courts very secure. The court is also working on a new network computer system including hardware and software.

## ACCOUNTING SYSTEMS AND BUDGETARY CONTROL

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

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

The City Auditor reviews the purchase order first to check for availability of funds. Then the City Manager, who is also the Purchasing Agent by City Charter, approves and issues the purchase order. Copies of all approved purchase orders are returned to the department head pending receipt of the goods and invoice. Once the goods or services and the invoice are received, the department head signs his/her copy of the purchase order as verification that all goods or services were received and are in acceptable condition.

Each department head is furnished a monthly report showing the status of the budget accounts for which he/she is responsible. The reports detail monthly transactions and summarize the available balances.

**Financial Condition** This is the fourth year the City has prepared financial statements following GASB Statement 34. "Basic Financial Statements-and-Management's Discussion and Analysis-for State and Local Governments." GASB 34 creates new basic financial statements for reporting on the City's financial activities as follows:

**Government-wide financial statements** These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by many businesses. The government-wide statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

**Fund financial statements** These statements present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. Governmental funds are the modified accrual basis of accounting and include reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting.

**Statements of budgetary comparisons** These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

As part of this new reporting model, management is responsible for preparing a Management Discussion and Analysis of the City. This discussion follows the Independent Auditor's Report, providing an assessment of the City finances for 2002.

**Financial Highlights – Internal Service Fund** There are two internal service funds carried on the City's financial records, the self-insurance internal service fund with net assets of \$835,405 and the workers' compensation internal service fund with net assets of \$1,977,318 as of December 31, 2002.



## **CASH MANAGEMENT**

By charter, the City Auditor is responsible for the City's cash management program. An investment committee comprised of the City Auditor, City Manager, City Solicitor, and City Treasurer has been formed. The City Treasurer requests and receives interest rates from several institutions and on several types of investments, at which time a member of the board makes a recommendation, another seconds and a vote is taken. The investment committee has established an investment policy for the City intended to maximize investment interest earned, while maintaining the highest standard of security available. The City of Ashtabula has entered into a depository agreement with Firststar Bank for the purpose of maintaining payroll and checking accounts. The checking account is a sweep account, which daily transfers to a repurchase agreement earning interest at a standard rate.

The City of Ashtabula also utilizes an investment pooling system, STAROhio, instituted and operated by the State of Ohio under the direction of Joseph T. Deters, Treasurer of State. In recent history, this investment option has offered the highest yields available in the State while remaining completely liquid as interest is earned daily and no minimum investment term is required. In the last twelve months, the City of Ashtabula has maintained a daily balance in excess of one million dollars in STAROhio.

As of December 31, 2002, the City of Ashtabula had \$6,064,336 of deposits classified as uncollateralized and uninsured under Statement 3 of the Government Accounting Standards Board. Although the pledging banks have an investment and securities pool used to collateralize all public deposits, which are held in the financial institutions' names, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

## **RISK MANAGEMENT**

The City of Ashtabula has entered into a contract with the Clarendon National Insurance Company for general liability insurance coverage. The agreement covers personal injury to an individual on City-owned property, fire insurance on all City-owned buildings, and vehicle insurance on all City-owned vehicles. The City also carries police liability and public officials professional risk liability insurance with the Clarendon National Insurance Company.

The City manages the hospital/medical, dental, drug and vision insurance benefits for its employees through a self-insured program. A third party administrator processes and pays the claims. The City pays self-insurance claims and administrative costs from its insurance internal service fund.

The City also provides workers' compensation coverage through the State Workers' Compensation retrospective rating and payment system whose operations are reported in the City's workers' compensation internal service fund.

## **INDEPENDENT AUDIT**

State statutes require the City to be subjected to an annual examination by an independent auditor. S. R. Snodgrass was contracted to render an opinion on the City's financial statements as of December 31, 2002. In addition to meeting the requirements set forth in State statutes, the audit was also designed to meet the requirements of the Single Audit Amendments of 1996, as well as GASB 33, 34 and 36. The Report of Independent Accountants on the general-purpose external financial statements is included in the financial section of this report.

## **CERTIFICATE OF ACHIEVEMENT**

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, 2001. This was the City of Ashtabula's fifteenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

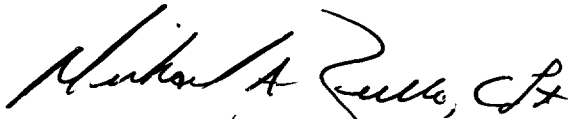
A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

## **ACKNOWLEDGMENTS**

A special thanks is extended to the members of City Council and to the Administration whose continued support is necessary for the City of Ashtabula to conform to reporting requirements established for municipal governments.

Sincere thanks also goes to the Local Government Services of Auditor of State Betty Montgomery's Office for their assistance in the organization and final review of our 2002 Comprehensive Annual Financial Report.

Respectfully submitted,



Michael A. Zullo, CPA  
Ashtabula City Auditor

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Ashtabula,  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2001

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



*William Patrick Pate*

President

*Jeffrey R. Emer*

Executive Director

**City of Ashtabula**  
*List of Principal Officials*

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***City Council***

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Josephine Misener..... President  
Robert E. Beacom ..... Vice President

Joseph L. Rose ..... Ward I  
James P. Paulchel..... Ward II  
Betty S. Kist..... Ward III  
Clifford D. McClure..... Ward IV  
Sue Zaebst-Beacon ..... Ward V

LaVette E. Hennigan..... Clerk of Council

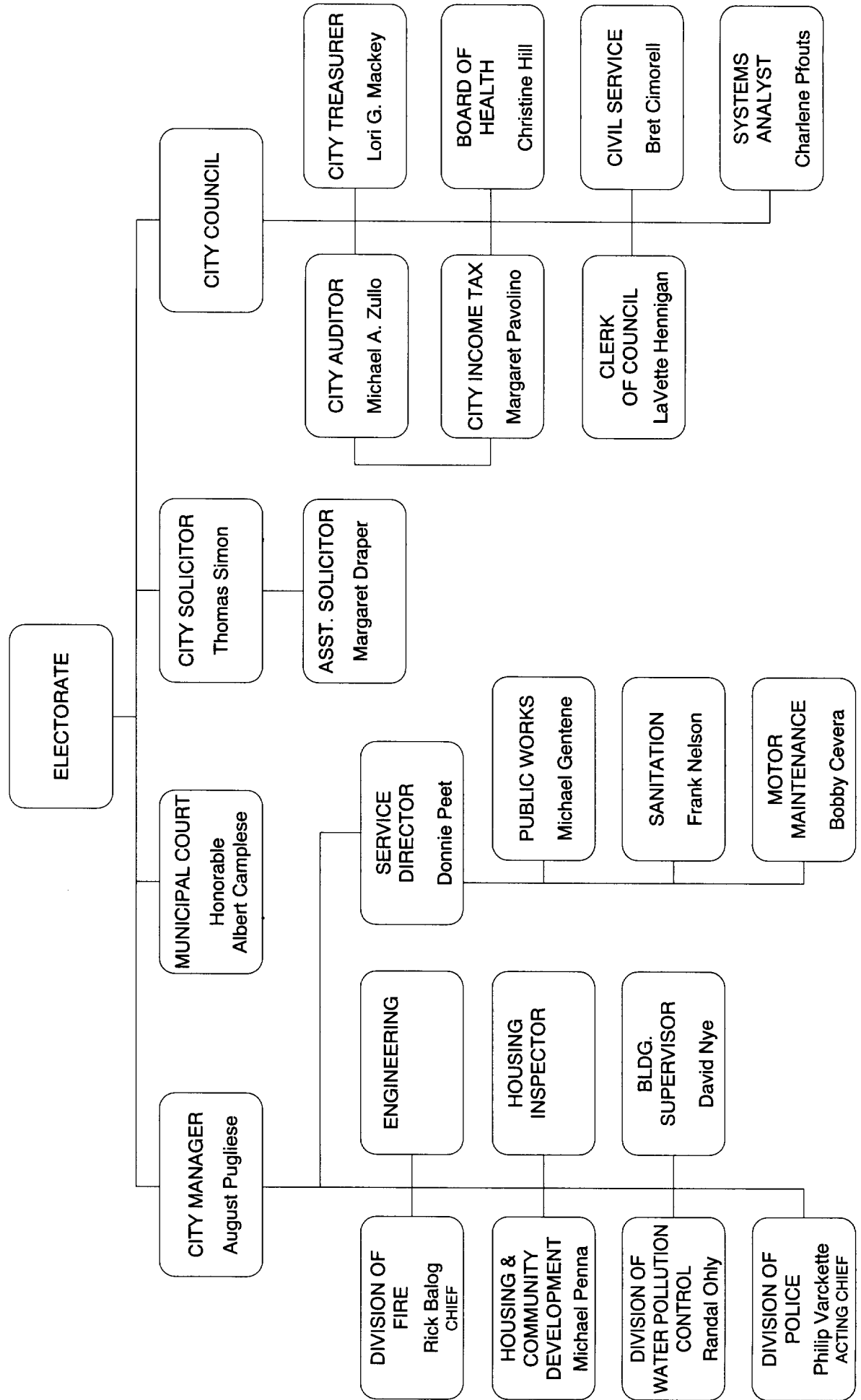
***City Officials***

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Rick Balog ..... Chief of Fire  
Albert Camplese..... Municipal Court Judge  
Margaret Draper..... Assistant City Solicitor  
Greg Foglio..... Assistant Superintendent of Wastewater Treatment Plant  
Michael Gentene ..... Superintendent of Public Works  
Karen S. Jury..... Deputy City Auditor  
Lori Mackey..... City Treasurer  
Frank Nelson..... Superintendent of Sanitation  
Randal Ohly ..... Superintendent of Wastewater Treatment Plant  
Margaret Pavolino..... Income Tax Administrator  
Donnie Peet..... Service Director  
Michael Penna..... Director of Housing and Community Development  
Charlene Pfouts..... Systems Analyst  
August A. Pugliese..... City Manager  
Thomas J. Simon..... City Solicitor  
Philip Varckette ..... Acting Chief of Police  
Michael A. Zullo..... City Auditor

**CITY OF ASHTABULA, OHIO  
ORGANIZATIONAL CHART**

**DECEMBER 31, 2002**



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# FINANCIAL SECTION

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## INDEPENDENT AUDITOR'S REPORT

Members of Council  
City of Ashtabula, Ohio

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 Government), as of and for the year ended December 31, 2002, which collectively comprise the Government's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Government's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Ashtabula, Ashtabula County, Ohio, as of December 31, 2002, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General Fund, Sanitation Fund, Community Development Block Grant Fund, and the Street Maintenance and Repair Fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 23, 2003, on our consideration of the Government's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Members of Council  
City of Ashtabula, Ohio

The management's discussion and analysis on pages 3-12 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Government's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and the statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*S. R. Snodgrass, A.C.*

Ashtabula, Ohio  
May 23, 2003



**City of Ashtabula, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2002*  
*Unaudited*

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The discussion and analysis of The City of Ashtabula's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2002. 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**

Key financial highlights for 2002 are as follows:

- ◆ The City of Ashtabula purchased the Keybank Center in 2001, which now houses our City Hall Offices. This land and building, which cost approximately \$1,000,000 dollars, was paid for in cash. The City borrowed \$750,000 dollars in 2001 to complete renovations in 2002. With the project being completed under budget, the City returned over \$50,000 dollars to the bank.
- ◆ The City purchased over \$265,000 dollars of equipment including police cars, sanitation, playground, and other miscellaneous equipment, all of which is paid for.
- ◆ The City of Ashtabula sold bonds in the amount of \$150,000 dollars to help with the infrastructure cost of our new upscale housing allotment Mareddy Estates. This allotment will have 26 new homes built with the average cost being \$350,000.
- ◆ The City of Ashtabula purchased a one-acre tract of land adjoining Mareddy Estates which will allow us to jump Wade Avenue and annex hundreds of acres of land on the south side of Wade Avenue. This may have significant tax valuations including property taxes and income tax from future residents and businesses.
- ◆ The City of Ashtabula put into place the opportunity during 2002 to call one million dollars worth of bonds on our Justice Center at the earliest allowable date of September 2003. The cash is available to call these bonds and will save the City approximately \$463,000 of interest.

### **Using this Annual Financial Report**

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

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

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

#### *Statement of Net Assets and the Statement of Activities*

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and ask the question, "How did we do financially during 2002 and what does the future hold for 2003 and beyond?" The Statement of Net Assets and the Statement of

**City of Ashtabula, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2002*  
*Unaudited*

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Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by the private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

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

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

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

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

*Fund Financial Statements*

The analysis of the City's major funds begins on page 8. Fund financial reports provide detailed information about the City's major funds. Based on restrictions on the use of monies, the City has established many funds which account for the multitude of services provided to our residents. However, these fund financial statements focus on the City's most significant funds. In the case of the City of Ashtabula, our major funds are the General, Community Development Block Grant, Sanitation, Street Maintenance and Repairs, Debt Service, and Permanent Improvement.

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

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

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**The City of Ashtabula as a Whole**

Recall that the Statement of Net Assets looks at the City as a whole. Table 1 provides a summary of the City's net assets for 2002 compared to 2001.

(Table 1)  
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2002	2001	2002	2001	2002	2001
<b>Assets</b>						
Current and Other Assets	\$14,541,202	\$14,526,819	\$1,662,090	\$1,967,173	\$16,203,292	\$16,493,992
Capital Assets, Net	17,283,467	17,261,695	9,572,764	9,597,388	26,856,231	26,859,083
<i>Total Assets</i>	31,824,669	31,788,514	11,234,854	11,564,561	43,059,523	43,353,075
<b>Liabilities</b>						
Current and Other Liabilities	(3,373,818)	(2,917,299)	(167,020)	(244,108)	(3,540,838)	(3,161,407)
Long-Term Liabilities:						
Due Within One Year	(2,195,131)	(1,924,185)	(276,942)	(231,085)	(2,472,073)	(2,155,270)
Due in More Than One Year	(4,513,028)	(4,874,883)	(1,759,368)	(1,877,890)	(6,272,396)	(6,752,773)
<i>Total Liabilities</i>	(10,081,977)	(9,716,367)	(2,203,330)	(2,353,083)	(12,285,307)	(12,069,450)
<b>Net Assets</b>						
Invested in Capital Assets Net of Debt	14,016,961	13,777,856	7,936,963	7,874,120	21,953,924	21,651,976
Restricted:						
Capital Projects	865,251	1,403,316	0	0	865,251	1,403,316
Debt Service	1,609,519	1,234,947	0	0	1,609,519	1,234,947
Other Purposes	1,812,974	2,328,379	0	0	1,812,974	2,328,379
Unrestricted	3,437,987	3,327,649	1,094,561	1,337,358	4,532,548	4,665,007
<i>Total Net Assets</i>	\$21,742,692	\$22,072,147	\$9,031,524	\$9,211,478	\$30,774,216	\$31,283,625

The net assets of the City's governmental type activities decreased by \$329,455. Current assets were up approximately \$14,000. This small increase is a reflection of the economic times and the small amount of growth in any of our funding sources. The City's capital assets in the Governmental Activities increase during 2002, is a reflection on the land, buildings and equipment purchased during 2002. Short-term liabilities increased, as once again the City did not offer the sick time buy back program. This program was allowing the employees to buy back up to nine hundred and sixty hours of accumulated sick time. This program was a win-win situation for the City and the employees. The City won by purchasing these hours at today's rate of pay as opposed to when the employee retired. The employees won, as they were able to deposit these funds into a deferred compensation program and earn interest, dividends and long-term appreciation on their money. With the cash shortfall in 2002, the City only offered the program in 2002 to those employees in their last two or three years of employment, thereby helping our employees increase their pension benefits. By only allowing a few employees in the program during 2002, our current liabilities did increase, as all employees did accrue additional sick time hours. Long-term liabilities decreased in 2002 as the City made all debt payments as scheduled.

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The net assets of the City's business type activities decreased in 2002. The City once again aggressively spent money on upgrading our wastewater treatment plant. With usage rates generating revenue, which reasonably matches operating expenses and most capital expenditures annually, the financial condition of the business type activity is relatively constant. As extra cash is accumulated such as that during 2000, the City does extra capital improvement projects the following year to make our wastewater treatment plant one of the best in the State of Ohio. Also our whole county is relying on the City's wastewater plant for future growth as this plant is the key for sewers in all areas of our county. The City continues to invest heavily in our wastewater treatment facility, which is our only business type activity. Continual upgrades to the plant and the sewer lines carrying the flow to the plant have been our top priority for at least the last ten years. Continued growth not only in our City but also within our whole county is dependant upon the additional capacity the City is able to offer for sewer expansion. Our wastewater treatment plant itself has plenty of capacity as we treat approximately five million gallons of sewage a day with a plant capacity of approximately 18 million gallons per day. Our biggest problem is line capacity, which is very old and undersized. This is where we currently expend the majority of our capital dollars. We are either expanding line size or trying to reduce the amount of storm water that enters our sanitary lines through illegal connections of home gutters or actual breaks in our lines that allow ground water to enter our sanitary system. In the early 1990's, the Ohio EPA fined the City for not being in compliance with the State's minimum requirements. We have since brought our facility into compliance and were recently awarded a certificate by the Ohio EPA for the turn around our facility has completed. Although a few percent decrease in net assets may be a concern, the reader must remember that this number is net of accumulated depreciation for all capital assets included in our business type activity and that the City's intent is not to profit from this operation, but to recover costs. The City and the County are in negotiations with Nordic Bio Fuels, a large alternative fuel facility that could produce one million gallons of wastewater that would be pretreated at Nordic and then sent to our facility for final treatment and discharge into Lake Erie. Under negotiations are the amount of the tap in fee, the amount of service charge per 750 gallons and the minimum amount to be paid each month if the City is to reserve this one million gallon per day capacity for Nordic. With the one million gallons per day projection, the City's wastewater plant could see additional cash flows of approximately \$50,000 per month. The positive side for the City is virtually no additional treatment cost, as we need to hire only one additional pretreatment inspector to handle just Nordic and very little additional operating cost. This additional cash flow would be used to do additional sewer line improvements to add capacity to our lines. Most of these dollars would be used as matching dollars for Issue II grants.

(Table 2)  
Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2002	2001	2002	2001	2002	2001
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$2,320,718	\$2,164,092	\$2,801,467	\$2,587,575	\$5,122,185	\$4,751,667
Operating Grants, Contributions and Interest	648,848	668,034	0	0	648,848	668,034
Capital Grants and Contributions	269,196	757,833	360,753	256,900	629,949	1,014,733
General Revenues						
Property Taxes	2,446,220	2,459,838	0	0	2,446,220	2,459,838
Income Taxes	5,787,539	5,660,619	0	0	5,787,539	5,660,619
Grants and Entitlements	2,555,737	1,614,626	0	0	2,555,737	1,614,626
Investment Earnings	184,076	426,662	0	0	184,076	426,662
Other	180,476	280,423	0	0	180,476	280,423
<i>Total Revenues</i>	<u>\$14,392,810</u>	<u>\$14,032,127</u>	<u>\$3,162,220</u>	<u>\$2,844,475</u>	<u>\$17,555,030</u>	<u>\$16,876,602</u>

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	Governmental Activities		Business-Type Activities		Total	
	2002	2001	2002	2001	2002	2001
<b>Program Expenses</b>						
General Government						
Legislative and Executive	\$2,867,586	\$2,744,011	\$0	\$0	\$2,867,586	\$2,744,011
Judicial System	964,850	954,289	0	0	964,850	954,289
Security of Persons and Property:						
Police	3,696,384	3,743,382	0	0	3,696,384	3,743,382
Fire	2,652,673	2,629,702	0	0	2,652,673	2,629,702
Public Health Services	260,491	255,630	0	0	260,491	255,630
Street Maintenance and Repairs	2,001,502	1,956,370	0	0	2,001,502	1,956,370
Housing and Community Development	512,695	920,839	0	0	512,695	920,839
Sanitation Services	1,437,356	1,455,940	0	0	1,437,356	1,455,940
Leisure Time Activities	185,589	165,605	0	0	185,589	165,605
Interest and Fiscal Charges	195,014	202,381	0	0	195,014	202,381
Wastewater Treatment	0	0	3,290,299	3,407,377	3,290,299	3,407,377
<i>Total Expenses</i>	<u>14,774,140</u>	<u>15,028,149</u>	<u>3,290,299</u>	<u>3,407,377</u>	<u>18,064,439</u>	<u>18,435,526</u>
<i>Excess (Deficiency) before Transfers</i>	<u>(381,330)</u>	<u>(996,022)</u>	<u>(128,079)</u>	<u>(562,902)</u>	<u>(509,409)</u>	<u>(1,558,924)</u>
<i>Transfers</i>	<u>51,875</u>	<u>72,821</u>	<u>(51,875)</u>	<u>(72,821)</u>	<u>0</u>	<u>0</u>
<i>Increase (Decrease) in Net Assets</i>	<u>(\$329,455)</u>	<u>(\$923,201)</u>	<u>(\$179,954)</u>	<u>(\$635,723)</u>	<u>(\$509,409)</u>	<u>(\$1,558,924)</u>

**Governmental Activities**

Several revenue sources fund our Governmental Activities with the City income tax being the biggest contributor. The income tax rate of 1.8 percent was renewed by a vote of our citizens in May of 2001, which took effect January of 2002. This tax renewal is in effect until December of 2004. The income tax revenue for 2002 exceeded \$5.7 million. General revenues from grants and entitlements, such as local government funds, are also a large revenue generator. With the combination of income tax and intergovernmental revenue funding 58 percent of all expenses in the Governmental Activities, the City monitors both of these revenue sources very closely for fluctuations.

The City has seen our income tax collection increase by a small amount in 2002. Although the increase was only \$127,000, in today's economy, we will take any gain as a winning situation. The events of September 11, 2001 across our country seemed to be the event that really put our local economy and the loss of jobs with huge layoffs at not only our industrial plants locally but also employers such as the Ashtabula County Medical Center, our City's single biggest employer has had layoffs and jobs not filled through attrition. Our tax base has in the aggregate continued to decline. As of this writing in May of 2003, we have taken in approximately \$177,000 less income tax dollars this year compared to 2002. The City of Ashtabula has been very aggressive in 2002 collecting delinquent income tax. Five new cases per week are being filed in the Ashtabula Municipal Court against people who have filed returns stating money was owed, and then never paying these taxes. I expect this level of enforcement to continue in the future as our City council has been monitoring the progress on this program.

Local government funding from the State was also reduced midway through 2002 as the State suffered from reduced sales tax collections as the economy slowed. This reduction cost the City \$30,000. We have been notified that we will lose approximately 30,000 more dollars of local government monies in July of 2003. The City has also been notified that an AMHA Police grant was not renewed effective May 2003, costing the City \$8,333 per month in grant funds.

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Security of persons and property and sanitation services are major activities of the City, generating 52 percent of governmental activity expenses. Several changes made in these departments, including a complete restructuring of our police department based upon a study by a group known as the Ohio Police Chiefs' Association, which was contracted by the City, has proved very successful. The amount of overtime has been reduced as well as the number of Captains and Sergeants, without reducing personnel. Through attrition, the City has replaced the Captain and Sergeant positions with new patrolmen, which is what our citizens requested. The fire department has worked with the City in reducing costs or holding costs in line with training being done in house, restricted use of comp time, and discipline for abuse of sick time. The City does monitor the police and fire department budgets very closely as these two departments use a significant amount of general revenues. A restructuring of our sanitation department including the combining of jobs has proven to be effective in holding the line on the cost of picking up and transferring residents' trash.

Although the City has worked very hard on increasing our tax base by being proactive with new businesses in our City and reducing cost department by department, we still strive to provide a better service at a lower cost per man-hour. The ability of the City to continue to provide quality services without income tax increases rests on City management's ability to keep these costs in line.

***Business-Type Activities***

The City's only business-type activity is our Wastewater Treatment Facility. This plant treats sewage from the City of Ashtabula and surrounding townships. This plant generated revenues of \$3,162,220 and had expenses of \$3,290,299. Our expenses are monitored to coincide with our revenues so that at the end of the year, we are looking at our cash balance, which the City has tried to maintain at \$1 million or approximately one third of the annual budget. During 2002, the City worked hard on expanding line capacity to surrounding townships for other big expansions coming in the near future. To the west, Saybrook Township has boomed with housing projects sprouting up everywhere. The City also has a new housing project, which will require additional sewer capacity on the City's west side. On the east side of the City of Ashtabula, commercial growth is booming despite the economy with Lowe's and Home Depot both opening as well as several other big retailers. Ashtabula Township is also looking at the Nordic Bio fuels and now an Electric Generation Plant. Both of these facilities combined are projected to use approximately 1,000,000 gallons of capacity per day of our wastewater treatment plant. The City has applied for a \$400,000 grant to build new line capacity that will service these areas. These lines, which will service the township, will also service our new Industrial Park at the end of State Route 11. This project is going, but much slower than we had hoped as now we are dealing with a wetlands issue. The City has been able to keep rates low because of increased revenues from adding additional flow from new construction of businesses and homes in our county. The Wastewater Treatment Facility receives no support from tax revenues.

**The City's Funds**

Information about the City's major governmental funds begins on page 16. These funds are accounted for using the modified accrual basis of accounting. All Governmental funds had total revenues of \$14,238,382 and expenditures of \$15,174,239. The most significant change in our funds is the decrease in cash on hand.

The cash balance of the general fund remained relatively constant, increasing by slightly more than \$100,000. While revenues exceeded expenditures by approximately \$514,000, much of the excess was transferred to other funds. These other funds used the cash from the transfers for street maintenance, sanitation, permanent improvements and for payment of pension obligations.

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**General Fund Budgeting Highlights**

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

During the course of 2002, the City amended its general fund budget numerous times, none significant. All recommendations for a budget change come from the City Auditor to the Finance and Ordinance committee of Council for review before going to the whole council for ordinance enactment on the change. The City does allow small inter-departmental budget changes that modify line items within departments within the same fund. With the general fund supporting many of our major activities such as our police and fire departments, as well as most legislative and executive activities, the general fund is monitored closely looking for possible revenue shortfalls or over spending by individual departments.

For the general fund, original and final budgeted revenues were approximately \$9,300,000. Very conservative revenue projections at the beginning of the year played out as actual revenues were very close to projections. Salary cost proved to be higher than anticipated in the original budget. The comp time and sick time buy-back programs were not offered in 2002 thereby not needing additional line item appropriations to offset this program as in the past.

The City of Ashtabula's ending unencumbered cash balance in the general fund was \$353,482.

**Capital Assets and Debt Administration**

**Capital Assets**

Table 3  
 Capital Assets at December 31, 2002 & 2001

	Governmental Activities		Business-Type Activities		Total	
	2002	2001	2002	2001	2002	2001
<b>Capital Assets, Non depreciable:</b>						
Land	\$1,878,340	\$1,818,340	\$70,125	\$70,125	\$1,948,465	\$1,888,465
Construction in Progress	218,120	121,403	374,192	44,010	592,312	165,413
Total Capital Assets, Non depreciable	2,096,460	1,939,743	444,317	114,135	2,540,777	2,053,878
<b>Capital Assets, being Depreciated:</b>						
Buildings and Improvements	10,048,000	9,260,507	6,694,008	6,691,529	16,742,008	15,952,036
Equipment	2,399,099	2,232,575	1,507,883	1,425,279	3,906,982	3,657,854
Vehicles	3,636,596	3,586,175	520,776	520,776	4,157,372	4,106,951
Furniture and Fixtures	50,263	31,924	3,068	3,068	53,331	34,992
Infrastructure						
Bridges	3,485,757	3,485,757	0	0	3,485,757	3,485,757
Roads	7,706,478	7,770,687	0	0	7,706,478	7,770,687
Storm Sewers	2,441,290	2,421,382	0	0	2,441,290	2,421,382
Traffic Lights	553,995	553,995	0	0	553,995	553,995
Sanitary Sewers	0	0	7,733,887	7,733,887	7,733,887	7,733,887
Total Capital Assets, being Depreciated	30,321,478	\$29,343,002	16,459,622	16,374,539	46,781,100	45,717,541
Accumulated Depreciation	(15,134,471)	(14,021,050)	(7,331,175)	(6,891,286)	(22,465,646)	(20,912,336)
Total Capital Assets, Depreciable, Net	15,187,007	15,321,952	9,128,447	9,483,447	24,315,454	24,805,205
Total Capital Assets,	\$17,283,467	\$17,261,695	\$9,572,764	\$9,597,388	\$26,856,231	\$26,859,083

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The primary increases occurred in land purchases, building improvements and infrastructure improvements. These improvements were part of the City's long-term goal of an easily accessible City Hall and completely rebuilding the infrastructure of our City from our roads and bridges through storm and sanitary sewers. With the continued cash flow from such items as local income tax and local government funds during the years 1997 through 2002, we have had dollars to use as matching grant dollars to do these expensive infrastructure projects. Even though grants are gradually increasing the required percentage of local matching funds, such as Issue II funds increasing from a 30 percent match to a 40 percent match, the City of Ashtabula has been aggressively seeking these grant dollars knowing that we have the local match dollars available. The major projects during 2002 were our regular street paving project, which cost approximately \$200,000 and we also paid \$125,000 in engineering fees for the 2003 Lake Avenue/Marystreet Street bridge reconstruction. This project has received approximately \$1,000,000 in State grants with the City putting in \$250,000 of matching money. The bridge will get a new deck, and also our biggest and most heavily used road, Lake Avenue will be totally resurfaced. The second being our commitment to our City sidewalks and the \$80,000 reimbursement to residents who replace the sidewalks in the front of their homes as the City will reimburse you 2.50 per square foot virtually covering the cost 100 percent, and thirdly was the commitment of recreation for all. Continued work on Smith field, Walnut beach and other playgrounds in the City has been given high priority.

As of December 31, 2001, Council has committed \$500,000 per year for five years to use as matching money for five consecutive Issue II projects to continue the rebuilding of the sanitary sewers. The City will also continue to utilize grant money with matching permanent improvement property tax money that the City has budgeted each year for street improvements. The City retains the Burgess and Niple engineering firm to prepare and oversee construction of this five-year plan. Starting in the year 2001 and continuing in 2002, we began in the Bunker Hill area which is the farthest point in our City from our treatment facility and are working our way towards our Wastewater Treatment Plant repairing or replacing sections of sanitary and storm sewer lines as needed based on the televising project currently under way. See Note 8 for additional information about the City's capital assets.

**Debt**

At December 31, 2001 the City of Ashtabula had \$8,744,469 in bonds, notes, claims, judgments, and compensated absences outstanding, \$2,472,073 of which are due within one year.

Table 4  
 Outstanding Debt at Year End

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
General Obligation Bonds	\$2,335,000	\$2,490,000	\$0	\$0	\$2,335,000	\$2,490,000
Municipal Building Renovations	561,293	750,000	0	0	561,293	750,000
Mareddy Estates	150,000	0	0	0	150,000	0
Special Assessment Bonds	40,000	50,000	0	0	40,000	50,000
OPWC Loan	171,192	180,974	0	0	171,192	180,974
Police and Fire Loan	472,929	553,080	0	0	472,929	553,080
Claims Payable	505,679	438,202	0	0	505,679	438,202
Judgments Payable	200,000	200,000	0	0	200,000	200,000
Compensated Absences	2,263,045	2,123,947	400,509	385,707	2,663,554	2,509,654
OWDA Loan Payable	0	0	1,635,801	1,723,268	1,635,801	1,723,268
Capital Lease Obligation	9,021	12,865	0	0	9,021	12,865
<b>Total</b>	<b>\$6,708,159</b>	<b>\$6,799,068</b>	<b>\$2,036,310</b>	<b>\$2,108,975</b>	<b>\$8,744,469</b>	<b>\$8,908,043</b>



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The Main Avenue Widening Special Assessment Bonds and the OPWC Loan are secured by future collections of special assessments.

The amount due to Ohio Water Development Authority is paid by sewer revenues collected from the residents for water consumption.

The Judgment Payable was for the New Lyme Landfill clean-up lawsuit. The City settled the suit for \$500,000 with the initial payment of \$200,000 due December 31, 1999, and \$100,000 per year thereafter. During year 2000, the City paid \$300,000 to the plaintiffs and also put the other \$200,000 which was not due until 2002 and 2003 respectively, in our debt service fund awaiting payment when due. The City tried to negotiate a lower amount due for full payment immediately, but was unsuccessful. We have therefore decided to earn interest on the money until due and payable. The City tried in earnest to contact the responsible party to invoice the City for the amount due in 2002. We were unsuccessful and never did receive any notification, invoice, or other request for payment, therefore, no payment was made in 2002 and the monies still remain in the debt service fund earning interest.

The City's overall legal debt margin was \$22,689,924 at December 31, 2002. See Note 9 for additional information about the City's long-term debt.

### **Current Related Financial Activities**

The City of Ashtabula is holding its own financially. The City of Ashtabula is being very cautious with its spending in 2003. As we see the Federal, State, and County economy slow down, the City is also in the midst of an economic slowdown with our whole economy. I have stressed to all department heads that they must remain within their appropriated budgets for the year. It was only 15 years ago the City was in fiscal emergency and the State Auditors Office took control. A new administration, including City Manager, Auditor, Deputy Auditor, Treasurer, Solicitor, and others, were hired to turn our City around financially and esthetically and to increase citizen pride in our community. It has taken over eleven years, but we have recovered in a strong way.

The City took a small risk ten years ago by getting into a self-funded health insurance program and the self-funded workers' compensation program. Our premiums for health insurance, based on the plan our unions had negotiated, were extremely high and getting worse each year. The City was also negatively rated in the State funded workers' compensation program. When the City entered the retrospective rating program, both workers' compensation and health insurance monies were put into new funds established by the City as if the premiums were still being paid. The balances have accumulated to over \$2,812,000 in these funds by reducing our annual expenses in both of these areas. The cash in these funds is money that would have gone to Blue Cross or the State of Ohio and can now be used in our City in the future.

The City has also purchased and paid cash for a tremendous amount of new equipment in the last five years. Items include new ladder and pumper trucks, as well as new vehicles for the chief and fire inspector and one new <sup>3</sup>/<sub>4</sub> ton four wheel drive pick-up in our fire department, a complete new fleet of police cars, five new snowplow dump trucks, graders, sanitation equipment including trucks, semis, dumpsters, complete network computers systems for the court system, sewer jets, and all new vehicles for our inspectors.

We have also spent a lot of money on building repairs and maintenance. The municipal building renovation has been our 2002 project as the City purchased the Keybank building for our new City hall. Keybank is leasing a portion of the first floor to use as a bank. Lease payments which began April 1, 2001 and extend to February 2010 will pay approximately \$9,700 per month to the City. The City of Ashtabula and Keybank have come to an agreement that will extend the lease for an additional five years, to 2015, at the option of Keybank. The City is currently in the midst of designing a new HVAC system. The new HVAC system will allow all three floors separate thermostat controls to help

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regulate different temperatures for different levels as well as new fresh air circulation pumps to continuously change the air in the building. The building was purchased from SBP Limited Partnership for approximately one million dollars. The City of Ashtabula paid cash for the building, and took out a five-year loan for \$750,000 in 2001 to retrofit and renovate the building, returning over \$50,000 dollars in unused monies.

We have worked extremely hard in reducing debt in our City. With programs such as the sick time buyback, comp time buyback, calling all urban renewal bonds six years early to save interest expenses and refinancing our police and fire pension liability, we are able to reduce payment amounts in the future with lower interest rates and shorter payment terms.

In conclusion, the City of Ashtabula has committed itself to financial excellence for many years. The City has received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting since 1987. The City of Ashtabula was one of the first cities in Ohio to report using the new GASB 33 and 34 requirements. Our 2001 CAFR did receive this prestigious award. Our commitment to the residents of the City of Ashtabula has always been full disclosure of the financial position 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 Michael A. Zullo, CPA, Ashtabula City Auditor, 4417 Main Ave., Ashtabula, Ohio 44004, telephone 440-992-7107, or e-mail at [michaelz@suite224.net](mailto:michaelz@suite224.net).

**City Of Ashtabula, Ohio**

*Statement of Net Assets*

*December 31, 2002*

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activity	Total	
<b>Assets</b>				
Cash and Cash Equivalents	\$7,315,228	\$390,872	\$7,706,100	\$0
Cash and Cash Equivalents in Segregated Accounts	89,140	0	89,140	73,542
Accounts Receivable	854,632	1,233,298	2,087,930	0
Due from Other Governments	1,389,844	0	1,389,844	0
Materials and Supplies Inventory	30,636	3,587	34,223	0
Prepaid Items	101,928	34,333	136,261	0
Due from Component Unit	133,802	0	133,802	0
Loans Receivable	96,595	0	96,595	0
Taxes Receivable	4,140,341	0	4,140,341	0
Special Assessments Receivable	389,056	0	389,056	0
Capital Assets, Nondepreciable	2,096,460	444,317	2,540,777	306,885
Capital Assets, Depreciable, Net	15,187,007	9,128,447	24,315,454	319,914
<i>Total Assets</i>	<u>31,824,669</u>	<u>11,234,854</u>	<u>43,059,523</u>	<u>700,341</u>
<b>Liabilities</b>				
Accounts Payable	64,840	36,792	101,632	0
Contracts Payable	50,755	21,787	72,542	0
Accrued Wages and Benefits	179,786	29,880	209,666	0
Due to Other Governments	486,071	42,982	529,053	255
Deferred Revenue	2,527,900	0	2,527,900	0
Deposits Held and Due to Others	655	0	655	0
Accrued Interest Payable	63,811	35,579	99,390	0
Due to Primary Government	0	0	0	133,802
Long-Term Liabilities:				
Due Within One Year	2,195,131	276,942	2,472,073	0
Due Within More Than One Year	4,513,028	1,759,368	6,272,396	0
<i>Total Liabilities</i>	<u>10,081,977</u>	<u>2,203,330</u>	<u>12,285,307</u>	<u>134,057</u>
<b>Net Assets</b>				
Invested in Capital Assets, Net of Related Debt	14,016,961	7,936,963	21,953,924	492,997
Restricted for:				
Capital Projects	865,251	0	865,251	0
Debt Service	1,609,519	0	1,609,519	0
Other Purposes	1,812,974	0	1,812,974	0
Unrestricted	3,437,987	1,094,561	4,532,548	73,287
<i>Total Net Assets</i>	<u>\$21,742,692</u>	<u>\$9,031,524</u>	<u>\$30,774,216</u>	<u>\$566,284</u>

See accompanying notes to the basic financial statements

**City of Ashtabula, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2002

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions and Interest	Capital Grants and Contributions
<b>Governmental Activities</b>				
General Government:				
Legislative and Executive	\$2,867,586	\$225,179	\$0	\$0
Judicial System	964,850	732,161	0	33,600
Security of Persons and Property:				
Police	3,696,384	0	264,793	0
Fire	2,652,673	0	16,195	27,000
Public Health Services	260,491	75,159	8,034	0
Street Maintenance and Repairs	2,001,502	1,705	108,139	184,271
Housing and Community Development	512,695	171,881	184,646	0
Sanitation Services	1,437,356	1,100,258	67,041	0
Leisure Time Activities	185,589	14,375	0	24,325
Interest and Fiscal Charges	195,014	0	0	0
<i>Total Governmental Activities</i>	14,774,140	2,320,718	648,848	269,196
<b>Business-Type Activity</b>				
Wastewater Treatment	3,290,299	2,801,467	0	360,753
<i>Total Primary Government</i>	<u>\$18,064,439</u>	<u>\$5,122,185</u>	<u>\$648,848</u>	<u>\$629,949</u>
<b>Component Unit</b>				
Asthtabula Port Authority	<u>\$77,033</u>	<u>\$0</u>	<u>\$89,880</u>	<u>\$0</u>

**General Revenues**

Property Taxes Levied for:

General Purposes

Special Revenue

Debt Service

Capital Outlay

Income Taxes Levied for:

General Purposes

Capital Outlay

Grants and Entitlements not Restricted to Specific Programs

Investment Earnings

Other

*Total General Revenues*

Transfers

*Total General Revenues and Transfers*

Change in Net Assets

*Net Assets Beginning of Year*

*Net Assets End of Year*

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			
Governmental Activities	Business-Type Activity	Total	Component Unit
(\$2,642,407)	\$0	(\$2,642,407)	\$0
(199,089)	0	(199,089)	0
(3,431,591)	0	(3,431,591)	0
(2,609,478)	0	(2,609,478)	0
(177,298)	0	(177,298)	0
(1,707,387)	0	(1,707,387)	0
(156,168)	0	(156,168)	0
(270,057)	0	(270,057)	0
(146,889)	0	(146,889)	0
(195,014)	0	(195,014)	0
(11,535,378)	0	(11,535,378)	0
0	(128,079)	(128,079)	0
(11,535,378)	(128,079)	(11,663,457)	0
0	0	0	12,847
1,100,934	0	1,100,934	0
444,167	0	444,167	0
505,826	0	505,826	0
395,293	0	395,293	0
5,206,572	0	5,206,572	0
580,967	0	580,967	0
2,555,737	0	2,555,737	0
184,076	0	184,076	3,164
180,476	0	180,476	0
11,154,048	0	11,154,048	3,164
51,875	(51,875)	0	0
11,205,923	(51,875)	11,154,048	3,164
(329,455)	(179,954)	(509,409)	16,011
22,072,147	9,211,478	31,283,625	550,273
\$21,742,692	\$9,031,524	\$30,774,216	\$566,284

**City of Ashtabula, Ohio**

*Balance Sheet*

*Governmental Funds*

*December 31, 2002*

	General	Community Development Block Grant	Sanitation	Street Maintenance and Repair	Debt Service
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$434,262	\$481,055	\$239,951	\$141,109	\$1,217,415
Cash and Cash Equivalents:					
In Segregated Accounts	89,140	0	0	0	0
Receivables:					
Taxes	2,335,732	0	0	0	554,366
Accounts	101,988	167,950	574,745	3,153	0
Special Assessments	0	0	0	0	389,056
Due from Other Governments	1,069,383	0	0	203,666	26,543
Materials and Supplies Inventory	18,757	0	614	10,905	0
Prepaid Items	101,928	0	0	0	0
Due from Component Unit	0	133,802	0	0	0
Loans Receivable	0	96,595	0	0	0
<i>Total Assets</i>	<u>\$4,151,190</u>	<u>\$879,402</u>	<u>\$815,310</u>	<u>\$358,833</u>	<u>\$2,187,380</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable	\$53,365	\$0	\$5,399	\$3,560	\$350
Contracts Payable	313	0	27,550	18,132	0
Accrued Wages	142,221	0	15,497	20,967	0
Due to Other Governments	48,761	0	0	0	0
Deferred Revenue	2,801,283	167,950	506,871	171,524	969,965
Deposits Held and Due to Others	0	0	0	0	0
<i>Total Liabilities</i>	<u>3,045,943</u>	<u>167,950</u>	<u>555,317</u>	<u>214,183</u>	<u>970,315</u>
<b>Fund Balances</b>					
Reserved for Encumbrances	78,367	3,699	15,919	24,146	0
Reserved for Inventory	18,757	0	614	10,905	0
Reserved for Loans Receivable	0	230,397	0	0	0
Unreserved:					
Designated for Roadway Improvements	0	0	0	0	0
Undesignated, Reported in:					
General Fund	1,008,123	0	0	0	0
Special Revenue Funds	0	477,356	243,460	109,599	0
Debt Service Funds	0	0	0	0	1,217,065
Capital Projects Funds	0	0	0	0	0
<i>Total Fund Balances</i>	<u>1,105,247</u>	<u>711,452</u>	<u>259,993</u>	<u>144,650</u>	<u>1,217,065</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$4,151,190</u>	<u>\$879,402</u>	<u>\$815,310</u>	<u>\$358,833</u>	<u>\$2,187,380</u>

See accompanying notes to the basic financial statements

**City of Ashtabula, Ohio**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Assets of Governmental Activities  
 December 31, 2002*

Permanent Improvement	Other Governmental Funds	Total Governmental Funds		
			<b>Total Governmental Funds Balances</b>	<b>\$4,855,919</b>
			<i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
\$669,097	\$697,618	\$3,880,507	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	17,283,467
0	0	89,140		
623,369	626,874	4,140,341	Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds:	
0	6,796	854,632	Property and Other Taxes	200,323
0	0	389,056	Charges for Services	770,971
25,273	64,979	1,389,844	Income Tax	989,684
0	360	30,636	Intergovernmental	1,028,151
0	0	101,928	Special Assessments	389,056
0	0	133,802	Total	3,378,185
0	0	96,595		
<u>\$1,317,739</u>	<u>\$1,396,627</u>	<u>\$11,106,481</u>	Two internal service funds are used by management to charge the costs of insurance and workers' compensation to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	2,812,723
\$1,541	\$625	\$64,840		
4,258	0	50,253	Due to other governments includes contractually required pension contributions not expected to be paid with expendable available financial resources and therefore not reported in the funds.	(321,311)
0	1,101	179,786		
0	182	48,943		
604,207	684,285	5,906,085		
0	655	655		
<u>610,006</u>	<u>686,848</u>	<u>6,250,562</u>	In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(63,811)
267,271	203,445	592,847	Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds:	
0	360	30,636	General Obligation Bonds	(3,046,293)
0	0	230,397	Special Assessment Bonds	(40,000)
212,000	0	212,000	OPWC Loan Payable	(171,192)
0	0	1,008,123	Police and Fire Loan	(472,929)
0	505,963	1,336,378	Judgments Payable	(200,000)
0	0	1,217,065	Compensated Absences	(2,263,045)
228,462	11	228,473	Capital Lease Payable	(9,021)
<u>707,733</u>	<u>709,779</u>	<u>4,855,919</u>	Total	(6,202,480)
<u>\$1,317,739</u>	<u>\$1,396,627</u>	<u>\$11,106,481</u>	<i>Net Assets of Governmental Activities</i>	<u>\$21,742,692</u>

**City of Ashtabula, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2002*

	General	Community Development Block Grant	Sanitation	Street Maintenance and Repair	Debt Service
<b>Revenues</b>					
Property and Other Taxes	\$1,089,622	\$0	\$0	\$0	\$438,277
Municipal Income Tax	5,370,361	0	0	0	0
Charges for Services	56,439	0	1,084,497	1,987	0
Licenses and Permits	46,700	0	0	0	0
Fines and Forfeitures	689,793	0	0	0	0
Intergovernmental	2,044,680	240,146	67,041	582,219	54,419
Special Assessments	0	0	0	0	21,613
Interest	125,003	4,738	0	47,639	0
Rentals	63,525	0	0	0	0
Other	176,213	0	4,177	0	0
<i>Total Revenues</i>	<u>9,662,336</u>	<u>244,884</u>	<u>1,155,715</u>	<u>631,845</u>	<u>514,309</u>
<b>Expenditures</b>					
Current:					
General Government:					
Legislative and Executive	2,662,948	0	0	0	9,737
Judicial System	823,856	0	0	0	0
Security of Persons and Property:					
Police	3,179,672	0	0	0	0
Fire	2,104,843	0	0	0	0
Public Health Services	145,100	0	0	0	0
Street Maintenance and Repairs	1,851	0	0	1,133,249	0
Housing and Community Development	85,413	238,547	0	0	0
Sanitation Services	1,449	0	1,357,068	0	0
Leisure Time Activities	28,218	0	0	0	0
Capital Outlay	0	0	0	0	0
Debt Service:					
Principal Retirement	83,443	552	0	0	174,782
Interest and Fiscal Charges	31,671	169	0	0	134,567
<i>Total Expenditures</i>	<u>9,148,464</u>	<u>239,268</u>	<u>1,357,068</u>	<u>1,133,249</u>	<u>319,086</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>513,872</u>	<u>5,616</u>	<u>(201,353)</u>	<u>(501,404)</u>	<u>195,223</u>
<b>Other Financing Sources (Uses)</b>					
General Obligation Bonds Issued	0	0	0	0	0
Transfers In	0	0	100,000	300,000	917
Transfers Out	(412,170)	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(412,170)</u>	<u>0</u>	<u>100,000</u>	<u>300,000</u>	<u>917</u>
<i>Net Change in Fund Balances</i>	101,702	5,616	(101,353)	(201,404)	196,140
<i>Fund Balances Beginning of Year</i>	1,003,843	705,836	360,977	345,769	1,020,925
Increase (Decrease) in Reserve for Inventory	(298)	0	369	285	0
<i>Fund Balances End of Year</i>	<u>\$1,105,247</u>	<u>\$711,452</u>	<u>\$259,993</u>	<u>\$144,650</u>	<u>\$1,217,065</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, 2002*

Permanent Improvement	Other Governmental Funds	Total Governmental Funds		
			<b>Net Change in Fund Balances - Total Governmental Funds</b>	(\$733,982)
			<b>Amounts reported for governmental activities in the statement of activities are different because</b>	
\$390,159	\$499,156	\$2,417,214	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.	
599,165	0	5,969,526	Capital Outlay	1,377,733
0	42,549	1,185,472	Depreciation	(1,316,496)
0	127,039	173,739	Total	61,237
33,600	42,368	765,761	Governmental funds only report the disposal of fixed assets to the extent the extent proceeds are received from the sale. In the statement of statement of activities, a gain or loss is reported for each disposal.	(39,465)
95,139	141,599	3,225,243	Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
0	0	21,613	Property and Other Taxes	29,006
0	6,696	184,076	Municipal Income Tax	(181,987)
51,737	0	115,262	Charges for Services	114,366
86	0	180,476	Intergovernmental	30,385
			Special Assessments	162,658
1,169,886	859,407	14,238,382	Total	154,428
			Other financing sources in the governmental funds that increase long-term liabilities in the statement of net assets.	
0	0	2,672,685	General Obligation Bonds Issued	(150,000)
0	34,508	858,364	Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	447,484
0	385,824	3,565,496	In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	6,748
0	343,898	2,448,741	Some expenses reported in the statement of activities, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds	
0	101,901	247,001	Compensated absences	(139,098)
1,541	12,000	1,148,641	Pension obligation	(8,478)
0	178,288	502,248	Change in Inventory	691
0	0	1,358,517	Total	(146,885)
0	47,466	75,684	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.	70,980
853,536	794,080	1,647,616	<i>Change in Net Assets of Governmental Activities</i>	(\$329,455)
136,520	52,187	447,484		
35,355	0	201,762		
1,026,952	1,950,152	15,174,239		
142,934	(1,090,745)	(935,857)		
0	150,000	150,000		
51,875	126,253	579,045		
(25,000)	(90,000)	(527,170)		
26,875	186,253	201,875		
169,809	(904,492)	(733,982)		
537,924	1,613,936	5,589,210		
0	335	691		
\$707,733	\$709,779	\$4,855,919		

**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, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Property and Other Taxes	\$1,018,000	\$1,018,000	\$1,089,622	\$71,622
Municipal Income Tax	5,195,000	5,197,300	5,372,627	175,327
Charges for Services	53,300	53,300	56,104	2,804
Licenses and Permits	33,800	33,800	48,852	15,052
Fines and Forfeitures	572,300	572,300	630,692	58,392
Intergovernmental	2,054,526	2,054,526	2,008,326	(46,200)
Interest	252,500	252,500	124,803	(127,697)
Rentals	87,000	87,000	63,525	(23,475)
Other	53,626	53,626	188,503	134,877
<i>Total Revenues</i>	<u>9,320,052</u>	<u>9,322,352</u>	<u>9,583,054</u>	<u>260,702</u>
<b>Expenditures</b>				
Current:				
General Government:				
Legislative and Executive	2,589,709	2,702,031	2,663,011	39,020
Judicial System	802,335	840,067	838,940	1,127
Security of Persons and Property				
Police	3,222,388	3,200,736	3,199,825	911
Fire	2,129,253	2,091,181	2,089,461	1,720
Public Health Services	140,518	150,238	148,469	1,769
Street Maintenance and Repair	1,995	1,852	1,851	1
Housing and Community Development	90,185	94,876	94,427	449
Sanitation Services	1,562	1,450	1,449	1
Leisure Time Activities	15,951	30,901	30,900	1
Debt Service:				
Principal Retirement	83,444	83,444	83,443	1
Interest and Fiscal Charges	31,671	31,671	31,671	0
<i>Total Expenditures</i>	<u>9,109,011</u>	<u>9,228,447</u>	<u>9,183,447</u>	<u>45,000</u>
<i>Excess of Revenues Over Expenditures</i>	211,041	93,905	399,607	305,702
<b>Other Financing Uses</b>				
Transfers Out	(337,553)	(412,170)	(412,170)	0
<i>Net Change in Fund Balance</i>	(126,512)	(318,265)	(12,563)	305,702
<i>Fund Balance Beginning of Year</i>	239,533	239,533	239,533	0
Prior Year Encumbrances Appropriated	126,512	126,512	126,512	0
<i>Fund Balance End of Year</i>	<u>\$239,533</u>	<u>\$47,780</u>	<u>\$353,482</u>	<u>\$305,702</u>

See accompanying notes to the basic financial statements

**City of Ashtabula, Ohio**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Community Development Block Grant Fund*  
*For the Year Ended December 31, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$685,030	\$685,030	\$275,481	(\$409,549)
Interest	9,000	9,000	5,330	(3,670)
<i>Total Revenues</i>	<u>694,030</u>	<u>694,030</u>	<u>280,811</u>	<u>(413,219)</u>
<b>Expenditures</b>				
Current:				
Housing and Community Development	734,137	734,137	242,246	491,891
Debt Service:				
Principal Retirement	552	552	552	0
Interest and Fiscal Charges	169	169	169	0
<i>Total Expenditures</i>	<u>734,858</u>	<u>734,858</u>	<u>242,967</u>	<u>491,891</u>
<i>Net Change in Fund Balance</i>	(40,828)	(40,828)	37,844	78,672
<i>Fund Balance Beginning of Year</i>	386,496	386,496	386,496	0
Prior Year Encumbrances Appropriated	40,828	40,828	40,828	0
<i>Fund Balance End of Year</i>	<u>\$386,496</u>	<u>\$386,496</u>	<u>\$465,168</u>	<u>\$78,672</u>

See accompanying notes to the basic financial statements

**City of Ashtabula, Ohio**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Sanitation Fund*  
*For the Year Ended December 31, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$1,114,000	\$1,114,000	\$1,081,273	(\$32,727)
Intergovernmental	187,000	187,000	67,041	(119,959)
Other	2,500	2,500	3,730	1,230
<i>Total Revenues</i>	1,303,500	1,303,500	1,152,044	(151,456)
<b>Expenditures</b>				
Current:				
Sanitation Services	1,379,223	1,429,223	1,370,571	58,652
<i>Excess of Revenues Under Expenditures</i>	(75,723)	(125,723)	(218,527)	(92,804)
<b>Other Financing Sources</b>				
Transfers In	58,000	138,000	100,000	(38,000)
<i>Net Change in Fund Balance</i>	(17,723)	12,277	(118,527)	(130,804)
<i>Fund Balance Beginning of Year</i>	324,836	324,836	324,836	0
Prior Year Encumbrances Appropriated	17,723	17,723	17,723	0
<i>Fund Balance End of Year</i>	<u>\$324,836</u>	<u>\$354,836</u>	<u>\$224,032</u>	<u>(\$130,804)</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, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$39,660	\$39,660	\$1,705	(\$37,955)
Intergovernmental	672,000	672,000	585,706	(86,294)
Interest	65,000	65,000	47,639	(17,361)
<i>Total Revenues</i>	<u>776,660</u>	<u>776,660</u>	<u>635,050</u>	<u>(141,610)</u>
<b>Expenditures</b>				
Current:				
Street Maintenance and Repairs:				
Public Works:	<u>1,075,459</u>	<u>1,186,459</u>	<u>1,161,121</u>	<u>25,338</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(298,799)</u>	<u>(409,799)</u>	<u>(526,071)</u>	<u>(116,272)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	262,500	262,500	300,000	37,500
Transfers Out	<u>0</u>	<u>(90,000)</u>	<u>0</u>	<u>90,000</u>
Total Other Financing Sources (Uses)	<u>262,500</u>	<u>172,500</u>	<u>300,000</u>	<u>127,500</u>
<i>Net Change in Fund Balance</i>	(36,299)	(237,299)	(226,071)	11,228
<i>Fund Balance Beginning of Year</i>	287,587	287,587	287,587	0
Prior Year Encumbrances Appropriated	<u>36,299</u>	<u>36,299</u>	<u>36,299</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$287,587</u>	<u>\$86,587</u>	<u>\$97,815</u>	<u>\$11,228</u>

See accompanying notes to the basic financial statements

**City of Ashtabula, Ohio**  
*Statement of Fund Net Assets*  
*Proprietary Funds*  
*December 31, 2002*

	Business Type Activity - Wastewater Treatment Fund	Governmental Activities - Internal Service Funds
<b>Assets</b>		
Current Assets:		
Equity in Pooled Cash and Cash Equivalents	\$390,872	\$3,434,721
Accounts Receivable	1,233,298	0
Materials and Supplies Inventory	3,587	0
Prepaid Items	34,333	0
<i>Total Current Assets</i>	<u>1,662,090</u>	<u>3,434,721</u>
Noncurrent Assets		
Capital Assets, nondepreciable	444,317	0
Capital Assets, depreciable, net	9,128,447	0
<i>Total Noncurrent Assets</i>	<u>9,572,764</u>	<u>0</u>
<i>Total Assets</i>	<u>11,234,854</u>	<u>3,434,721</u>
<b>Liabilities</b>		
Current Liabilities:		
Accounts Payable	36,792	0
Contracts Payable	21,787	502
Accrued Wages	29,880	0
Compensated Absences Payable	185,630	0
Due to Other Governments	42,982	115,817
Accrued Interest Payable	35,579	0
Claims Payable	0	343,179
OWDA Loan Payable	91,312	0
<i>Total Current Liabilities</i>	<u>443,962</u>	<u>459,498</u>
Long-Term Liabilities:		
Compensated Absences Payable	214,879	0
Claims Payable	0	162,500
OWDA Loan Payable	1,544,489	0
<i>Total Long-Term Liabilities</i>	<u>1,759,368</u>	<u>162,500</u>
<i>Total Liabilities</i>	<u>2,203,330</u>	<u>621,998</u>
<b>Net Assets</b>		
Invested in Capital Assets, Net of Related Debt	7,936,963	0
Unrestricted	1,094,561	2,812,723
<i>Total Net Assets</i>	<u>\$9,031,524</u>	<u>\$2,812,723</u>

See accompanying notes to the basic financial statements

**City of Ashtabula, Ohio**  
*Statement of Revenues, Expenses  
and Changes in Fund Net Assets  
Proprietary Funds  
For the Year Ended December 31, 2002*

	Business Type Activity - Wastewater Treatment Fund	Governmental Activities - Internal Service Funds
<b>Operating Revenues</b>		
Charges for Services	\$2,801,467	\$2,313,655
<b>Operating Expenses</b>		
Personal Services	2,017,909	0
Contractual Services	375,079	1,038,272
Materials and Supplies	381,972	0
Depreciation	441,307	0
Claims	0	1,204,403
<i>Total Operating Expenses</i>	<u>3,216,267</u>	<u>2,242,675</u>
<i>Operating Income (Loss)</i>	<u>(414,800)</u>	<u>70,980</u>
<b>Non Operating Expenses</b>		
Loss on Disposal of Fixed Assets	(1,913)	0
Interest and Fiscal Charges	(72,119)	0
<i>Total Non Operating Expenses</i>	<u>(74,032)</u>	<u>0</u>
<i>Income (Loss) Before Contributions and Transfers</i>	(488,832)	70,980
Capital Contributions	360,753	0
Transfers Out	(51,875)	0
<i>Change in Net Assets</i>	(179,954)	70,980
<i>Net Assets Beginning of Year</i>	<u>9,211,478</u>	<u>2,741,743</u>
<i>Net Assets End of Year</i>	<u><u>\$9,031,524</u></u>	<u><u>\$2,812,723</u></u>

See accompanying notes to the basic financial statements

**City of Ashtabula, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds*  
For the Year Ended December 31, 2002

	Business Type Activity - Wastewater Treatment Fund	Governmental Activities - Internal Service Funds
<b><i>Increase (Decrease) In Cash and Cash Equivalents</i></b>		
<b>Cash Flows from Operating Activities</b>		
Cash Received from Customers	\$2,718,118	\$0
Cash Received from Other Funds	0	2,313,655
Cash Payments to Suppliers for Goods and Services	(862,876)	(995,168)
Cash Payments for Claims	0	(1,136,926)
Cash Payments for Employee Services and Benefits	(1,982,840)	0
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>(127,598)</u>	<u>181,561</u>
<b>Cash Flows from Noncapital Financing Activities</b>		
Transfer Out	(51,875)	0
<b>Cash Flows from Capital and Related Financing Activities</b>		
Tap-In Fees	168,300	0
Acquisition of Capital Assets	(223,953)	0
Principal Paid OWDA Loans	(87,467)	0
Interest Paid on OWDA Loans	(74,021)	0
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>(217,141)</u>	<u>0</u>
<i>Net Increase (Decrease) In Cash and Cash Equivalents</i>	(396,614)	181,561
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>787,486</u>	<u>3,253,160</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$390,872</u></u>	<u><u>\$3,434,721</u></u>

(continued)



**City of Ashtabula, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds (continued)*  
For the Year Ended December 31, 2002

	Business Type Activity - Wastewater Treatment Fund	Governmental Activities - Internal Service Funds
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</b>		
<i>Operating Income (Loss)</i>	(\$414,800)	\$70,980
Adjustments:		
Depreciation	441,307	0
(Increase)/ Decrease in Assets:		
Accounts Receivable	(83,349)	0
Materials and Supplies Inventory	4,612	0
Prepaid Items	(12,794)	0
Increase/ (Decrease) in Liabilities:		
Accounts Payable	(4,544)	(17,956)
Contracts Payable	(79,348)	502
Accrued Wages	4,473	0
Compensated Absences Payable	14,802	0
Due to Other Governments	2,043	60,558
Claims Payable	0	67,477
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>(\$127,598)</u>	<u>\$181,561</u>

**Noncash Capital Financing Activities**

During 2002, OPWC paid \$192,453 directly to contractors on behalf of the wastewater treatment fund. This amount is included in capital contributions.

See accompanying notes to the basic financial statements

**City of Ashtabula, Ohio**  
*Statement of Fiduciary Net Assets*  
*Agency Funds*  
*December 31, 2002*

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<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$64,280</u>
<i>Total Assets</i>	<u><u>\$64,280</u></u>
<b>Liabilities</b>	
Due to Other Governments	\$3,028
Deposits Held and Due to Others	<u>61,252</u>
<i>Total Liabilities</i>	<u><u>\$64,280</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, 2002*

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

The City of Ashtabula is a home rule municipal corporation incorporated as a city in 1891 under the laws of the State of Ohio. The City operates under its own charter. The charter provides for an elected City Manager-Council form of government, which was adopted on January 1, 1950. Elected officials, 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. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board; and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organizations. Component units may also include organizations for which the City authorizes the issuance of debt or the levying of taxes, or determines the budget.

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

***Ashtabula Port Authority*** The Ashtabula 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 Port Authority is fiscally dependent on the City and is therefore presented as a component unit of the City. 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 Port Authority is presented in Note 17.

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

The financial statements of the City of Ashtabula have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The City also applies Financial Accounting Standards Board (FASB) Statements and

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2002*

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Interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The most significant of the City's accounting policies are described below.

***A. Basis of Presentation***

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

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

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

***Fund Financial Statements*** During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor 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.

***B. 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 liabilities is reported as fund balances. The following are the City's major governmental funds:

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2002*

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

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

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

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

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

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

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

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

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

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

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

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2002*

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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 as an agent for individuals, and/or other governmental units.

***C. Measurement Focus***

***Government-wide Financial Statements*** The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the Statement of Net Assets.

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

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

***D. Basis of Accounting***

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

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2002*

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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 nonexchange transactions must also be available before it can be recognized.

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

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

Property taxes for which there is an enforceable legal claim as of December 31, 2002, but which were levied to finance year 2003 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

***E. Budgets***

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the City Auditor. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during 2002.

The appropriation resolution 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 resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Council during the year.

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2002*

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***F. Cash and Cash Equivalents***

To improve cash management, cash received by the City is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through City records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the balance sheet.

During 2002, investments were limited to STAROhio and nonnegotiable certificates of deposit. Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. For investments in open-ended mutual funds, fair value is determined by the fund's current share price. Nonparticipating investment contracts such as nonnegotiable certificates of deposit and repurchase agreements are reported at cost.

STAROhio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2002.

Interest is distributed to the general fund and certain special revenue funds of the City. Interest revenue credited to the general fund during 2002 amounted to \$125,003, which includes \$9,098 assigned from other City funds.

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

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

***G. Inventory***

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

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

***H. Prepaid Items***

Payments made to vendors for services that will benefit periods beyond December 31, 2002, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of purchase and reflecting the expenditure/expense in the year in which it was consumed.



**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2002*

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of one thousand dollars. The City's infrastructure consists of bridges, roads, storm sewers, traffic lights and sanitary sewers. 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:

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

***J. Interfund Balances***

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

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

***K. 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.

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2002*

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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.

***L. Accrued Liabilities and Long-Term Obligations***

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

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

***M. Fund Balance Reserves and Designations***

The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditure. As a result, encumbrances, inventories, and loans receivable are recorded as a reservation of fund balance. The Capital Projects permanent improvement fund has a designation for improvements to roadways at railway crossings in the City.

***N. Net Assets***

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

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

***O. Operating Revenues and Expenses***

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

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
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***P. Contributions of Capital***

Contributions of capital in proprietary fund financial statements arise from outside contributions of fixed 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.

***Q. Interfund Activity***

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

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.

***R. 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 – Compliance and Accountability**

***A. Legal Compliance***

Contrary to Section 5705.39, Ohio Revised Code, the Construction capital projects fund had original appropriations in excess of original estimated resources plus available balance in the amount of \$387,464. This oversight was identified and corrected by year end.

The Construction capital projects capital outlay program had expenditures plus encumbrances in excess of appropriations in the amount of \$1,257 contrary to Section 5705.41, Ohio Revised Code. In order to eliminate the budgetary violation, appropriations will be monitored more closely.

***B. Fund Deficit***

The Walnut Beach special revenue fund had a deficit fund balance of \$565. This deficit is caused by the recognition of expenditures on the modified accrual basis of accounting which are greater than expenditures recognized on the cash basis. The General fund is liable for any deficit and provides operating transfers when cash is required, not when accruals occur.

**Note 4 - 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

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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/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).
4. Unreported cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statement.

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

	Net Change in Fund Balance General and Major Special Revenue Funds			
	General	Community Development Block Grant	Sanitation	Street Maintenance And Repair
GAAP Basis	\$101,702	\$5,616	(\$101,353)	(\$201,404)
Net Adjustment for Revenue Accruals	(77,301)	35,927	(3,671)	3,205
Unrecorded Cash	(1,981)	0	0	0
Net Adjustment for Expenditure Accruals	45,797	0	2,416	15,422
Encumbrances	<u>(80,780)</u>	<u>(3,699)</u>	<u>(15,919)</u>	<u>(43,294)</u>
Budget Basis	<u>(\$12,563)</u>	<u>\$37,844</u>	<u>(\$118,527)</u>	<u>(\$226,071)</u>

**Note 5 - Deposits and Investments**

State statutes classify monies held by the City into three categories.

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

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

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

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

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

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

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

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

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

**Cash on Hand** At year-end, the City had \$41,270 in undeposited cash on hand which is included on the balance sheet of the City as part of "equity in pooled cash and cash equivalents."

**Deposits** At year-end, the carrying amount of the City's deposits was \$6,079,348 and the bank balance was \$6,454,131. Of the bank balance:

\$389,795 was covered by federal depository insurance.

\$6,064,336 was uncollateralized and uninsured. Although the pledging banks have an investment and securities pool used to collateralize all public deposits which are held in the financial institutions' name, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

**Investments** GASB Statement No.3 requires the City to categorize investments to give an indication of the level of risk assumed by the City at year-end. Category 1 includes investments that are insured or registered or are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments that are held by the counter-party's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments that are held by the counter-party or by its trust department or agent but not in the City's name. Investments in the U.S. Treasury Money Market (mutual fund), and STAROhio are not categorized since they are not evidenced by securities that exist in physical or book entry form.

	Category 3	Carrying Value	Fair Value
Repurchase Agreements	\$1,007,601	\$1,007,601	\$1,007,601
STAROhio		731,301	731,301
<b>Total Investments</b>	<b>\$1,007,601</b>	<b>\$1,738,902</b>	<b>\$1,738,902</b>

The classification of cash and cash equivalents and investments on the basic financial statements is based on criteria set forth in GASB Statement 9. Cash equivalents are defined as investments with an original maturity of three months or less. Reconciliation between the classification of cash and investments on the basic financial statements and the classification per GASB Statement 3 is as follows:

	Cash and Cash Equivalents	Investments
GASB Statement 9	\$7,859,520	\$0
Investments:		
Repurchase Agreements	(1,007,601)	1,007,601
STAROhio	(731,301)	731,301
Unrecorded Cash	(41,270)	0
<b>GASB Statement 3</b>	<b>\$6,079,348</b>	<b>\$1,738,902</b>

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
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**Note 6 - Receivables**

Receivables at December 31, 2002, consisted primarily of taxes, accounts (billings for utility service), special assessments, accrued interest on investments, amounts due from other governments and loans receivable. Loans receivable represent low interest loans for development projects and home improvements granted to eligible City residents and businesses under the Federal Community Development Block Grant program. The loans bear interest at annual rates ranging between three and seven percent. The loans are to be repaid over periods ranging from five to fifteen years. The City has also loaned money to the Ashtabula Port Authority (component unit). The loan has an interest rate of 4.5 percent and is to be repaid over twenty years.

No allowances for doubtful accounts have been recorded because uncollectible amounts are expected to be insignificant.

Special assessments expected to be collected in more than one year amount to \$385,395 in the Debt Service Fund. At December 31, 2002 the amount of delinquent special assessments was \$3,661.

**A. Property Taxes**

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2002 for real and public utility property taxes represents collections of the 2001 taxes. Property tax payments received during 2002 for tangible personal property (other than public utility property) are for 2002 taxes.

2002 real property taxes are levied after October 1, 2002, on the assessed value as of January 1, 2002, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2002 real property taxes are collected in and intended to finance 2003.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2002 public utility property taxes which became a lien December 31, 2001, are levied after October 1, 2002, and are collected in 2003 with real property taxes.

2002 tangible personal property taxes are levied after October 1, 2001, on the value as of December 31, 2001. Collections are made in 2002. Tangible personal property assessments are 25 percent of true value for capital assets and 24 percent of true value for inventory. The full tax rate for all City operations for the year ended December 31, 2002, was \$12.61 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2002 property tax receipts were based are as follows:

Real Property	\$181,124,990
Public Utility Property	18,870,460
Tangible Personal Property	33,520,280
Total Valuation	<u>\$233,515,730</u>

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

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30; with the remainder payable by September 20.

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
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The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Ashtabula. The County Auditor periodically remits to the City its portion of the taxes collected. Accrued property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2002 and for which there is an enforceable legal claim. In the general fund, debt service fund, permanent improvement fund, fire pension fund and police pension fund, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2002 operations and the collections of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while on a modified accrual basis it is deferred.

***B. Income Taxes***

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

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

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

In accordance with the City Charter, any income tax ordinance must be approved by a majority vote at a City election prior to the ordinance becoming effective. The current income tax levy has been renewed through December, 2004.

***C. Intergovernmental Receivables***

A summary of intergovernmental receivables follows:

	<u>Amounts</u>
<b>Governmental Activities</b>	
Local Government	\$771,666
Gasoline and Excise Tax	178,689
Estate Tax	153,873
Homestead & Rollback Taxes	141,635
Police Grants	22,400
Fines & Forfeitures	60,406
Permissive Tax	57,567
Liquor Licenses	<u>3,608</u>
Total	<u><u>\$1,389,844</u></u>



**City of Ashtabula, Ohio**  
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**Note 7 - 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 2002, the City contracted with several companies for various types of insurance as follows:

Company	Type of Coverage	Coverage Amounts	Deductible
Clarendon National Insurance Company	General Liability	2,000,000	\$0
	Law Enforcement Liability	2,000,000	15,000
	Business Auto - Comprehensive	1,000,000	250
	Business Auto - Collision	Actual cash value	500
	Public Officials Liability	1,000,000	25,000

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

The City provides hospital/medical, dental, drug and vision benefits for its employees through a self-insured program. A third party administrator processes and pays the claims. The City is paying self-insurance claims and administrative costs from its insurance internal service fund. An excess coverage insurance (stop loss) policy covers claims in excess of \$50,000 per employee. During 2002, a total of \$2,054,560 was paid in benefits and administrative costs. The liability for unpaid claims cost of \$180,679, reported in the self insurance internal service fund at December 31, 2002, is based on the requirements of Governmental Accounting Standards Board Statement 30. Statement 30 requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The claims liability was determined by reviewing invoices for claims paid in January and February 2003 which were incurred in 2002.

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 \$325,000 have been accrued as a liability in the workers' compensation internal service fund at December 31, 2002 based on an estimate by the City Auditor.

The estimates for the internal services funds were not affected by incremental claim adjustment expenses and does not include other allocated claim adjustment expenses. Changes in the internal services funds' claims liability amounts in the last two years follows:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2001	\$579,605	1,233,693	(1,375,096)	\$438,202
2002	438,202	1,204,403	(1,136,926)	505,679

**City of Ashtabula, Ohio**  
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**Note 8 - Capital Assets**

Capital asset activity for the year ended December 31, 2002, was as follows:

	Balance 12/31/2001	Additions	Deductions	Balance 12/31/2002
<b>Governmental Activities</b>				
Capital Assets, Non-depreciable:				
Land	\$1,818,340	\$60,000	\$0	\$1,878,340
Construction in Progress	121,403	195,439	(98,722)	218,120
<b>Total Capital Assets, Non-depreciable</b>	<b>1,939,743</b>	<b>255,439</b>	<b>(98,722)</b>	<b>2,096,460</b>
Capital Assets, Depreciable:				
Buildings and Improvements	9,260,507	787,493	0	10,048,000
Equipment	2,232,575	180,542	(14,018)	2,399,099
Vehicles	3,586,175	68,162	(17,741)	3,636,596
Furniture and Fixtures	31,924	18,339	0	50,263
Infrastructure				
Bridges	3,485,757	0	0	3,485,757
Roads	7,770,687	133,872	(198,081)	7,706,478
Storm Sewers	2,421,382	32,608	(12,700)	2,441,290
Traffic Lights	553,995	0	0	553,995
<b>Total Capital Assets, Depreciable</b>	<b>29,343,002</b>	<b>1,221,016</b>	<b>(242,540)</b>	<b>30,321,478</b>
Less Accumulated Depreciation:				
Buildings and Improvements	(2,894,590)	(265,315)	0	(3,159,905)
Equipment	(1,602,464)	(193,065)	12,110	(1,783,419)
Vehicles	(2,336,173)	(286,893)	17,741	(2,605,325)
Furniture and Fixtures	(19,461)	(4,710)	0	(24,171)
Infrastructure				
Bridges	(1,407,683)	(35,209)	0	(1,442,892)
Roads	(4,736,731)	(501,206)	168,099	(5,069,838)
Storm Sewers	(961,893)	(24,502)	5,125	(981,270)
Traffic Lights	(62,055)	(5,596)	0	(67,651)
<b>Total Accumulated Depreciation</b>	<b>(14,021,050)</b>	<b>(1,316,496)*</b>	<b>203,075</b>	<b>(15,134,471)</b>
<b>Total Capital Assets, Depreciable, Net</b>	<b>15,321,952</b>	<b>(95,480)</b>	<b>(39,465)</b>	<b>15,187,007</b>
<b>Government Activities Capital Assets, Net</b>	<b>\$17,261,695</b>	<b>\$159,959</b>	<b>(\$138,187)</b>	<b>\$17,283,467</b>
<b>Business-Type Activities</b>				
Capital Assets, Non-depreciable:				
Land	\$70,125	\$0	\$0	\$70,125
Construction in Progress	44,010	330,182	0	374,192
<b>Total Capital Assets, Non-depreciable</b>	<b>\$114,135</b>	<b>\$330,182</b>	<b>\$0</b>	<b>\$444,317</b>

**City of Ashtabula, Ohio**  
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	Balance 12/31/2001	Additions	Deductions	Balance 12/31/2002
Capital Assets, Depreciable:				
Buildings and Improvements	\$6,691,529	\$2,479	\$0	\$6,694,008
Equipment	1,425,279	85,935	(3,331)	1,507,883
Vehicles	520,776	0	0	520,776
Furniture and Fixtures	3,068	0	0	3,068
Infrastructure				
Sanitary Sewer System	7,733,887	0	0	7,733,887
Total Capital Assets, Depreciable	<u>16,374,539</u>	<u>88,414</u>	<u>(3,331)</u>	<u>16,459,622</u>
Less Accumulated Depreciation:				
Building and Improvements	(2,503,842)	(171,453)	0	(2,675,295)
Equipment	(1,011,847)	(80,118)	1,418	(1,090,547)
Vehicles	(461,433)	(22,640)	0	(484,073)
Furniture and Fixtures	(1,431)	(349)	0	(1,780)
Infrastructure				
Sanitary Sewer System	(2,912,733)	(166,747)	0	(3,079,480)
Total Accumulated Depreciation	<u>(6,891,286)</u>	<u>(441,307)</u>	<u>1,418</u>	<u>(7,331,175)</u>
Total Capital Assets, Depreciable, Net	<u>9,483,253</u>	<u>(352,893)</u>	<u>(1,913)</u>	<u>9,128,447</u>
Business-Type Activities Capital Assets, Net	<u>\$9,597,388</u>	<u>(\$22,711)</u>	<u>(\$1,913)</u>	<u>\$9,572,764</u>

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

General Government	
Legislative and Executive	\$149,408
Judicial	75,074
Security of Persons and Property	
Police	149,007
Fire	102,191
Public Health Services	4,006
Street Maintenance and Repair	705,582
Housing and Community Development	5,490
Sanitation	78,800
Leisure Time Activities	46,938
	<u>                    </u>
Total Depreciation Expense	<u><u>\$1,316,496</u></u>

**City of Ashtabula, Ohio**  
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**Note 9 - Long-Term Debt**

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

	Original Issue Date	Interest Rate	Original Issue Amount
<b>Governmental Activities:</b>			
<b>General Obligation Debt Issues:</b>			
Justice Center	1994	2.6 – 5.5%	\$3,560,000
Building Renovation	2001	4.17	750,000
Mareddy Estates	2002	3.93	150,000
<b>Special Assessment Debt Issues:</b>			
Main Avenue Widening	1985	9.375	255,000
<b>OPWC Loan</b>	2000	0.0	195,647
<b>Business Type Activities:</b>			
Wastewater Plant Renovation	1999	4.35	1,964,178

A schedule of changes in bonds and other long-term obligations of the City during 2002 follows:

	Principal Outstanding 12/31/2001	Additions	Deletions	Principal Outstanding 12/31/2002	Amounts Due in One Year
<b>Governmental Activities</b>					
General Obligation Bonds					
2.6% - 5.5%					
Justice Center Bonds	\$2,490,000	\$0	\$155,000	\$2,335,000	\$165,000
General Obligation Bonds					
4.71%					
Building Renovation Bonds	750,000	0	188,707	561,293	142,950
General Obligation Bonds					
3.93%					
Mareddy Estates Bonds	0	150,000	0	150,000	19,032
Total General Obligation Bonds	3,240,000	150,000	343,707	3,046,293	326,982
Special Assessment Debt with Governmental Commitment					
9.375% Main Avenue Widening	50,000	0	10,000	40,000	10,000
OPWC Loan	180,974		9,782	171,192	9,782
Police and Fire Loan	553,080	0	80,151	472,929	84,622
Claims Payable	438,202	1,204,403	1,136,926	505,679	343,179
Judgments Payable	200,000	0	0	200,000	200,000
Compensated Absences	2,123,947	1,215,846	1,076,748	2,263,045	1,215,846
Capital Lease Obligation	12,865	0	3,844	9,021	4,720
<i>Total Governmental Activities</i>	<u>\$6,799,068</u>	<u>\$2,570,249</u>	<u>\$2,661,158</u>	<u>\$6,708,159</u>	<u>\$2,195,131</u>

**City of Ashtabula, Ohio**  
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	Principal Outstanding 12/31/2001	Additions	Deletions	Principal Outstanding 12/31/2002	Amounts Due in One Year
<b>Business Type Activities</b>					
OWDA Loan					
4.35% Wastewater Plant Renovation	\$1,723,268	\$0	\$87,467	\$1,635,801	\$91,312
Compensated Absences	385,707	143,618	128,816	400,509	185,630
<i>Total Business Type Activities</i>	<u>\$2,108,975</u>	<u>\$143,618</u>	<u>\$216,283</u>	<u>\$2,036,310</u>	<u>\$276,942</u>

All bonds are secured by the full faith and credit of the City. General obligation bonds are to be repaid from general property taxes levied on all taxable property located within the City. The main avenue widening special assessment bonds and the OPWC loan are secured by the future collection of special assessments. In the event that the benefited property owner would fail to pay the assessment, payment would be made by the City. The amounts due the Ohio Water Development Authority are payable solely from sewer revenues. The judgment will be paid from revenues in the sanitation fund. The police and fire loan is paid from revenues of the general fund. Compensated absences will be paid from the general fund, the code enforcement, community development block grant, food service, sanitation, street maintenance and repair and walnut beach special revenue funds. Claims payable will be paid from the internal service funds (See Note 7). Capital leases are paid from the general fund and the community development block grant fund.

The City's overall legal debt margin was \$22,689,924 at December 31, 2002. Principal and interest requirements to retire OWDA loan, OPWC loan, general obligation bonds, special assessment bonds, and the police and fire pension loan payable at December 31, 2002, are as follows:

	OWDA Loan		OPWC Loan	General Obligation Bonds		Special Assessment Bonds		Police and Fire Pension Loan		Totals
	Principal	Interest		Principal	Interest	Principal	Interest	Principal	Interest	
2003	\$91,312	\$70,175	\$9,782	\$326,982	\$157,860	\$10,000	\$3,750	\$84,622	\$26,372	\$780,856
2004	95,328	66,160	9,782	339,462	142,789	10,000	2,813	89,280	21,713	777,327
2005	99,520	61,968	9,784	357,290	126,802	10,000	1,875	94,318	16,675	778,232
2006	103,896	57,592	9,782	323,292	109,612	10,000	938	99,578	11,415	726,105
2007	108,465	53,023	9,782	222,205	91,352	0	0	105,131	5,863	595,821
2008 - 2012	618,203	189,237	48,912	1,212,062	274,347	0	0	0	0	2,342,760
2013 - 2017	519,077	46,130	48,912	265,000	14,575	0	0	0	0	893,694
2018 - 2020	0	0	24,456	0	0	0	0	0	0	24,456
Total	<u>\$1,635,801</u>	<u>\$544,285</u>	<u>\$171,192</u>	<u>\$3,046,293</u>	<u>\$917,337</u>	<u>\$40,000</u>	<u>\$9,376</u>	<u>\$472,929</u>	<u>\$82,038</u>	<u>\$6,919,251</u>

**Note 10 - Compensated Absences**

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

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2002*

Each year the City determines whether a sick leave buy-out option will be offered to employees. This option with maximum buy-out of 160 hours per year allows employees to receive 100 percent payment for any sick leave balance in excess of 960 hours. This sick leave buy-out was not offered in 2002.

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

**Note 11 - Leases**

The City has three existing leases for copiers. The City's lease obligations meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases", and have been recorded on the government-wide statements. The equipment has been capitalized in the amount of \$19,652, the present value of the minimum lease payments at the inception of the lease. The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the minimum lease payments is as follows:

	Year ending December 31,	
2002		\$144
2003		4,987
2004		3,095
2005		1,085
2006		649
Total minimum lease payments		9,960
Less: Amount representing interest		(939)
Present value of minimum lease payments		\$9,021

Capital lease payments have been reclassified and are reflected as debt service in the fund financial statement for the general fund. These expenditures are reflected as program expenditures on a budgetary basis.

The City, as a lessor, has entered into an agreement leasing a building and accompanying land to Dairy Queen Inc., as well as thirteen and one half percent of an additional building to Keybank National Corporation. The lease with Keybank is for ten years with a five-year extension at Keybank's option. The following schedule provides an analysis of the leased property at December 31, 2002:

	Dairy Queen Incorporated	Keybank National Corporation
Land	\$3,415	\$0
Building	97,000	99,201
Leased property, total value	100,415	99,201
Less: Accumulated Depreciation	(24,516)	(4,355)
Leased property, net of depreciation	\$75,899	\$94,846

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2002*

576 following is a schedule by years of minimum future rentals on the operating leases as of December 31, 2002:

Year ending December 31,	Dairy Queen Incorporated	Keybank National Corporation
2003	\$10,670	\$116,608
2004	0	116,608
2005	0	134,062
2006	0	134,062
2007	0	134,062
2008 - 2011	0	576,468
Total minimum lease payments	\$10,670	\$1,211,870

**Note 12 - Defined Benefit Pension Plans**

***A. Ohio Public Employees Retirement System***

All full-time employees, other than non-administrative full-time police officers and firefighters, participate in the Ohio Public Employees Retirement System (OPERS), a cost-sharing multiple-employer public employee retirement system administered by the Public Employees Retirement Board. OPERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report which may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

Plan members are required to contribute 8.5 percent of their annual covered salary to fund pension obligations. The 2002 employer pension contribution rate for the City was 8.55 percent of covered payroll, decreased from 9.25 percent in 2001. Contributions are authorized by State statute. The City's required contributions to PERS for the years ended December 31, 2002, 2001, and 2000 were \$362,437, \$416,252, and \$276,048, respectively. The full amount has been contributed for 2001 and 2000. 69.85 percent has been contributed for 2002, with the remainder being presented as "due to other governments" in the governmental activities column of the statement of net assets.

***B. Ohio Police and Fire Pension Fund***

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

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2002*

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Police and firefighters are required to contribute 10 percent of their annual covered salary to fund pension obligations and the City is required to contribute 19.5 and 24.0 percent respectively for police and firefighters. For 2002, the City contributions were 11.75 percent for police and 16.25 percent for firefighters. Contributions are authorized by State statute. The City's contributions to the OP&F for police and firefighters were \$208,951 and \$212,653 for the year ended December 31, 2002, \$229,662 and \$226,365 for the year ended December 31, 2001, and \$213,378 and \$225,353 for the year ended December 31, 2000. The full amount has been contributed for 2001 and 2000. 71.26 percent and 70.89 percent, respectively, have been contributed for 2002, with the remainder being presented as "due to other governments" in the governmental activities column of the statement of net assets.

**Note 13 - Postemployment Benefits**

***A. Ohio Public Employees Retirement System***

The Ohio Public Employees Retirement System (PERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of postretirement health care based on authority granted by State statute. The 2002 employer contribution rate was 13.55 percent of covered payroll; 5.00 percent was the portion that was used to fund health care for 2002. For 2001, the contribution rate was 13.55 percent of covered payroll; 4.30 percent was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2001, include a rate of return on investments of 8.00 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .5 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase 4.00 percent annually.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets.

The number of active contributing participants was 402,041. The City's actual contributions for 2002 which were used to fund postemployment benefits were \$211,952. The actual contribution and the actuarially required contribution amounts are the same. PERS's net assets available for payment of benefits at December 31, 2001, (the latest information available) were \$11.6 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$16.4 billion and \$4.8 billion, respectively.

***B. Ohio Police and Fire Pension Fund***

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending school full-time or on a 2/3 basis.



**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2002*

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The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the Ohio Police and Fire Pension Fund shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2002. For 2001 the percent used to fund healthcare was 7.5 percent. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment.

The City's actual contributions for 2002 that were used to fund postemployment benefits were \$137,819 for police and \$101,419 for fire. The OP&F's total health care expense for the year ended December 31, 2001, (the latest information available) was \$122,298,771, which was net of member contributions of \$6,874,699. The number of OP&F participants eligible to receive health care benefits as of December 31, 2001, was 13,174 for police and 10,239 for firefighters.

**Note 14 - Contingent Liabilities**

***A. Litigation***

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

***B. Federal and State Grants***

The City participates in several federally assisted programs. These programs are subject to financial and compliance audits by the grantor or their representative. As of December 31, 2002, the audits of certain of these programs have not been completed. Accordingly, the City's compliance with applicable grant requirements will be established at some future date.

**Note 15 - Related Party Transactions**

The Ashtabula Port Authority, a discretely presented component unit of the City of Ashtabula, receives contributions from the City for salaries for the administration, implementation and supervision of its projects. In 2002, these contributions totaled \$63,800.

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2002*

**Note 16 – Interfund Transfers and Balances**

Interfund transfers for the year ended December 31, 2002, consisted of the following:

	General Fund	Motor Vehicle License Tax Fund	State Highway Fund	Transfer From		Total
				Permanent Improvement	Wastewater Treatment Fund	
<u>Transfer to</u>						
Sanitation	\$100,000	0	0	0	0	\$100,000
Permanent Improvement	0	0	0	0	\$51,875	51,875
Code Enforcement	60,000	0	0	0	0	60,000
Food Service	33,553	0	0	0	0	33,553
Debt Service	917	0	0	0	0	917
Street Maintenance and Repair	185,000	\$45,000	\$45,000	\$25,000	0	300,000
Walnut Beach	32,700	0	0	0	0	32,700
	<u>\$412,170</u>	<u>\$45,000</u>	<u>\$45,000</u>	<u>\$25,000</u>	<u>\$51,875</u>	<u>\$579,045</u>

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

The City had no transfers that either do not occur on a regular basis or were inconsistent with the purpose of the fund making the transfer

**Note 17 - Ashtabula Port Authority**

**A. Description of Reporting Entity**

The Ashtabula 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 Port Authority is fiscally dependent on the City because the City approves the Ashtabula Port Authority's budget and is therefore presented as a component unit of the City.

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2002*

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***B. Summary of Significant Account Policies***

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

***1. 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 fund financial statements.

***2. Property, Plant, Equipment and Depreciation***

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

Donated fixed assets are recorded at their fair market values as of the date donated. The Ashtabula Port Authority has established a capitalization threshold for fixed 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 fixed assets. Depreciation for the Ashtabula Port Authority is computed over twenty years.

***C. Deposits and Investments***

The Ashtabula Port Authority follows the same statutory requirements for deposits and investments as the primary government (See Note 5).

At year-end, the carrying amount of the Ashtabula Port Authority's deposits was \$73,542 and the bank balance was \$73,542. Federal Depository Insurance covered \$47,448 of the bank balance. The balance of \$26,094 was held in money market accounts with a brokerage house and was covered by Securities Investor Protection Corporation (SIPC) Insurance.

For the purpose of classification under GASB Statement No. 3, the Ashtabula Port Authority did not have any investments at year-end.

**City of Ashtabula, Ohio**  
*Notes To The Basic Financial Statements*  
*For the Year Ended December 31, 2002*

**D. Capital Assets**

A summary of the Ashtabula Port Authority's capital assets at December 31, 2002 follows:

	<u>Balance 12/31/2001</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 12/31/2002</u>
Governmental Activities				
Capital Assets, Non-depreciable:				
Land	\$306,885	\$0	\$0	\$306,885
Capital Assets, Depreciable:				
Improvements	236,408	150,210	(2,500)	384,118
Less Accumulated Depreciation:				
Improvements	(51,918)	(12,286)	0	(64,204)
Total Assets, Depreciable, net	<u>184,490</u>	<u>137,924</u>	<u>(2,500)</u>	<u>319,914</u>
Governmental Activities Capital Assets, Net	<u>\$491,375</u>	<u>\$137,924</u>	<u>(\$2,500)</u>	<u>\$626,799</u>

**E. Long-term Debt**

The City has loaned the Ashtabula Port Authority money in the amount of \$150,000. As of December 31, 2002, \$16,198 of this loan has been repaid leaving a balance of \$133,802. The following is a repayment schedule for the loan:

<u>Year Ending December 31</u>	<u>Amount</u>
2003	\$11,387
2004	11,388
2005	11,387
2006	11,388
2007	11,388
2008 – 2012	56,938
2013 – 2017	56,938
2018 - 2019	20,880
	<u>(57,892)</u>
Less amount representing interest	<u>\$133,802</u>
Total principal balance	<u><u>\$133,802</u></u>

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

### **Combining Statements - Nonmajor Governmental Funds**

#### ***Nonmajor Special Revenue Funds***

To account for the proceeds of specific revenue sources (other than amounts relating to major capital projects) that are legally restricted to expenditures for specified purposes.

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

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

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

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

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

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

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

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

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

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

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

(continued)

**Combining Statements - Nonmajor Governmental Funds (continued)**

*Nonmajor Capital Projects Fund*

Capital projects funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by the proprietary funds).

*Construction Fund* – To account for financial services to be used for the acquisition and construction of the new Municipal building.

**City of Ashtabula, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*December 31, 2002*

	Code Enforcement	Fire Pension	Food Service	Indigent Alcohol
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$128,995	\$217,341	\$3,863	\$47,639
Receivables:				
Taxes	0	313,437	0	0
Accounts	0		0	0
Due from Other Governments	0	15,002	0	490
Materials and Supplies Inventory	360	0	0	0
<i>Total Assets</i>	<u>\$129,355</u>	<u>\$545,780</u>	<u>\$3,863</u>	<u>\$48,129</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$0	\$0	\$0	\$0
Accrued Wages	0	0	1,101	0
Due to Other Governments	182	0	0	0
Deferred Revenue	0	328,439	0	0
Deposits Held and Due to Others	0	0	0	0
<i>Total Liabilities</i>	<u>182</u>	<u>328,439</u>	<u>1,101</u>	<u>0</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	0	91,518	1,206	0
Reserved for Inventory	360	0	0	0
Unreserved, Undesignated, Reported in:				
Special Revenue Funds (Deficit)	128,813	125,823	1,556	48,129
Capital Projects Funds	0	0	0	0
<i>Total Fund Balances</i>	<u>129,173</u>	<u>217,341</u>	<u>2,762</u>	<u>48,129</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$129,355</u>	<u>\$545,780</u>	<u>\$3,863</u>	<u>\$48,129</u>

(continued)

**City of Ashtabula, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds (continued)*  
*December 31, 2002*

	Marina	Motor Vehicle License Tax	Municipal Probation Services	Police Pension
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$3,950	\$7,427	\$55,971	\$222,520
Receivables:				
Taxes	0	0	0	313,437
Accounts	0	0	0	0
Due from Other Governments	0	19,188	1,895	15,002
Materials and Supplies Inventory				
<i>Total Assets</i>	<u>\$3,950</u>	<u>\$26,615</u>	<u>\$57,866</u>	<u>\$550,959</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$0	\$0	\$0	\$0
Accrued Wages	0	0	0	0
Due to Other Governments	0	0	0	0
Deferred Revenue	0	16,112	0	328,439
Deposits Held and Due to Others	0	0	655	0
<i>Total Liabilities</i>	<u>0</u>	<u>16,112</u>	<u>655</u>	<u>328,439</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	0	0	0	110,328
Reserved for Inventory	0	0	0	0
Unreserved, Undesignated, Reported in:				
Special Revenue Funds (Deficit)	3,950	10,503	57,211	112,192
Capital Projects Funds	0	0	0	0
<i>Total Fund Balances</i>	<u>3,950</u>	<u>10,503</u>	<u>57,211</u>	<u>222,520</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$3,950</u>	<u>\$26,615</u>	<u>\$57,866</u>	<u>\$550,959</u>



Public Health Nursing	State Highway	Walnut Beach	Total Nonmajor Special Revenue Funds	Nonmajor Construction Capital Projects Fund	Total Nonmajor Governmental Funds
\$4,756	\$5,085	\$60	\$697,607	\$11	\$697,618
0	0	0	626,874	0	626,874
6,796	0	0	6,796	0	6,796
0	13,402	0	64,979	0	64,979
0	0	0	360	0	360
<u>\$11,552</u>	<u>\$18,487</u>	<u>\$60</u>	<u>\$1,396,616</u>	<u>\$11</u>	<u>\$1,396,627</u>
\$0	\$0	\$625	\$625	\$0	\$625
0	0	0	1,101	0	1,101
0	0	0	182	0	182
0	11,295	0	684,285	0	684,285
0	0	0	655	0	655
0	11,295	625	686,848	0	686,848
393	0	0	203,445	0	203,445
0	0	0	360	0	360
11,159	7,192	(565)	505,963	0	505,963
0	0	0	0	11	11
<u>11,552</u>	<u>7,192</u>	<u>(565)</u>	<u>709,768</u>	<u>11</u>	<u>709,779</u>
<u>\$11,552</u>	<u>\$18,487</u>	<u>\$60</u>	<u>\$1,396,616</u>	<u>\$11</u>	<u>\$1,396,627</u>

**City of Ashtabula, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Year Ended December 31, 2002*

	Code Enforcement	Fire Pension	Food Service	Indigent Alcohol
<b>Revenues</b>				
Property and Other Taxes	\$0	\$249,578	\$0	\$0
Charges for Services	7,333	0	0	0
Licenses and Permits	72,721	0	39,943	0
Fines and Forfeitures	0	0	0	13,118
Intergovernmental	0	28,479	0	0
Interest	1,913	0	0	0
<i>Total Revenues</i>	<u>81,967</u>	<u>278,057</u>	<u>39,943</u>	<u>13,118</u>
<b>Expenditures</b>				
Current:				
General Government:				
Judicial System	0	0	0	9,253
Security of Persons and Property:				
Police	0	0	0	0
Fire	0	343,898	0	0
Public Health Services	0	0	71,936	0
Street Maintenance and Repairs	0	0	0	0
Housing and Community Development	178,288	0	0	0
Leisure Time Activities	0	0	0	0
Capital Outlay	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
<i>Total Expenditures</i>	<u>178,288</u>	<u>343,898</u>	<u>71,936</u>	<u>9,253</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(96,321)</u>	<u>(65,841)</u>	<u>(31,993)</u>	<u>3,865</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds of Bonds	0	0	0	0
Transfers In	60,000	0	33,553	0
Transfers Out	0	0	0	0
<i>Total Other Financing Sources and Uses</i>	<u>60,000</u>	<u>0</u>	<u>33,553</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(36,321)	(65,841)	1,560	3,865
<i>Fund Balances Beginning of Year</i>	165,159	283,182	1,202	44,264
Increase in Reserve for Inventory	335	0	0	0
<i>Fund Balances (Deficit) End of Year</i>	<u>\$129,173</u>	<u>\$217,341</u>	<u>\$2,762</u>	<u>\$48,129</u>

Marina	Motor Vehicle License Tax	Municipal Probation Services	Police Pension	Public Health Nursing	State Highway
\$0	\$0	\$0	\$249,578	\$0	\$0
0	0	0	0	35,216	0
14,375	0	0	0	0	0
0	0	29,250	0	0	0
0	46,800	0	28,479	0	37,841
0	0	0	0	0	4,783
<u>14,375</u>	<u>46,800</u>	<u>29,250</u>	<u>278,057</u>	<u>35,216</u>	<u>42,624</u>
0	0	25,255	0	0	0
0	0	0	385,824	0	0
0	0	0	0	0	0
0	0	0	0	29,965	0
0	0	0	0	0	12,000
0	0	0	0	0	0
13,800	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>13,800</u>	<u>0</u>	<u>25,255</u>	<u>385,824</u>	<u>29,965</u>	<u>12,000</u>
<u>575</u>	<u>46,800</u>	<u>3,995</u>	<u>(107,767)</u>	<u>5,251</u>	<u>30,624</u>
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>(45,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(45,000)</u>
<u>0</u>	<u>(45,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(45,000)</u>
575	1,800	3,995	(107,767)	5,251	(14,376)
3,375	8,703	53,216	330,287	6,301	21,568
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$3,950</u>	<u>\$10,503</u>	<u>\$57,211</u>	<u>\$222,520</u>	<u>\$11,552</u>	<u>\$7,192</u>

(continued)

**City of Ashtabula, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds (continued)*  
*For the Year Ended December 31, 2002*

	Walnut Beach	Total Nonmajor Special Revenue Funds	Nonmajor Construction Capital Projects Fund	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Property and Other Taxes	\$0	\$499,156	\$0	\$499,156
Charges for Services	0	42,549	0	42,549
Licenses and Permits	0	127,039	0	127,039
Fines and Forfeitures	0	42,368	0	42,368
Intergovernmental	0	141,599	0	141,599
Interest	0	6,696	0	6,696
<i>Total Revenues</i>	<u>0</u>	<u>859,407</u>	<u>0</u>	<u>859,407</u>
<b>Expenditures</b>				
Current:				
General Government:				
Judicial System	0	34,508	0	34,508
Security of Persons and Property:				
Police	0	385,824	0	385,824
Fire	0	343,898	0	343,898
Public Health Services	0	101,901	0	101,901
Street Maintenance and Repairs	0	12,000	0	12,000
Housing and Community Development	0	178,288	0	178,288
Leisure Time Activities	33,666	47,466	0	47,466
Capital Outlay	0	0	794,080	794,080
Debt Service:				
Principal Retirement	0	0	52,187	52,187
<i>Total Expenditures</i>	<u>33,666</u>	<u>1,103,885</u>	<u>846,267</u>	<u>1,950,152</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(33,666)</u>	<u>(244,478)</u>	<u>(846,267)</u>	<u>(1,090,745)</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds of Bonds	0	0	150,000	150,000
Transfers In	32,700	126,253	0	126,253
Transfers Out	0	(90,000)	0	(90,000)
<i>Total Other Financing Sources and Uses</i>	<u>32,700</u>	<u>36,253</u>	<u>150,000</u>	<u>186,253</u>
<i>Net Change in Fund Balances</i>	(966)	(208,225)	(696,267)	(904,492)
<i>Fund Balances Beginning of Year</i>	401	917,658	696,278	1,613,936
Increase in Reserve for Inventory	0	335	0	335
<i>Fund Balances (Deficit) End of Year</i>	<u>(\$565)</u>	<u>\$709,768</u>	<u>\$11</u>	<u>\$709,779</u>

### **Combining Statements - Internal Service Funds**

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

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

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

**City of Ashtabula, Ohio**  
*Combining Statement of Fund Net Assets*  
*Internal Service Funds*  
*December 31, 2002*

	Self Insurance	Workers' Compensation	Total
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$1,016,586	\$2,418,135	\$3,434,721
<b>Liabilities</b>			
Contracts Payable	502	0	502
Due to Other Governments	0	115,817	115,817
Claims Payable	180,679	162,500	343,179
<i>Total Current Liabilities</i>	181,181	278,317	459,498
Long-Term Liabilities:			
Claims Payable	0	162,500	162,500
<i>Total Liabilities</i>	181,181	440,817	621,998
<b>Net Assets</b>			
Unrestricted	835,405	1,977,318	2,812,723
<i>Total Net Assets</i>	\$835,405	\$1,977,318	\$2,812,723

**City of Ashtabula, Ohio**  
*Combining Statement of Revenues, Expenses  
and Changes in Fund Net Assets  
Internal Service Funds  
For the Year Ended December 31, 2002*

	Self Insurance	Workers' Compensation	Total
<b>Revenues</b>			
Charges for Services	\$1,978,271	\$335,384	\$2,313,655
<b>Operating Expenses</b>			
Contractual Services	900,631	137,641	1,038,272
Claims	1,153,929	50,474	1,204,403
<i>Total Operating Expenses</i>	2,054,560	188,115	2,242,675
<i>Change in Net Assets</i>	(76,289)	147,269	70,980
<i>Net Assets Beginning of Year</i>	911,694	1,830,049	2,741,743
<i>Net Assets End of Year</i>	\$835,405	\$1,977,318	\$2,812,723

**City of Ashtabula, Ohio**  
*Combining Statement of Cash Flows*  
*Internal Service Funds*  
For the Year Ended December 31, 2002

	Self Insurance	Workers' Compensation	Total
<b><i>Increase (Decrease) In Cash and Cash Equivalents</i></b>			
<b>Cash Flows from Operating Activities</b>			
Cash Received from Other Funds	\$1,978,271	\$335,384	\$2,313,655
Cash Payments to Suppliers for Goods and Services	(918,085)	(77,083)	(995,168)
Cash Payments for Claims	(1,111,452)	(25,474)	(1,136,926)
<i>Net Increase (Decrease) In Cash and Cash Equivalents</i>	(51,266)	232,827	181,561
<i>Cash and Cash Equivalents Beginning of Year</i>	1,067,852	2,185,308	3,253,160
<i>Cash and Cash Equivalents End of Year</i>	<u>\$1,016,586</u>	<u>\$2,418,135</u>	<u>\$3,434,721</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</b>			
<i>Operating Income (Loss)</i>	(\$76,289)	\$147,269	\$70,980
Increase (Decrease) in Liabilities:			
Accounts Payable	(17,956)	0	(17,956)
Contracts Payable	502	0	502
Due to Other Governments	0	60,558	60,558
Claims Payable	42,477	25,000	67,477
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>(\$51,266)</u>	<u>\$232,827</u>	<u>\$181,561</u>



## **Combining Statement - Agency Funds**

To account for assets held by the City as an agent for individuals, other governmental units and/or other funds. These funds are custodial in nature and do not involve measurement 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 Fund* – To accumulate monies collected from state patrol fines that are then distributed to the County law library.

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

**City of Ashtabula, Ohio**  
*Combining Statement of Changes in Assets and Liabilities*  
*Agency Funds*  
*For the Year Ended December 31, 2002*

	Balance 1/1/2002	Additions	Reductions	Balance 12/31/2002
<b><i>Fire Deposits</i></b>				
<b>Assets</b>				
Equity Pooled in Cash and Cash Equivalents	\$58,957	\$86,657	\$84,917	\$60,697
<b>Liabilities</b>				
Deposits Held and Due to Others	\$58,957	\$86,657	\$84,917	\$60,697
<b><i>Law Library</i></b>				
<b>Assets</b>				
Equity Pooled in Cash and Cash Equivalents	\$4,328	\$52,621	\$53,921	\$3,028
<b>Liabilities</b>				
Due to Other Governments	\$4,328	\$52,621	\$53,921	\$3,028
<b><i>Street Deposits</i></b>				
<b>Assets</b>				
Equity Pooled in Cash and Cash Equivalents	\$555	\$0	\$0	\$555
<b>Liabilities</b>				
Deposits Held and Due to Others	\$555	\$0	\$0	\$555
<b><i>Total Agency</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$63,840	\$139,278	\$138,838	\$64,280
<b>Liabilities</b>				
Due to Other Governments	\$4,328	\$52,621	\$53,921	\$3,028
Deposits Held and Due to Others	59,512	86,657	84,917	61,252
<i>Total Liabilities</i>	\$63,840	\$139,278	\$138,838	\$64,280

**Individual Fund Schedules of Revenues, Expenditures/Expenses  
and Changes in Fund Balances - 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, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Property and Other Taxes	\$1,018,000	\$1,018,000	\$1,089,622	\$71,622
Municipal Income Tax	5,195,000	5,197,300	5,372,627	175,327
Charges for Services	53,300	53,300	56,104	2,804
Licenses and Permits	33,800	33,800	48,852	15,052
Fines and Forfeitures	572,300	572,300	630,692	58,392
Intergovernmental	2,054,526	2,054,526	2,008,326	(46,200)
Interest	252,500	252,500	124,803	(127,697)
Rentals	87,000	87,000	63,525	(23,475)
Other	53,626	53,626	188,503	134,877
<i>Total Revenues</i>	<u>9,320,052</u>	<u>9,322,352</u>	<u>9,583,054</u>	<u>260,702</u>
<b>Expenditures</b>				
Current:				
General Government:				
Legislative and Executive:				
Council:				
Personal Services	147,734	146,707	146,608	99
Materials and Supplies	15,993	13,993	13,902	91
Contractual Services	6,000	870	870	0
Total Council	<u>169,727</u>	<u>161,570</u>	<u>161,380</u>	<u>190</u>
Administration:				
Personal Services	138,573	116,077	116,010	67
Materials and Supplies	4,882	10,032	9,877	155
Contractual Services	2,000	1,000	1,000	0
Total Administration	<u>145,455</u>	<u>127,109</u>	<u>126,887</u>	<u>222</u>
Auditor:				
Personal Services	234,390	219,469	219,377	92
Materials and Supplies	16,446	18,046	17,977	69
Contractual Services	4,500	3,725	3,725	0
Total Auditor	<u>255,336</u>	<u>241,240</u>	<u>241,079</u>	<u>161</u>
Treasurer:				
Personal Services	56,667	52,884	52,576	308
Materials and Supplies	2,600	3,600	3,220	380
Total Treasurer	<u>\$59,267</u>	<u>\$56,484</u>	<u>\$55,796</u>	<u>\$688</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, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
City Income Tax:				
Personal Services	\$154,559	\$151,753	\$151,658	\$95
Materials and Supplies	15,204	14,948	14,574	374
<b>Total City Income Tax</b>	<b>169,763</b>	<b>166,701</b>	<b>166,232</b>	<b>469</b>
Solicitor:				
Personal Services	220,982	239,069	238,596	473
Materials and Supplies	7,215	7,465	7,440	25
<b>Total Solicitor</b>	<b>228,197</b>	<b>246,534</b>	<b>246,036</b>	<b>498</b>
Motor Maintenance:				
Personal Services	170,060	151,966	151,481	485
Materials and Supplies	133,030	136,030	112,899	23,131
<b>Total Motor Maintenance</b>	<b>303,090</b>	<b>287,996</b>	<b>264,380</b>	<b>23,616</b>
Engineering:				
Personal Services	163,347	169,724	169,108	616
Materials and Supplies	9,583	12,709	12,620	89
Contractual Services	1,000	74	74	0
<b>Total Engineering</b>	<b>173,930</b>	<b>182,507</b>	<b>181,802</b>	<b>705</b>
Affirmative Action:				
Personal Services	1,737	1,802	1,800	2
Materials and Supplies	200	200	170	30
<b>Total Affirmative Action</b>	<b>1,937</b>	<b>2,002</b>	<b>1,970</b>	<b>32</b>
County Auditor Deductions:				
Contractual Services	80,800	158,408	158,381	27
General Services:				
Street and Viaduct Lighting	367,200	359,950	359,851	99
Legal Advertising	5,000	5,000	4,835	165
Photocopy Machine	6,000	6,000	5,463	537
Bus Subsidy	31,000	29,000	29,000	0
Indigent Burials	3,000	2,000	2,000	0
Settlement of Claims	8,000	5,250	2,475	2,775
Membership Fees	8,900	8,900	8,806	94
Bank Fees	7,500	8,200	8,196	4
<b>Total General Services</b>	<b>\$436,600</b>	<b>\$424,300</b>	<b>\$420,626</b>	<b>\$3,674</b>

(continued)

**City of Ashtabula, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Favorable (Unfavorable)
Civil Service:				
Personal Services	\$8,052	\$8,052	\$7,739	\$313
Materials and Supplies	10,000	7,600	7,573	27
<b>Total Civil Service</b>	<b>18,052</b>	<b>15,652</b>	<b>15,312</b>	<b>340</b>
Lands and Buildings:				
Personal Services	160,179	167,605	167,010	595
Materials and Supplies	49,811	78,011	77,669	342
Contractual Services	265,375	313,928	307,054	6,874
<b>Total Lands and Buildings</b>	<b>475,365</b>	<b>559,544</b>	<b>551,733</b>	<b>7,811</b>
Systems Analyst:				
Personal Services	65,527	65,498	64,945	553
Materials and Supplies	4,200	4,200	4,167	33
<b>Total Systems Analyst</b>	<b>69,727</b>	<b>69,698</b>	<b>69,112</b>	<b>586</b>
Water Pollution:				
Personal Services	2,463	2,286	2,285	1
<b>Total Legislative and Executive</b>	<b>2,589,709</b>	<b>2,702,031</b>	<b>2,663,011</b>	<b>39,020</b>
Judicial System:				
Municipal Court/Probation:				
Personal Services	728,405	761,622	761,195	427
Materials and Supplies	59,830	63,645	63,326	319
Contractual Services	14,100	14,800	14,419	381
<b>Total Judicial System</b>	<b>802,335</b>	<b>840,067</b>	<b>838,940</b>	<b>1,127</b>
<b>Total General Government</b>	<b>3,392,044</b>	<b>3,542,098</b>	<b>3,501,951</b>	<b>40,147</b>
Security of Persons and Property:				
Police:				
Law Enforcement:				
Personal Services	2,950,018	2,874,866	2,874,176	690
Materials and Supplies	214,870	265,120	265,039	81
Contractual Services	57,500	60,750	60,610	140
<b>Total Police</b>	<b>\$3,222,388</b>	<b>\$3,200,736</b>	<b>\$3,199,825</b>	<b>\$911</b>

(continued)

**City of Ashtabula, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Fire:				
Fire Prevention:				
Personal Services	\$2,018,418	\$1,988,746	\$1,987,327	\$1,419
Materials and Supplies	42,775	49,225	49,030	195
Contractual Services	68,060	53,210	53,104	106
Total Fire	2,129,253	2,091,181	2,089,461	1,720
Total Security of Persons and Property	5,351,641	5,291,917	5,289,286	2,631
Public Health Services:				
Health:				
Personal Services	124,498	128,218	128,031	187
Materials and Supplies	4,020	4,020	3,944	76
Contractual Services	12,000	18,000	16,494	1,506
Total Public Health Services	140,518	150,238	148,469	1,769
Street Maintenance and Repairs:				
Street:				
Personal Services	1,995	1,852	1,851	1
Housing and Community Development:				
Housing Inspection:				
Personal Services	52,186	49,089	48,640	449
Contractual Services	37,999	45,787	45,787	0
Total Housing and Community Development	90,185	94,876	94,427	449
Sanitation Services:				
Sanitation:				
Personal Services	1,562	1,450	1,449	1
Leisure Time Activities:				
Recreation:				
Personal Services	951	901	900	1
Materials and Supplies	15,000	30,000	30,000	0
Total Leisure Time Activities	\$15,951	\$30,901	\$30,900	\$1

(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, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
Debt Service:				
Principal Retirement	\$83,444	\$83,444	\$83,443	\$1
Interest and Fiscal Charges	31,671	31,671	31,671	0
<i>Total Expenditures</i>	<u>9,109,011</u>	<u>9,228,447</u>	<u>9,183,447</u>	<u>45,000</u>
<i>Excess of Revenues Over Expenditures</i>	211,041	93,905	399,607	305,702
<b>Other Financing Uses</b>				
Transfers Out	<u>(337,553)</u>	<u>(412,170)</u>	<u>(412,170)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(126,512)	(318,265)	(12,563)	305,702
<i>Fund Balance Beginning of Year</i>	239,533	239,533	239,533	0
Prior Year Encumbrances Appropriated	<u>126,512</u>	<u>126,512</u>	<u>126,512</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$239,533</u></u>	<u><u>\$47,780</u></u>	<u><u>\$353,482</u></u>	<u><u>\$305,702</u></u>



**City of Ashtabula, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Community Development Block Grant Fund*  
*For the Year Ended December 31, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$685,030	\$685,030	\$275,481	(\$409,549)
Interest	9,000	9,000	5,330	(3,670)
<i>Total Revenues</i>	<u>694,030</u>	<u>694,030</u>	<u>280,811</u>	<u>(413,219)</u>
<b>Expenditures</b>				
Current:				
Housing and Community Development:				
Community Development Block Grant:				
Personal Services	179,725	202,984	97,587	105,397
Materials and Supplies	13,714	14,414	9,572	4,842
Contractual Services	540,698	516,739	135,087	381,652
Total Housing and Community Development	<u>734,137</u>	<u>734,137</u>	<u>242,246</u>	<u>491,891</u>
Debt Service:				
Principal Retirement	552	552	552	0
Interest and Fiscal Charges	169	169	169	0
<i>Total Expenditures</i>	<u>734,858</u>	<u>734,858</u>	<u>242,967</u>	<u>491,891</u>
<i>Net Change in Fund Balance</i>	(40,828)	(40,828)	37,844	78,672
<i>Fund Balance Beginning of Year</i>	386,496	386,496	386,496	0
Prior Year Encumbrances Appropriated	<u>40,828</u>	<u>40,828</u>	<u>40,828</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$386,496</u>	<u>\$386,496</u>	<u>\$465,168</u>	<u>\$78,672</u>

**City of Ashtabula, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Sanitation Fund*  
*For the Year Ended December 31, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$1,114,000	\$1,114,000	\$1,081,273	(\$32,727)
Intergovernmental	187,000	187,000	67,041	(119,959)
Other	2,500	2,500	3,730	1,230
<i>Total Revenues</i>	<u>1,303,500</u>	<u>1,303,500</u>	<u>1,152,044</u>	<u>(151,456)</u>
<b>Expenditures</b>				
Current:				
Sanitation Services:				
Sanitation:				
Personal Services	837,223	865,766	861,334	4,432
Materials and Supplies	95,000	116,457	91,535	24,922
Contractual Services	447,000	447,000	417,702	29,298
<i>Total Expenditures</i>	<u>1,379,223</u>	<u>1,429,223</u>	<u>1,370,571</u>	<u>58,652</u>
<i>Excess of Revenues Under Expenditures</i>	(75,723)	(125,723)	(218,527)	(92,804)
<b>Other Financing Sources</b>				
Transfers In	58,000	138,000	100,000	(38,000)
<i>Net Change in Fund Balance</i>	(17,723)	12,277	(118,527)	(130,804)
<i>Fund Balance Beginning of Year</i>	324,836	324,836	324,836	0
Prior Year Encumbrances Appropriated	17,723	17,723	17,723	0
<i>Fund Balance End of Year</i>	<u>\$324,836</u>	<u>\$354,836</u>	<u>\$224,032</u>	<u>(\$130,804)</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, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$39,660	\$39,660	\$1,705	(\$37,955)
Intergovernmental	672,000	672,000	585,706	(86,294)
Interest	65,000	65,000	47,639	(17,361)
<i>Total Revenues</i>	<i>776,660</i>	<i>776,660</i>	<i>635,050</i>	<i>(141,610)</i>
<b>Expenditures</b>				
Current:				
Street Maintenance and Repairs:				
Public Works:				
Personal Services	822,910	871,050	867,670	3,380
Materials and Supplies	236,549	280,049	266,900	13,149
Contractual Services	16,000	35,360	26,551	8,809
<i>Total Expenditures</i>	<i>1,075,459</i>	<i>1,186,459</i>	<i>1,161,121</i>	<i>25,338</i>
<i>Excess of Revenues Under Expenditures</i>	<i>(298,799)</i>	<i>(409,799)</i>	<i>(526,071)</i>	<i>(116,272)</i>
<b>Other Financing Sources (Uses)</b>				
Transfers In	262,500	262,500	300,000	37,500
Transfers Out	0	(90,000)	0	90,000
<i>Total Other Financing Sources (Uses)</i>	<i>262,500</i>	<i>172,500</i>	<i>300,000</i>	<i>127,500</i>
<i>Net Change in Fund Balance</i>	<i>(36,299)</i>	<i>(237,299)</i>	<i>(226,071)</i>	<i>11,228</i>
<i>Fund Balance Beginning of Year</i>	<i>287,587</i>	<i>287,587</i>	<i>287,587</i>	<i>0</i>
Prior Year Encumbrances Appropriated	36,299	36,299	36,299	0
<i>Fund Balance End of Year</i>	<i>\$287,587</i>	<i>\$86,587</i>	<i>\$97,815</i>	<i>\$11,228</i>

**City of Ashtabula, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Debt Service Fund*  
*For the Year Ended December 31, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Property and Other Taxes	\$442,500	\$442,500	\$438,277	(\$4,223)
Intergovernmental	35,000	35,000	54,419	19,419
Special Assessments	26,100	26,100	21,613	(4,487)
<i>Total Revenues</i>	503,600	503,600	514,309	10,709
<b>Expenditures</b>				
Current:				
General Government:				
Legislative and Executive:				
Bond Retirement:				
Personal Services	1,000	1,000	0	1,000
Materials and Supplies	500	724	724	0
Contractual Services	10,300	10,076	9,013	1,063
Total General Government	11,800	11,800	9,737	2,063
Debt Service:				
Principal Retirement	175,000	175,000	174,782	218
Interest and Fiscal Charges	134,800	134,800	134,578	222
<i>Total Expenditures</i>	321,600	321,600	319,097	2,503
<i>Excess of Revenues Over Expenditures</i>	182,000	182,000	195,212	13,212
<b>Other Financing Sources</b>				
Operating Transfers In	0	0	917	917
<i>Net Change in Fund Balance</i>	182,000	182,000	196,129	14,129
<i>Fund Balance Beginning of Year</i>	1,021,286	1,021,286	1,021,286	0
<i>Fund Balance End of Year</i>	\$1,203,286	\$1,203,286	\$1,217,415	\$14,129

**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, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Property and Other Taxes	\$376,000	\$376,000	\$390,159	\$14,159
Municipal Income Tax	525,000	525,000	599,417	74,417
Fines and Forfeitures	12,000	12,000	33,329	21,329
Intergovernmental	55,500	55,500	95,139	39,639
Rentals	72,000	72,000	51,737	(20,263)
Other	2,000	2,000	7,801	5,801
<i>Total Revenues</i>	<u>1,042,500</u>	<u>1,042,500</u>	<u>1,177,582</u>	<u>135,082</u>
<b>Expenditures</b>				
Capital Outlay:				
Materials and Supplies	387,580	443,830	339,883	103,947
Contractual Services	108,000	86,000	85,323	677
Capital Outlay	692,808	708,458	706,223	2,235
Total Capital Outlay	1,188,388	1,238,288	1,131,429	106,859
Debt Service:				
Principal Retirement	200,000	200,000	136,520	63,480
Interest and Fiscal Charges	50,000	50,000	35,355	14,645
<i>Total Expenditures</i>	<u>1,438,388</u>	<u>1,488,288</u>	<u>1,303,304</u>	<u>184,984</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(395,888)</u>	<u>(445,788)</u>	<u>(125,722)</u>	<u>320,066</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	230,000	230,000	51,875	(178,125)
Transfers Out	0	(25,000)	(25,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>230,000</u>	<u>205,000</u>	<u>26,875</u>	<u>(178,125)</u>
<i>Net Change in Fund Balance</i>	(165,888)	(240,788)	(98,847)	141,941
<i>Fund Balance Beginning of Year</i>	330,587	330,587	330,587	0
Prior Year Encumbrances Appropriated	165,888	165,888	165,888	0
<i>Fund Balance End of Year</i>	<u>\$330,587</u>	<u>\$255,687</u>	<u>\$397,628</u>	<u>\$141,941</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, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$3,168,333	\$3,168,333	\$2,718,118	(\$450,215)
Tap-In Fees	175,000	175,000	168,300	(6,700)
<i>Total Revenues</i>	3,343,333	3,343,333	2,886,418	(456,915)
<b>Expenses</b>				
Personal Services	1,981,004	2,069,582	2,015,991	53,591
Contractual Services	504,333	529,333	480,398	48,935
Materials and Supplies	454,517	420,939	388,189	32,750
Capital Outlay	355,770	355,770	333,629	22,141
Debt Service:				
Principal Retirement	87,468	87,468	87,467	1
Interest and Fiscal Charges	74,025	74,025	74,021	4
<i>Total Expenses</i>	3,457,117	3,537,117	3,379,695	157,422
<i>Excess of Revenues Under Expenses</i>	(113,784)	(193,784)	(493,277)	(299,493)
Transfers Out	(87,000)	(87,000)	(51,875)	35,125
<i>Net Change in Fund Equity</i>	(200,784)	(280,784)	(545,152)	(264,368)
<i>Fund Equity Beginning of Year</i>	586,702	586,702	586,702	0
Prior Year Encumbrances Appropriated	200,784	200,784	200,784	0
<i>Fund Equity End of Year</i>	\$586,702	\$506,702	\$242,334	(\$264,368)

**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, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$0	\$0	\$12,925	\$12,925
Licenses and Permits	191,800	191,800	72,721	(119,079)
Interest	4,200	4,200	2,131	(2,069)
<i>Total Revenues</i>	196,000	196,000	87,777	(108,223)
<b>Expenditures</b>				
Current:				
Housing and Community Development:				
Code Enforcement:				
Personal Services	148,480	150,480	150,188	292
Materials and Supplies	16,520	16,520	12,625	3,895
Contractual Services	91,000	89,000	15,293	73,707
<i>Total Expenditures</i>	256,000	256,000	178,106	77,894
<i>Excess of Revenues Under Expenditures</i>	(60,000)	(60,000)	(90,329)	(30,329)
<b>Other Financing Sources</b>				
Transfers In	60,000	60,000	60,000	0
<i>Net Change in Fund Balance</i>	0	0	(30,329)	(30,329)
<i>Fund Balance Beginning of Year</i>	159,324	159,324	159,324	0
<i>Fund Balance End of Year</i>	\$159,324	\$159,324	\$128,995	(\$30,329)

**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, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Property and Other Taxes	\$237,500	\$237,500	\$249,578	\$12,078
Intergovernmental	176,700	176,700	28,479	(148,221)
<i>Total Revenues</i>	414,200	414,200	278,057	(136,143)
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Fire:				
Fire Prevention:				
Personal Services	488,359	488,359	407,829	80,530
Contractual Services	6,000	6,000	4,869	1,131
<i>Total Expenditures</i>	494,359	494,359	412,698	81,661
<i>Net Change in Fund Balance</i>	(80,159)	(80,159)	(134,641)	(54,482)
<i>Fund Balance Beginning of Year</i>	203,022	203,022	203,022	0
Prior Year Encumbrances Appropriated	80,160	80,160	80,160	0
<i>Fund Balance End of Year</i>	\$203,023	\$203,023	\$148,541	(\$54,482)



**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, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Licenses and Permits	\$42,600	\$42,600	\$39,943	(\$2,657)
<b>Expenditures</b>				
Current:				
Public Health Services:				
Board of Health:				
Personal Services	64,111	64,381	64,183	198
Materials and Supplies	4,000	4,003	4,002	1
Contractual Services	5,386	5,113	4,799	314
<i>Total Expenditures</i>	73,497	73,497	72,984	513
<i>Excess of Revenues Under Expenditures</i>	(30,897)	(30,897)	(33,041)	(2,144)
<b>Other Financing Sources</b>				
Transfers In	29,553	29,553	33,553	4,000
<i>Net Change in Fund Balance</i>	(1,344)	(1,344)	512	1,856
<i>Fund Balance Beginning of Year</i>	801	801	801	0
Prior Year Encumbrances Appropriated	1,344	1,344	1,344	0
<i>Fund Balance End of Year</i>	\$801	\$801	\$2,657	\$1,856

**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, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Fines and Forfeitures	\$39,000	\$39,000	\$12,902	(\$26,098)
<b>Expenditures</b>				
Current:				
General Government:				
Judicial System:				
Indigent Alcohol:				
Materials and Supplies	39,000	39,000	9,253	29,747
<i>Net Change in Fund Balance</i>	0	0	3,649	3,649
<i>Fund Balance Beginning of Year</i>	43,990	43,990	43,990	0
<i>Fund Balance End of Year</i>	<u>\$43,990</u>	<u>\$43,990</u>	<u>\$47,639</u>	<u>\$3,649</u>

**City of Ashtabula, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Marina Fund*  
*For the Year Ended December 31, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Licenses and Permits	\$14,000	\$14,000	\$14,375	\$375
<b>Expenditures</b>				
Current:				
Leisure Time Activities:				
Marina:				
Materials and Supplies	200	200	0	200
Contractual Services	13,800	13,800	13,800	0
<i>Total Expenditures</i>	14,000	14,000	13,800	200
<i>Net Change in Fund Balance</i>	0	0	575	575
<i>Fund Balance Beginning of Year</i>	3,375	3,375	3,375	0
<i>Fund Balance End of Year</i>	\$3,375	\$3,375	\$3,950	\$575

**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, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$55,000	\$55,000	\$46,822	(\$8,178)
<b>Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	55,000	55,000	46,822	(8,178)
<b>Other Financing Uses</b>				
Transfers Out	<u>(55,000)</u>	<u>(50,000)</u>	<u>(45,000)</u>	<u>5,000</u>
<i>Net Change in Fund Balance</i>	0	5,000	1,822	(3,178)
<i>Fund Balance Beginning of Year</i>	<u>5,605</u>	<u>5,605</u>	<u>5,605</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$5,605</u></u>	<u><u>\$10,605</u></u>	<u><u>\$7,427</u></u>	<u><u>(\$3,178)</u></u>

**City of Ashtabula, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Municipal Probation Services Fund*  
*For the Year Ended December 31, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Fines and Forfeitures	\$60,000	\$60,000	\$29,079	(\$30,921)
<b>Expenditures</b>				
Current:				
General Government:				
Judicial System:				
Municipal Probation Services:				
Materials and Supplies	40,000	40,000	25,255	14,745
<i>Net Change in Fund Balance</i>	20,000	20,000	3,824	(16,176)
<i>Fund Balance Beginning of Year</i>	51,492	51,492	51,492	0
<i>Fund Balance End of Year</i>	<u>\$71,492</u>	<u>\$71,492</u>	<u>\$55,316</u>	<u>(\$16,176)</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, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Property and Other Taxes	\$237,500	\$237,500	\$249,578	\$12,078
Intergovernmental	206,700	206,700	28,479	(178,221)
<i>Total Revenues</i>	444,200	444,200	278,057	(166,143)
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police:				
Law Enforcement:				
Personal Services	531,068	531,068	456,364	74,704
Contractual Services	6,000	6,000	4,869	1,131
<i>Total Expenditures</i>	537,068	537,068	461,233	75,835
<i>Net Change in Fund Balance</i>	(92,868)	(92,868)	(183,176)	(90,308)
<i>Fund Balance Beginning of Year</i>	237,419	237,419	237,419	0
Prior Year Encumbrances Appropriated	92,868	92,868	92,868	0
<i>Fund Balance End of Year</i>	\$237,419	\$237,419	\$147,111	(\$90,308)

**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, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$28,000	\$28,000	\$28,420	\$420
Intergovernmental	6,000	6,000	0	(6,000)
<b>Total Revenues</b>	<b>34,000</b>	<b>34,000</b>	<b>28,420</b>	<b>(5,580)</b>
<b>Expenditures</b>				
Current:				
Public Health Services:				
Public Health Nursing:				
Personal Services	12,000	12,000	12,000	0
Materials and Supplies	23,500	23,500	19,460	4,040
<b>Total Expenditures</b>	<b>35,500</b>	<b>35,500</b>	<b>31,460</b>	<b>4,040</b>
<i>Excess of Revenues Under Expenditures</i>	(1,500)	(1,500)	(3,040)	(1,540)
<b>Other Financing Sources</b>				
Transfers In	0	97	0	(97)
<b>Net Change in Fund Balance</b>	<b>(1,500)</b>	<b>(1,403)</b>	<b>(3,040)</b>	<b>(1,637)</b>
<i>Fund Balance Beginning of Year</i>	5,903	5,903	5,903	0
Prior Year Encumbrances Appropriated	1,500	1,500	1,500	0
<b>Fund Balance End of Year</b>	<b>\$5,903</b>	<b>\$6,000</b>	<b>\$4,363</b>	<b>(\$1,637)</b>

**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, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$54,500	\$54,500	\$37,822	(\$16,678)
Interest	5,000	5,000	4,783	(217)
<i>Total Revenues</i>	59,500	59,500	42,605	(16,895)
<b>Expenditures</b>				
Current:				
Street Maintenance and Repairs:				
Public Works:				
Personal Services	12,000	12,000	12,000	0
<i>Excess of Revenues Over Expenditures</i>	47,500	47,500	30,605	(16,895)
<b>Other Financing Uses</b>				
Transfers Out	(47,500)	(47,500)	(45,000)	2,500
<i>Net Change in Fund Balance</i>	0	0	(14,395)	(14,395)
<i>Fund Balance Beginning of Year</i>	19,480	19,480	19,480	0
<i>Fund Balance End of Year</i>	<u>\$19,480</u>	<u>\$19,480</u>	<u>\$5,085</u>	<u>(\$14,395)</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, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$600	\$600	\$0	(\$600)
<b>Expenditures</b>				
Current:				
Leisure Time Activities:				
Walnut Beach:				
Personal Services	24,880	28,550	28,549	1
Materials and Supplies	5,720	5,720	4,492	1,228
<i>Total Expenditures</i>	30,600	34,270	33,041	1,229
<i>Excess of Revenues Under Expenditures</i>	(30,000)	(33,670)	(33,041)	629
<b>Other Financing Sources</b>				
Transfers In	30,000	33,269	32,700	(569)
<i>Net Change in Fund Balance</i>	0	(401)	(341)	60
<i>Fund Balance Beginning of Year</i>	401	401	401	0
<i>Fund Balance End of Year</i>	\$401	\$0	\$60	\$60

**City of Ashtabula, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Construction Fund*  
*For the Year Ended December 31, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	<u>\$181,268</u>	<u>\$181,268</u>	<u>\$0</u>	<u>(\$181,268)</u>
<b>Expenditures</b>				
Capital Outlay:				
Contractual Services	11,200	11,200	11,200	0
Capital Outlay	<u>1,391,393</u>	<u>821,393</u>	<u>822,650</u>	<u>(1,257)</u>
Total Capital Outlay	1,402,593	832,593	833,850	(1,257)
Debt Service:				
Principal Retirement	<u>52,187</u>	<u>52,187</u>	<u>52,187</u>	<u>0</u>
Total Expenditures	<u>1,454,780</u>	<u>884,780</u>	<u>886,037</u>	<u>(1,257)</u>
<i>Excess of Revenues Under Expenditures</i>	(1,273,512)	(703,512)	(886,037)	(182,525)
<b>Other Financing Sources</b>				
Proceeds of Bonds	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(1,123,512)	(553,512)	(736,037)	(182,525)
<i>Fund Balance Beginning of Year</i>	181,268	181,268	181,268	0
Prior Year Encumbrances Appropriated	<u>554,780</u>	<u>554,780</u>	<u>554,780</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>(\$387,464)</u>	<u>\$182,536</u>	<u>\$11</u>	<u>(\$182,525)</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, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for Services	<u>\$1,995,000</u>	<u>\$1,995,000</u>	<u>\$1,978,271</u>	<u>(\$16,729)</u>
<b>Expenses</b>				
Contractual Services	845,409	920,777	918,085	2,692
Claims	<u>1,149,591</u>	<u>1,199,223</u>	<u>1,111,452</u>	<u>87,771</u>
<i>Total Expenses</i>	<u>1,995,000</u>	<u>2,120,000</u>	<u>2,029,537</u>	<u>90,463</u>
<i>Net Change in Fund Equity</i>	0	(125,000)	(51,266)	73,734
<i>Fund Equity Beginning of Year</i>	<u>1,067,852</u>	<u>1,067,852</u>	<u>1,067,852</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$1,067,852</u></u>	<u><u>\$942,852</u></u>	<u><u>\$1,016,586</u></u>	<u><u>\$73,734</u></u>

**City of Ashtabula, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Workers' Compensation Fund*  
*For the Year Ended December 31, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for Services	<u>\$545,000</u>	<u>\$545,000</u>	<u>\$335,384</u>	<u>(\$209,616)</u>
<b>Expenses</b>				
Contractual Services	21,824	21,824	21,824	0
Claims	<u>523,176</u>	<u>523,176</u>	<u>520,087</u>	<u>3,089</u>
Total Expenses	<u>545,000</u>	<u>545,000</u>	<u>541,911</u>	<u>3,089</u>
<i>Net Change in Fund Equity</i>	0	0	(206,527)	(206,527)
<i>Fund Equity Beginning of Year</i>	<u>2,185,308</u>	<u>2,185,308</u>	<u>2,185,308</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$2,185,308</u></u>	<u><u>\$2,185,308</u></u>	<u><u>\$1,978,781</u></u>	<u><u>(\$206,527)</u></u>

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# STATISTICAL SECTION

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**City of Ashtabula, Ohio**  
*Governmental Activities Revenues by Source  
and Expenses by Function - Full Accrual Basis  
Last Four Years*

	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
<b>Program Revenues</b>				
Charges for Services	\$2,320,718	\$2,164,092	\$1,976,360	\$1,937,058
Operating Grants and Contributions	648,848	668,034	1,619,910	1,152,687
Capital Grants and Contributions	269,196	757,833	272,111	273,983
<b>General Revenues</b>				
Taxes (1)	8,233,759	8,087,854	8,337,308	8,370,850
Intergovernmental	2,555,737	1,647,229	2,705,913	1,967,337
Interest	184,076	426,662	541,246	301,463
Other	180,476	280,423	283,158	555,547
<b>Transfers</b>	<u>51,875</u>	<u>72,821</u>	<u>87,000</u>	<u>87,000</u>
<b>Total</b>	<u>\$14,444,685</u>	<u>\$14,104,948</u>	<u>\$15,823,006</u>	<u>\$14,645,925</u>
<b>Expenses</b>				
General Government:				
Legislative and Executive	\$2,867,586	\$2,744,011	\$2,691,145	\$2,224,923
Judicial System	964,850	954,289	800,945	699,673
Security of Persons and Property:				
Police	3,696,384	3,743,382	3,358,629	3,145,679
Fire	2,652,673	2,629,702	2,450,731	2,308,578
Public Health Services	260,491	255,630	193,544	185,638
Street Maintenance and Repairs	2,001,502	1,956,370	1,316,927	1,460,414
Housing and Community Development	512,695	920,839	573,471	928,177
Sanitation Services	1,437,356	1,455,940	1,351,543	1,735,442
Leisure Time Activities	185,589	165,605	68,253	45,216
Interest and Fiscal Charges	195,014	202,381	206,424	228,614
<b>Total</b>	<u>\$14,774,140</u>	<u>\$15,028,149</u>	<u>\$13,011,612</u>	<u>\$12,962,354</u>

(1) Includes all taxes

Source: City financial records

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**City of Ashtabula, Ohio**  
*General Governmental Revenues by Source  
and Expenditures by Function - Modified Accrual Basis  
Last Ten Years*

	2002	2001	2000	1999	1998
<b>Revenues</b>					
Taxes (1)	\$8,386,740	\$8,168,589	\$8,345,882	\$8,166,716	\$7,884,926
Charges for Services	1,185,472	1,150,630	1,054,206	1,047,848	1,067,188
Licenses and Permits (2)	939,500	842,753	840,508	775,534	716,267
Intergovernmental	3,225,243	4,035,772	3,349,156	3,894,883	4,262,882
Special Assessments	21,613	27,179	19,757	15,418	25,983
Interest	184,076	426,662	550,508	391,187	330,945
Payments in Lieu of Taxes	0	0	0	0	147,553
Rentals	115,262	138,870	0	0	0
Other	180,476	483,552	283,158	249,324	224,554
<b>Total</b>	<b>\$14,238,382</b>	<b>\$15,274,007</b>	<b>\$14,443,175</b>	<b>\$14,540,910</b>	<b>\$14,660,298</b>
<b>Expenditures</b>					
<b>Current</b>					
General Government: (3)					\$2,355,931
Legislative and Executive	\$2,672,685	\$2,533,191	\$2,481,183	\$2,304,022	N/A
Judicial System	858,364	823,341	721,227	630,085	N/A
Security of Persons and Property: (3)					5,521,578
Police	3,565,496	3,589,835	3,201,760	3,233,705	N/A
Fire	2,448,741	2,453,589	2,408,233	2,220,244	N/A
Public Health Services	247,001	234,922	196,790	190,748	192,193
Street Maintenance and Repairs	1,148,641	1,057,238	1,113,876	1,010,610	993,776
Housing and Community Development	502,248	902,070	576,470	934,074	839,683
Sanitation Services	1,358,517	1,343,669	1,063,289	1,329,128	1,456,963
Leisure Time Activities	75,684	112,933	103,308	55,703	53,204
Capital Outlay	1,647,616	2,277,423	1,084,132	1,525,562	1,664,383
Debt Service:					
Principal Retirement	447,484	248,777	944,244	310,260	387,346
Interest and Fiscal Charges	201,762	178,157	209,974	230,968	254,169
<b>Total</b>	<b>\$15,174,239</b>	<b>\$15,755,145</b>	<b>\$14,104,486</b>	<b>\$13,975,109</b>	<b>\$13,719,226</b>

(1) Includes all taxes

(2) Includes fines and forfeitures

(3) 1999 was the first year subcategories were identified for general government and security of persons and property.

Source: City financial records



1997	1996	1995	1994	1993
\$7,318,813	\$7,000,932	\$6,822,002	\$6,495,905	\$5,790,981
1,061,614	1,114,490	1,075,225	1,049,762	1,358,556
752,567	664,563	555,380	583,920	555,509
4,026,385	3,288,794	2,855,252	2,966,985	2,575,822
18,254	44,237	23,877	27,972	25,893
259,079	209,756	289,884	257,539	164,449
92,252	118,703	114,710	116,538	91,494
0	0	0	0	0
247,846	421,912	232,324	311,790	354,826
<u>\$13,776,810</u>	<u>\$12,863,387</u>	<u>\$11,968,654</u>	<u>\$11,810,411</u>	<u>\$10,917,530</u>

\$2,309,263	\$2,257,874	\$2,253,441	\$2,050,041	\$1,948,589
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
5,184,637	5,148,355	4,889,698	4,472,101	4,014,035
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
175,826	264,002	174,317	164,070	131,928
1,125,579	1,030,167	888,208	867,089	819,635
719,616	757,562	701,288	887,631	720,802
1,604,126	1,301,104	1,387,485	1,357,486	1,462,616
62,049	48,626	14,680	49,901	143,533
798,846	1,630,606	3,387,236	1,811,048	831,332
480,762	517,156	1,569,073	403,135	217,946
276,130	292,389	274,793	289,462	121,755
<u>\$12,736,834</u>	<u>\$13,247,841</u>	<u>\$15,540,219</u>	<u>\$12,351,964</u>	<u>\$10,412,171</u>

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

Collection Year	Current Tax Levy (1)	Current Tax Collections (1)	Percent Collected	Delinquent Tax Collections	Total Tax Collections	Percent Of Total Collections to Current Tax Levy	Outstanding Delinquent Taxes	Percent Of Outstanding Delinquent Taxes To Current Tax Levy
1993	\$1,017,125	\$1,003,990	98.71%	\$43,418	\$1,047,408	102.98%	\$77,281	7.60%
1994	1,590,916	1,529,265	96.12	69,267	1,598,532	100.48	116,245	7.31
1995	1,778,265	1,596,598	89.78	69,326	1,665,924	93.68	110,987	6.24
1996	1,825,150	1,762,365	96.56	92,691	1,855,056	101.64	101,758	5.58
1997	1,848,663	1,767,073	95.59	63,520	1,830,593	99.02	127,827	6.91
1998	1,881,711	1,797,128	95.50	90,488	1,887,616	100.31	128,488	6.83
1999	1,911,466	1,825,329	95.49	82,088	1,907,417	99.79	109,333	5.72
2000	2,079,009	1,973,729	94.94	77,702	2,051,431	98.67	44,273	2.13
2001	2,169,499	2,044,850	94.25	86,347	2,131,197	98.23	171,118	7.89
2002	2,207,921	2,087,008	94.52	132,989	2,219,997	100.55	177,610	8.04

Source: Ashtabula County, Ohio

(1) - State Reimbursements of Rollback and Homestead Exemptions are included.

**City of Ashtabula, Ohio**  
*Assessed and Estimated Actual Value of Taxable Property*  
*Last Ten Years*

Collection Year	Real Property		Public Utility Property		Tangible Personal Property		Estimated		Totals		Ratio Of Assessed Value To Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1993	\$110,647,110	\$316,134,600	\$22,203,590	\$22,203,590	\$27,282,941	\$109,131,764	\$160,133,641	\$447,469,954			36%
1994	111,419,990	318,342,829	22,958,040	22,958,040	26,825,798	107,303,192	161,203,828	448,604,061			36
1995	111,738,650	319,253,286	21,119,180	21,119,180	28,030,636	112,122,544	160,888,466	452,495,010			36
1996	132,084,290	377,383,686	20,965,920	20,965,920	32,081,917	128,327,668	185,132,127	526,677,274			35
1997	132,310,970	378,031,343	20,464,150	23,254,716	33,574,780	134,299,120	186,349,900	535,585,179			35
1998	133,986,650	382,819,000	20,563,170	23,367,239	34,919,000	139,676,000	189,468,820	545,862,239			35
1999	152,691,400	436,261,143	20,542,780	23,344,068	35,194,640	140,778,560	208,428,820	600,383,771			35
2000	156,329,630	446,656,086	22,207,110	25,235,352	42,143,680	168,594,720	220,680,420	640,486,158			34
2001	156,713,860	447,753,885	20,506,010	23,302,284	36,306,920	145,227,840	213,526,790	616,284,009			35
2002	181,124,990	518,785,686	18,870,460	21,443,705	33,520,280	134,081,120	233,515,730	674,310,511			35

Source: Ashtabula County, Ohio; County Auditor

Estimated actual value is calculated by dividing the assessed value by the assessment percentage. The percentages for 2002 were 35% for real property, 88% for public utility tangible, 25% for tangible personal capital assets and 24% for tangible personal inventory.

**City of Ashtabula, Ohio**  
*Ten Largest Real Property Taxpayers*  
*December 31, 2002*

<u>Taxpayer</u>	<u>2001 Real Property Assessed Valuation (Tax Duplicate) For Collection In 2002</u>	<u>Percentage Of Total Real Property Assessed Valuation</u>	<u>2002 Taxes Paid</u>
Ohio American Water	\$7,969,820	4.40%	\$630,394
Western Reserve Telephone	5,032,810	2.78	385,641
Cleveland Electric Illuminating	4,679,030	2.58	366,206
Norfolk Southern	3,390,430	1.87	214,155
Pinney Dock	2,713,260	1.50	151,329
Ashtabula Care Center	1,332,100	0.74	74,311
Ash-L Associates	1,172,220	0.65	65,393
Ashtabula Towers	1,140,059	0.63	60,968
Iten-Hupco	980,840	0.54	54,780
Reliance Business	848,130	0.47	47,314
Total of Above	<u>\$29,258,699</u>	<u>16.16</u>	<u>\$2,050,491</u>
Total Real Property Tax Assessed Value	<u>\$181,124,990</u>		

Source: Ashtabula County, Ohio; County Auditor

Based on valuation of property for taxes to be collected in 2002.

**City of Ashtabula, Ohio**  
*Special Assessment Collections*  
*Last Ten Years*

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<u>Collection Year</u>	<u>Total Billed</u>	<u>Amount Collected</u>	<u>Percent Collected</u>
1993	\$36,195	\$25,893	71.5%
1994	34,746	27,972	80.5
1995	33,298	23,877	71.7
1996	31,850	44,237	138.9
1997	25,251	18,254	72.3
1998	24,285	25,983	107.0
1999	23,319	15,418	66.1
2000	28,574	19,757	69.1
2001	31,628	27,179	85.9
2002	22,373	21,613	96.6

Source: Ashtabula County, Ohio; County Auditor  
City financial records

**City of Ashtabula, Ohio**  
*Property Tax Rates - Direct and Overlapping Governments*  
*(Per \$1000 of Assessed Valuation)*  
*Last Ten Years*

Year	City of Ashtabula					Ashtabula City School District
	General Fund	Permanent Improvement Fund	Special Revenue Funds	Debt Service Fund	City Total	
1993	\$4.40	\$2.00	\$2.60	\$2.30	\$11.30	\$38.30
1994	5.40	2.00	2.60	2.30	12.30	38.30
1995	5.41	2.00	2.60	2.30	12.31	38.30
1996	5.41	2.00	2.60	2.30	12.31	38.30
1997	5.41	2.00	2.60	2.30	12.31	38.30
1998	5.41	2.00	2.60	2.30	12.31	38.30
1999	5.41	2.00	2.60	2.30	12.31	44.30
2000	5.41	2.00	2.60	2.30	12.31	53.41
2001	5.41	2.00	2.60	2.30	12.31	53.41
2002	5.71	2.00	2.60	2.30	12.61	55.56

Sources: Ashtabula County, Ohio; County Treasurer

Ashtabula County, Ohio; County Auditor

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<u>Ashtabula County Vocational School</u>	<u>Buckeye School</u>	<u>Saybrook Township</u>	<u>Ashtabula County</u>	<u>Ashtabula Township</u>	<u>Direct And Overlapping Governments</u>
\$4.11	\$38.81	\$0.92	\$9.34	\$1.42	\$104.20
4.11	47.71	0.92	9.34	1.42	114.10
4.11	47.71	0.92	9.34	1.42	114.11
4.11	47.71	0.92	9.34	1.42	114.11
4.11	47.71	0.92	8.70	1.42	113.47
4.11	47.71	0.92	8.70	1.42	113.47
4.11	38.81	0.92	8.70	1.42	122.88
4.11	47.92	0.92	9.70	1.42	129.79
4.11	47.72	0.92	9.70	1.42	129.59
4.11	47.72	0.30	9.70	1.42	131.42

**City of Ashtabula, Ohio**  
*Computation of Legal Debt Margin*  
*December 31, 2002*

<i>Total Assessed Value</i>	<u>\$233,515,730</u>
<i>Overall Debt Limitation - 10.5 percent of Assessed Value</i>	\$24,519,152
Debt Outstanding:	
General Obligation Bonds	\$3,046,293
OWDA Loans	1,635,801
Police and Fire Loan	472,929
OPWC Loan	171,192
Special Assessment Bonds	<u>40,000</u>
Total Gross Indebtedness	<u>5,366,215</u>
Less: Debt Outside Limitations:	
OWDA Loans	1,635,801
Police and Fire Loan	472,929
OPWC Loan	171,192
Special Assessment Bonds	<u>40,000</u>
Total Debt Outside Limitations	<u>2,319,922</u>
Total Debt Applicable to Limitation - Within 10.5% Limitations	3,046,293
Less: Amount Available in Debt Service Funds to pay Debt Applicable to Limitation	<u>(1,217,065)</u>
Net Debt Within 10.5% Limitation	<u>1,829,228</u>
<i>Overall Debt Margin</i>	<u><u>\$22,689,924</u></u>
<hr/>	
<i>Unvoted Debt Limitation - 5.5% of Assessed Valuation</i>	\$12,843,365
Gross Indebtedness Authorized By Council	
General Obligation Bonds	\$3,046,293
OWDA Loans	1,635,801
Police and Fire Loan	472,929
OPWC Loan	171,192
Special Assessment Bonds	<u>40,000</u>
Total Gross Indebtedness	<u>5,366,215</u>
Less: Debt Outside Limitations:	
OWDA Loans	1,635,801
Police and Fire Loan	472,929
OPWC Loan	171,192
Special Assessment Bonds	<u>40,000</u>
Total Debt Outside Limitations	<u>2,319,922</u>
Debt Within 5.5% Limitations	3,046,293
Less: Amount Available in Debt Service Funds to Pay Debt Applicable to Limitation	<u>(1,217,065)</u>
Net Debt Within 5.5% Limitation	<u>1,829,228</u>
<i>Unvoted Debt Margin</i>	<u><u>\$11,014,137</u></u>

Source: City financial records



**City of Ashtabula, Ohio**  
*Ratio of Net General Bonded Debt to Assessed Value  
and Net Bonded Debt Per Capita  
Last Ten Years*

<u>Year</u>	<u>Population (1)</u>	<u>Assessed Value (2)</u>	<u>Gross General Bonded Debt (3)</u>	<u>Debt Service Monies Available</u>	<u>Net General Bonded Debt</u>	<u>Ratio of Net General Bonded Debt to Assessed Value</u>	<u>Net General Bonded Debt Per Capita</u>
1993	21,736	\$160,133,641	\$3,776,000	\$71,221	\$3,704,779	2.31%	\$170.44
1994	21,736	161,203,828	3,594,000	47,116	3,546,884	2.20	163.18
1995	22,004	160,888,466	3,439,000	64,507	3,374,493	2.10	153.36
1996	22,004	185,132,127	3,283,000	144,745	3,138,255	1.70	142.62
1997	21,315	186,349,900	3,091,000	204,985	2,886,015	1.55	135.40
1998	21,315	189,468,820	2,925,000	411,341	2,513,659	1.33	117.93
1999	21,472	208,428,820	2,785,000	455,697	2,329,303	1.12	108.48
2000	21,630	220,680,420	2,640,000	832,275	1,807,725	0.82	83.57
2001	20,962	213,526,790	3,240,000	1,020,925	2,219,075	1.04	105.86
2002	20,962	233,515,730	3,046,293	1,217,065	1,829,228	0.78	87.26

(1) Sources: U.S. Bureau of Census, Census of Population, Federal 2000 Census. Ohio Data Users Center, Sub-county population estimate.

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

(3) Includes only general obligation bonded debt payable from property taxes.

**City of Ashtabula, Ohio**  
*Ratio of Annual Debt Service Expenditures For  
 General Bonded Debt to Total General Governmental Expenditures  
 Last Ten Years*

<u>Year</u>	<u>Principal</u>	<u>Interest And Fiscal Charges</u>	<u>Total Debt Service</u>	<u>Total General Governmental Expenditures</u>	<u>Ratio Of Debt Service To Total General Governmental Expenditures</u>
1993	\$129,000	\$69,545	\$198,545	\$10,412,171	1.91%
1994	182,000	192,379	374,379	12,351,964	3.03
1995	187,000	171,902	358,902	15,540,219	2.31
1996	156,000	163,225	319,225	13,247,841	2.41
1997	192,000	159,350	351,350	12,736,834	2.76
1998	166,000	152,308	318,308	13,719,226	2.32
1999	140,000	147,380	287,380	13,975,109	2.06
2000	145,000	141,990	286,990	14,104,486	2.03
2001	150,000	136,190	286,190	15,755,145	1.82
2002	343,707	165,215	508,922	15,174,239	3.35

Source: City financial records

**City of Ashtabula, Ohio**  
*Computation of Direct and Overlapping General Obligation Bonded Debt*  
*December 31, 2002*

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<u>Political Subdivision</u>	<u>General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable To Ashtabula City</u>	<u>Amount Applicable To Ashtabula City</u>
Direct:			
City of Ashtabula	\$3,046,293	100.00%	\$3,046,293
Overlapping:			
Ashtabula County	6,538,247	13.76%	899,663
Totals	\$9,584,540		\$3,945,956

(1) The percentages were determined by dividing each overlapping subdivision's assessed valuation within the City by the subdivision's total assessed valuation.

Source: Ashtabula County, Ohio; County Auditor

**City of Ashtabula, Ohio**  
*OWDA Loan Payable Coverage*  
*Water Pollution Fund*  
*Last Ten Years*

Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available For Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1993	\$2,428,491	\$1,981,416	\$447,075	\$2,800	\$2,932	\$5,732	78.00
1994	2,496,665	2,052,450	444,215	4,800	2,695	7,495	59.27
1995	2,636,389	1,880,033	756,356	4,800	2,501	7,301	103.60
1996	2,835,390	2,066,562	768,828	37,236	48,667	85,903	8.95
1997	2,907,004	2,320,445	586,559	76,768	92,992	169,760	3.46
1998	2,839,329	2,269,722	569,607	70,195	88,820	159,015	3.58
1999	2,745,242	2,522,524	222,718	76,873	82,943	159,816	1.39
2000	2,687,820	2,736,821	(49,001)	80,254	81,234	161,488	(0.30)
2001	2,587,575	2,850,199	(262,624)	83,783	77,705	161,488	(1.63)
2002	2,801,467	2,774,960	26,507	87,467	74,021	161,488	0.16

Source: City financial records

(1) Total revenues exclusive of interest income and grants

(2) Total operating expenses exclusive of depreciation

**City of Ashtabula, Ohio**

*Demographic Statistics*

*Last Ten Years*

<u>Year</u>		<u>Total Population (1) (4)</u>	<u>Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate Ashtabula County (3)</u>
1993	Est.	21,736	103	0.48%	5,295	10.4%
1994	Est.	21,736	0	0.00	5,276	6.7
1995	Est.	22,004	432	1.99	5,201	6.6
1996	Est.	22,004	0	0.00	5,253	7.2
1997	Est.	21,315	(689)	(3.13)	5,216	6.2
1998	Est.	21,315	0	0.00	5,091	6.3
1999	Est.	21,472	157	0.74	5,437	5.7
2000		21,630	158	0.73	5,364	5.5
2001		20,962	(668)	(3.09)	5,270	7.2
2002	Est.	20,962	0	0.00	5,252	8.1

2000 CENSUS INFORMATION:

City of Ashtabula, Ohio:		
Female	11,142	53.2%
Male	9,820	46.8%
Median Age		34.9 years
Black Households		8.7%
Hispanic Households		3.5%
Households 65 Years and Over		25.2%
High School Graduates		68.8%
Households Below Poverty Level		20.7%
Average Household Size		2.45 persons
State of Ohio:		
Per Capita Income		\$20,618
Median Household Income		\$39,659
Median value owner occupied		\$102,822
Median gross monthly rent		\$512

Sources: (1) U.S. Bureau of the Census; 2000  
 (2) Ashtabula City Board of Education  
 (3) Ohio Bureau of Employment Services  
 (4) Ohio Data Users Center - Subcounty population estimate.

**City of Ashtabula, Ohio**  
*Property Value, Construction, and Bank Deposits*  
*Last Ten Years*

Year	Estimated Property Value	Total Value of Building Permits Issued	Bank Deposits (1)(2)
1993	\$447,469,954	\$2,048,967	\$11,817,000
1994	448,604,061	7,024,100	402,497,000
1995	452,495,010	5,529,578	414,030,000
1996	526,677,274	16,603,805	424,989,000
1997	535,585,179	4,228,982	453,149,000
1998	545,862,239	12,330,433	164,127,000
1999	600,383,771	9,273,973	175,331,000
2000	640,486,158	6,770,878	199,872,000
2001	616,284,009	7,380,364	239,034,000
2002	674,310,511	3,767,988	272,106,000

Sources: City of Ashtabula, Ohio Building Inspection Department

City of Ashtabula, Ohio, City Treasurer

Federal Reserve Bank - Cleveland for Ashtabula County

(1) As of 4/14/94 Peoples Savings and Loan became a bank  
and deposits are now included

(2) Andover Bank is now the only institution based in  
Ashtabula County

**City of Ashtabula, Ohio**

*Miscellaneous Statistics*

*December 31, 2002*

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Government:	Date of Incorporation: April 6, 1891 Form of Government: Charter - Elected City Manager Founded: 1801 Township: April 4, 1908 Village: 1831
Population:	2000 Census - 20,962
Area:	7.6 square miles - 4,864 acres Residential - 3,569 acres
Altitude:	590 feet above sea level
Climate:	Mean annual temperature - 58.9 max. and 40.5 min. degrees Fahrenheit Average annual rainfall - 35.35 inches
City Statistics:	Streets - 96.66 miles (1.53 unpaved) Sanitation Sewers - 91.03 miles Storm Sewers - 76.3 miles
Highways:	U.S. Route Number 20 State Routes - 11, 45, 84, 531 Interstate 90 (6 miles to the south)
Police:	Stations 1 Policemen and Officers 37 Correction Officers 4 Dispatchers 4 Full Administrative Personnel 2 Animal Control Officer 1
Fire:	Stations 1 Firemen and Officers 26
Number of Dwellings:	Total units 9,151 Occupied 8,435 Owner occupied 58.4% Renter occupied 41.6% Vacant Houses 7.8%
Banks:	Three Banks and Two Savings and Loans
Churches:	63, Representing most Denominations
Building:	2002 Permits Issued 409 2002 Permit Valuation \$3,767,988

(continued)

**City of Ashtabula, Ohio**  
*Miscellaneous Statistics (continued)*  
 December 31, 2002

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Industry:	Manufacturing Plants	72
Railroads:	CSX Transportation Norfolk & Western	
Bus Lines:	One	
Medical:	Ashtabula County Medical Center 226 Beds, 20 Bassinets The Regional Cancer Center	
Education:	Public Elementary Public Junior High Public Ninth Grade Public Senior High Private and Parochial Special Purpose	9 2 1 1 7 1
	Enrollment:	
	Public	4,788
	Parochial	365
	Special Purpose	129
	Teachers (Incudes Administrative Personnel):	
	Public	411
	Parochial	22
	Special Purpose	19
Libraries:	Public Libraries Kent State University, Ashtabula Branch	2 1
Newspapers:	Daily Circulation Weekly Circulation (Direct Mail)	1 21,020 1 8,400
Lodging:	Motels Rooms Bed and Breakfast Rooms	10 452 4 13
Area Recreation And Culture	10 Parks comprising a total 445.5 acres 4 Campgrounds 16 Historical Covered Bridges 12 Area Public Golf Courses 22 Tennis Courts 3 Museums 10 Yacht Clubs and Marinas 2 Public Beaches on Lake Erie Fishing Charters	
Source:	City records	



Address comments  
and suggestions to:

Michael A. Zullo, CPA  
City Auditor  
4400 Main Avenue  
Ashtabula, Ohio 44004  
(440) 992-7107

Special acknowledgement and appreciation goes out to those who helped in the implementation of this new reporting model. Thank you to Jim Petro, Auditor of State, and his staff for their guidance in making the changes required by Statement 34. To Traci Vanek, for all the time spent in identifying and recording those fixed assets and infrastructure, sincere thanks. And to Lori Stillman, City Treasurer and Karen Jury, Deputy Auditor whose work on this CAFR ties it all together.

## **Special Thanks To**

The Auditor's Staff

Karen S. Jury, Deputy Auditor  
Lori DeGeorge  
Carolyn Sheldon  
Peter Tulino  
Traci Vanek  
Barbara Lambert

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**CITY OF ASHTABULA**

**ASHTABULA COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
SEPTEMBER 30, 2003**