

CITY OF CONNEAUT, OHIO



Comprehensive Annual Financial Report
For The Year Ended December 31, 2013



Dave Yost • Auditor of State

City Council
City of Conneaut
294 Main Street
Conneaut, Ohio 44030

We have reviewed the *Independent Auditor's Report* of the City of Conneaut, Ashtabula County, prepared by Canter & Associates, for the audit period January 1, 2013 through December 31, 2013. Based upon this review, we have accepted this report 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 Conneaut is responsible for compliance with these laws and regulations.

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

Dave Yost
Auditor of State

September 4, 2014

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INTRODUCTORY SECTION

CITY OF CONNEAUT, OHIO

COMPREHENSIVE

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2013

ISSUED BY THE DEPARTMENT OF FINANCE

John Williams, J.D., CPA,

FINANCE DIRECTOR

City of Conneaut, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2013
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CITY OF CONNEAUT
FINANCE DEPARTMENT
294 MAIN STREET, CONNEAUT, OHIO 44030

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Finance Director

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June 27, 2014

Citizens of Conneaut
City Manager, Timothy J. Eggleston
And Honorable Members of City Council
Conneaut, Ohio

It is my privilege to present to you the City of Conneaut's (the City) Comprehensive Annual Financial Report (CAFR). This report enables the City to comply with Ohio Administrative Code Section 117-2-03 (B), which requires reporting on GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38, which requires the cities reporting on a GAAP basis to file an annual report with the Auditor of State within 150 days of fiscal year end.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Canter & Associates has issued an unqualified ("clean") opinion of the City of Conneaut's financial statements for the year ended December 31, 2013. Canter & Associates' report is located at the front of this financial report.

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

Profile of Government

The City of Conneaut, Ohio, is located in the most northeastern section of Ohio, along the Lake Erie shore, with a population of 12,841 and has 27 square miles within the City limits. The City was incorporated as a borough in 1832, and eventually achieved City status in 1902.

The City is well served by diversified transportation facilities, with two State highways, Routes 7 and 531, U.S. Route 20 and interstate highway I-90. It has three major railroads: CSX, Norfolk and Southern and the Bessemer-Lake Erie. Norfolk and Southern has a large rail yard located in the center of the City, while the Bessemer-Lake Erie has two rail yard facilities located in the Port of Conneaut. The Port is the largest along the southern shore of Lake Erie, both in area and shipping tonnage.

Within 30 miles, there are several public and private colleges and universities providing a wide range of educational facilities and opportunities. These include Kent State University-Ashtabula Branch, Gannon University, Edinboro University, Penn State-Behrend and Mercyhurst College. The City also has a local hospital, University Hospitals Health System – Conneaut Medical Center, which is a state of the art medical facility.

The City operated under the statutory Mayor-Council form of government until the electors of the City passed the City Charter with a Council-Manager form of government. Members of the Conneaut Charter Commission were elected at the general election held November 7, 1989 to frame and submit a Charter to the electors of the City.

In the general election held Tuesday, November 6, 1990, the electors of the City of Conneaut approved the proposed charter and the City's first City Manager began serving in February of 1992. Beginning in January, 1997, and at least every seven years thereafter, City Council must appoint a Committee to review the Charter and propose any amendments, as the Committee deems advisable. Amendments shall be submitted to the electorate at the next November general election. The City has all powers of a local self-government and home rule subject to certain general laws applicable to all Ohio cities.

Legislative authority is vested in a seven-member Council, with an elected President of Council, two at large, and one from each of the City's four wards, all of which are elected every two years. The Council has the authority to appoint the City Manager, establish, combine, or separate administrative departments, adopt the budget of the City, issue debt, adopt and amend zoning, building, and sanitary regulations, fix the compensation of all City officials employees, including that of its own members, and has various other municipal powers. The City Council adopts an annual appropriation measure by December 31 of each year. This annual budget serves as the foundation for the City of Conneaut's financial planning and control. The budget is prepared by fund, department, and appropriation line item. Transfers between departments or appropriation line items require approval by City Council.

The City Charter vests administrative authority in the City Manager, who is the chief administrative official. There are three named departments in the City Charter: the Department of Finance, the Department of Law, and the Department of Public Service. All other departments are created by City Council. The City Manager appoints the directors of all City departments, including the Directors of Finance, Law, and Service, as well as the Chiefs of Police and Fire. Additionally, most boards and commissions are also appointed by the City Manager, although some boards require council approval. The City provides basic services to its residents including water, sewer, police and fire protection, ambulance, planning, housing-zoning, street maintenance and repair, and general administrative services. The City also has its own municipal court.

Local Economy

The local economy continues to improve, as several of the City's largest employers that are affiliated with the automotive industry continued to improve most dramatically over the past several years, increasing sales, profit, and employment. Some of the City's largest employers have not returned to pre-recession employment levels, particularly those employers that are affiliated with the housing industry. Employment by the City's top ten employers has decreased slightly from 2012, and their relative percentage of total employment in the City has decreased. Income taxes decreased from 2012 levels with the reduction in the income tax rate. Unemployment in Ashtabula County decreased to 8.6 percent, down from 9.00 percent in 2012.

The value of new construction increased by \$3,050,033 from 2012, while the number of zoning permits increased to 161, from 147 in 2012. A new housing development has begun at the former Conneaut Shores Golf course. Approximately 80 acres are being developed, with more than 100 homes expected to be built. Real estate assessed valuation was \$186,664,810 which is a record high for the City. This significant increase in assessed valuation was due primarily through the addition of the Lake Erie Correctional Institution on the tax rolls and new homes being built throughout the City. The prison was sold to a private company and the real estate became subject to real estate taxes. Home sales have showed some improvement with the median sales price increasing to \$80,000. Foreclosures continue to present a problem, as more people have been unable to make their mortgage payments.

The City Manager and City Council have been working aggressively to pursue economic growth, promote business retention, assist with business expansion and create a pro-business environment. With the construction of the East Conneaut Industrial Park now complete, the City Manager and City Council have been working diligently to attract business and industry to the park. Several potential projects are in the works. To help accomplish these goals, the City's economic development committee holds monthly meetings to discuss strategy and monitor the implementation of objectives. The committee is comprised of the City Manager, council members, and business leaders. The City continues to remain the focal point for new and existing businesses to obtain assistance with, and information about, some of the programs available through the City, including the community reinvestment areas, enterprise zones, downtown revitalization, economic development funding and

the new industrial park. A partnership has been developed between the City's economic development committee and the Conneaut Area Chamber of Commerce to combine resources in an effort to facilitate business progress. Furthermore, a CRA (Community Reinvestment Area) has been established. The CRA provides a tax reduction on the increase in taxable value of a property for new construction and renovation of existing structures. The City offers up to 100 percent real estate tax abatement for fifteen years for new commercial or industrial facilities and up to 100 percent real estate tax abatement for twelve years for the renovation of an existing commercial or industrial facility.

The Conneaut Port Authority has been working with the City Manager, City Council, and other agencies to help create a container shipping facility, with the potential of creating a substantial number of jobs at the port. They have attended numerous meetings to discuss the feasibility of such a venture. They have also been collaborating with Erie Port Authority to ensure this project moves forward as quickly as possible.

Tourism has been, and continues to be, a vital component of the City's economy and the City's Board of Tourism is taking a very aggressive approach in promoting the City. Over the past several years, the Board has increased the number of members, as well as the size of its operating budget. It has defined its mission and objectives with the goal attracting more tourists to visit the City each year and generating revenue for local economy. Conneaut has many tourist attractions including Conneaut Creek, which has been declared a "Wild and Scenic River" and is the number one ranked trout stream in the USA. It has a premier marina with multiple boat launching ramps, four covered bridges, some of the best local wineries, seven miles of shoreline with some of the best perch and walleye fishing in Lake Erie, a historical railroad museum and a sixty-acre lake shore park with an expansive one-half mile long public beach. The Board of Tourism and Conneaut Chamber of Commerce continue to promote the City's tourism industry, and with each passing year, more tourists are visiting the City of Conneaut, which helps support the local economy.

Long-Term Financial Planning

While no formal plan has been adopted by City Council, both the City Manager and City Council advocate sound financial practices to help ensure that adequate unassigned fund balances are maintained in all of the operating funds. Council's long-term goal is to generate and maintain a minimum twenty percent carryover fund balance in the general fund. Even in this difficult economic environment, this goal was exceeded in 2013, which is much sooner than had been anticipated. Key to achieving Council's long-term goals and objectives are revenue enhancement and economic development, with particular emphasis on growing the City's tax base to help maintain financial stability.

Meeting the City's capital needs is critical to the successful operation of the City. The administration, with assistance of City Council, has created a long-term capital improvement plan to address aging vehicles, equipment, and infrastructure, while attempting to find innovative ways to fund these capital requirements. Securing grants through CDBG, OPWC, and other agencies has been essential to funding most of the capital needs of the City. Funding from the City's income tax supported capital improvement fund is being utilized to help fund capital needs as well. Issues with ageing storm water pipes are plaguing the City and assessments are being evaluated as a means to replace this ageing infrastructure. The City is considering other ways of funding the long-term capital requirements, including establishing capital improvement funds for the water and sewer departments. Both departments are reviewing the current rate structure annually to assist funding future capital needs.

Revenue enhancement is critical to long-term financial stability of the City. In pursuit of this goal, the City has entered into its second gas lease agreement with a new company, Reserve Energy, to explore possible drilling of gas wells on other parcels of land on the west side. The City has already contracted with American Energy to drill gas wells on the City's eastside industrial park. Four wells have been drilled, and gas royalty revenue is being generated by these wells at \$16,000 annually. All of the revenue generated from these wells is being used to build the City's general fund balance.

Funding the City's street paving program is a long-term financial planning goal. The City of Conneaut has a large land mass, and it is very difficult to maintain the roads in optimal condition without sufficient revenue. A seven-

year street improvement income tax of .15 percent had been approved by the voters, but this tax expired December 31, 2012. Due to the dramatic increase in the price of asphalt over the past several years, combined with a decrease in income tax collections over this same period, the income tax levy is no longer generating sufficient revenue to pave and maintain city streets. In 2013, the City Manager and City Council proposed an alternative method of funding the program with a 2.75 mill, five-year real estate tax levy, which was approved by the voters of Conneaut. The levy will generate approximately \$500,000 annually, nearly doubling the revenue of the previous income tax levy.

Relevant Financial Policies

Budgetary control is maintained by the encumbrance of purchase order requests. Purchase order requisitions for the expenditure of monies need approval by the department head, which are then forwarded to the City Manager for approval. Once the City Manager has approved the purchase order request, it is then forwarded to the finance department for preparation of a purchase order and certification and returned to the respective departments. The purchase orders are then signed by each department and returned to the finance department to be audited for accuracy and completeness and finally processed for payment. Encumbrances, which would exceed the available appropriation, are not approved or recorded until City Council authorizes additional appropriations. Any changes to an existing purchase for more than fifty dollars, requires approval by the City Manager, if additional appropriations are available. Prior year encumbrances outstanding at the end of the year are carried over to the next year after a thorough review by the Finance Director. Unencumbered appropriations lapse at the end of each year. Only City Council has the authority to transfer appropriations between line items within a department. Any increase or decrease in an appropriation line must be approved by Council in ordinance form. All City departments, the City Manager and City Council are provided with at least monthly reports that indicate current appropriations, year to date expenditures, outstanding encumbrances and unexpended and unencumbered balances. Monthly revenue reports are provided to the City Council and City Manager.

Requirements for the development of the City's tax and annual budget, appropriations and other financial regulations are followed as established by the Ohio Revised Code and the City Charter. Under the direction of the City Manager, the Finance Director has charge of the administration of financial affairs of the City and acts as both the auditor and treasurer of the City. As part of the financial controls established in the City Charter, the Finance Director is responsible for the maintenance of a general accounting system; the exercise of budgetary control over each office; the disbursement of all monies and control of all expenditures so that appropriation and cash resources are not exceeded; and the certification of all appropriations.

The City Manager is required to submit to Council a tax budget of estimated revenues and expenditures for all funds of the City for the next succeeding year by the first Council meeting in July. The legislative body is required to adopt the budget by July 15 and to submit it to the County Budget Commission by July 20 of each year. Council is required to adopt an annual appropriation measure on or about the first day of each year. The City maintains budgetary control on a non-GAAP basis at the line item level for all funds.

The City's largest revenue source is a 1.65 percent income tax. City council can allocate the one percent however they wish, but the .65 percent is allocated by City ordinance, as directed by the voters through specific ballot language. At 1.65 percent the City's income tax on a cash basis generated \$2,937,263 in 2013 and was allocated as follows: General Fund: 72.84 percent or \$2,139,549, which is used to fund the fire, police, municipal court and administrative offices; Street Department: 17.33 percent or \$509,102, which is used to fund a wide variety of public works' projects, including paving, road maintenance, and storm water management; Street Improvement: 2.61 percent or \$76,766, which is used exclusively for the resurfacing of local streets; Reserve Fund, which is included in the General Fund: 3.84 percent or \$112,688, which is used for financial support for various programs as determined by city council; Capital Improvement: 1.54 percent or \$45,118, which is used for infrastructure repairs and the acquisition of capital assets; Street Lighting: 1.00 percent or \$29,223, which is used to pay for street lighting along state routes, the downtown district, and traffic lights throughout the city; and Recreation: .84 percent or \$24,817, which is used to maintain the City's seven parks, playgrounds, and other recreational activities. The one percent allocation of the income tax is reviewed by city council on an as needed basis.

Within the City's inside ten mill limitation, the City levies 3.63 mills. The general fund allocation on a cash basis was 2.20 mills or \$358,020, the police pension fund allocation .8 mills or \$130,190 and the fire pension fund allocation was .63 mills or \$102,525. Outside millage of .53 was levied to pay debt service on one general obligation bond, with collections totaling \$102,446. Police and fire levies generated \$462,152 with 3.00 mills. Total millage levied by the City in 2013 was 9.91. Millage allocations are reviewed by the Finance Department and City Council before the annual tax budget is prepared.

Major Initiatives

For the Year In 2013, the City of Conneaut embarked on a variety of capital improvement and infrastructure projects, with the assistance of grants and zero interest loans. Infrastructure repair and replacement is a high priority for the City. Some of the projects are:

Creek Road Water Tank Replacement: This project involves the demolition of an existing 175,000 gallon water tank in Kingsville Township and replacing it with a larger 300,000 gallon steel tank on Creek Road within the city limits. This tank is more centrally located, providing residents with better water pressure and more capacity. Repairs and painting of the Brown Avenue water tank will be part of the contract. The total contract amount is \$1,916,632, which is being funded by a \$322,500 OPWC grant, a \$150,000 OPWC 0 percent loan and the balance of \$1,444,132 is being funded by a 20-year, 3.24 percent OWDA loan.

Aerial Sewer Bridge: This project consisted of replacing a concrete aerial sewer bridge, built in the 1960's, between Lake Road and Detroit Street and demolishing the old structure parallel to it. The new bridge is constructed with steel and concrete, with a 120 foot concrete trough containing the 15 inch sewer and being 27.6 feet high at its highest point. Financing for this \$395,354 project included \$127,000 OPWC grant, a \$50,000 OPWC loan and the balance of \$218,354 funded by a 20-year, 0 percent OWDA loan.

Water Filtration Plant Improvements: The project consisted of replacing screens at the water treatment plant, which remove debris from lake water before it enters the water plant, and to replace piping to the backwash facility. It also included masonry improvements and the construction of a building at the low service facility to help protect workers and equipment in the winter season. This is a \$273,937 project, of which approximately \$121,000 of the funding is a grant, \$50,000 is a zero interest loan, and a cash match by the City. This project will enable the water filtration plant to provide a peak flow of 3.5 million gallons of water per day.

Keefus Road Bank Stabilization Improvements: This project was designed to address a very serious 48 foot bank slope failure along a portion of Keefus Road, threatening the stability of the roadway. It is estimated to cost \$110,000 to repair the slope using an innovative soil nailing technique. OPWC funding will be used to finance this project.

Dean Avenue and Hayward Avenue Park Improvements: This project consisted of replacing 200 linear feet of fencing, 300 linear feet of sidewalk and new benches and trash receptacles at Dean Avenue park, and 200 linear feet of fencing, 115 linear feet of walkway and new benches and trash receptacles at Hayward Avenue park. The City used its 2012 Formula grant allocation of \$64,000 to finance this project.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Conneaut for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2012. This was the eighth year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR) that satisfied both generally accepted accounting principles and applicable legal requirements.

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

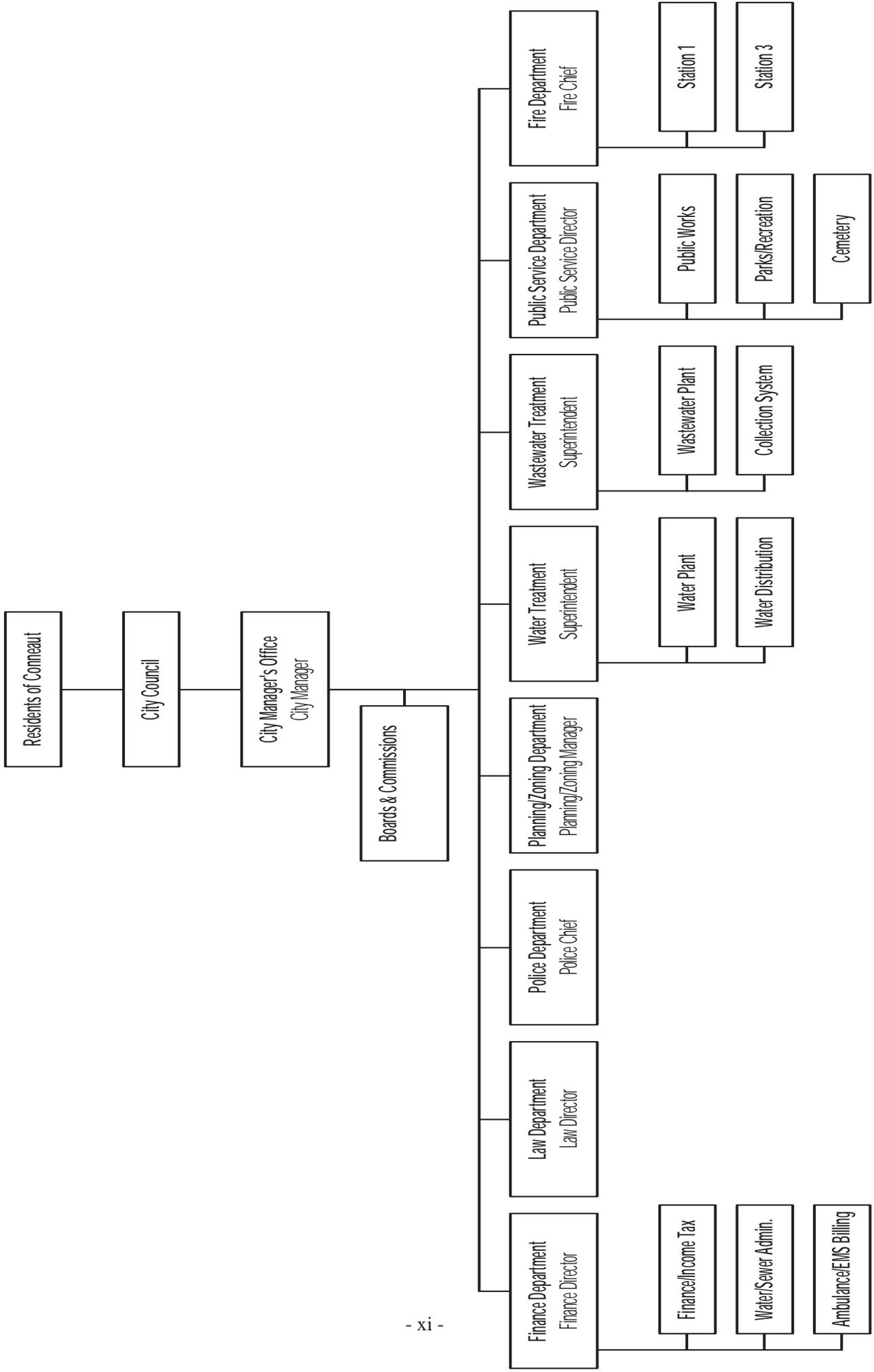
The successful preparation of the Comprehensive Annual Financial Report required the contribution and dedication of the Finance Department. Sincere appreciation is extended to City Council and City Manager Timothy J. Eggleston for their commitment to sound financial reporting. Gratitude is also expressed to all City Department Directors for their support. To the Local Government Services Section of the Office of the Auditor of State, a special acknowledgment is extended for their support and guidance in the preparation of this report.

Respectfully submitted,

A handwritten signature in cursive script that reads "John P. Williams".

John Williams, J.D., CPA
Finance Director

CITY ORGANIZATIONAL CHART - ESTABLISHED BY CITY CHARTER



CITY OF CONNEAUT
ELECTED AND APPOINTED CITY OFFICIALS

CITY COUNCIL

Nic Church, President

John Roach, At Large

Jon Arcaro, At Large

Doug Hedrick, Ward 1

Phil Garcia, Ward 2

Deborah Newcomb, Ward 3

Tom Kosesky, Ward 4

CITY MANAGER

Timothy Eggleston

APPOINTED OFFICIALS

John Williams, Director of Finance

Carly Prather, Director of Law

Charles Burlingham, Chief of Police

Steve Lee, Chief of Fire

Steve Kehoe, Water Superintendent

Craig Pierce, Wastewater Superintendent

Robert Mannion, Public Service Director

Deanna Gates, Planning Zoning Manager



Government Finance Officers Association

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

Presented to

**City of Conneaut
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO

FINANCIAL SECTION



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POLAND, OHIO 44514
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CERTIFIED PUBLIC ACCOUNTANTS

WWW.CANTERCPA.NET

INDEPENDENT AUDITOR'S REPORT

City of Conneaut
Ashtabula County
294 Main Street
Conneaut, Ohio 44030

To the Members of City Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Conneaut (the City), Ashtabula County, Conneaut, Ohio as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We did not audit the financial statements of the Conneaut Port Authority which represent 4.7 percent, 4.3 percent, and 7.6 percent, respectively, of the assets, net position, and revenues of the Governmental Activities. Those statements were audited by other auditors whose report was furnished to us, and our opinion, insofar as it relates to the amount included for the Conneaut Port Authority, is based solely on the report of other auditors. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, 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 Conneaut, Ashtabula County, Conneaut, Ohio, as of December 31, 2013, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General and Street Construction Maintenance and Repair funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

The financial section's combining statements, individual fund statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2014, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



CANTER & ASSOCIATES

Poland, Ohio
June 27, 2014

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

The management's discussion and analysis for the City of Conneaut's financial statements provides an overall review of the financial activity of the City for the twelve months ended December 31, 2013. The intent of this discussion and analysis is to provide a narrative that describes the City's performance as a whole; readers are encouraged to consider the information presented here in conjunction with the additional information contained in the financial statements and the notes.

Financial Highlights

Financial highlights for 2013 are as follows:

- During 2013, the voters approved a 2.75 mill street improvement levy to pave and maintain City streets. It is expected to generate approximately \$500,000 annually.
- Total assets exceeded liabilities and deferred inflows of resources for 2013 by \$45,439,173, of which \$3,681,768 was unrestricted. The net position increased by \$226,994 from 2012.
- On a GAAP basis, the City's general fund had a balance of \$1,590,826, which is an increase \$240,816 from the prior year. The unassigned fund balance was \$1,164,537 or 73 percent of the total. This was accomplished primarily through cost containment and increased income tax and property tax collections.
- In governmental activities, long term debt of \$3,177,383 decreased by \$401,484, while in business-type activities long term debt increased by \$485,356 for a total of \$6,550,686. This was due to additional OWDA and OPWC loans being issued during the year.

Using this Annual Financial Report

This report is designed to allow the reader to look at the financial activities of the City of Conneaut as a whole and is intended to allow the reader to obtain a summary view or a more detailed view of the City operations, as they prefer.

The Statement of Net Position and the Statement of Activities provide information from a summary perspective showing the effects of the operations for the year 2013 and how they affected the operations of the City as a whole.

Reporting the City of Conneaut as a Whole

Statement of Net Position and Statement of Activities

The Statement of Net Position and the Statement of Activities provide summary information concerning the financial position and operations of the City as an entity. They provide a good resource for an overall evaluation of the City's financial performance. These statements include all non-fiduciary assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting. This method takes into account all revenues when they are earned and all expenses when they are incurred. These transactions are booked when they occur and not when the actual cash is received for revenues or when invoices are paid for expenses.

These two statements report the City's net position and changes in the position. The change in net position is important since it is an indication of whether the financial position of the City is improving or declining. However, to properly evaluate the operation of the City, certain non-cash items should be taken into consideration. These items would include the current economic situation as a whole, the current tax base for the City and the age and condition of the City buildings and infrastructure.

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In the Statement of Net Position and the Statement of Activities, the City is divided into two major activities:

- **Governmental Activities** - Most of the City's programs and services are reported here, including general government, security of persons and property, public health services, leisure time activities, basic utility services, community development and transportation.
- **Business-Type Activities** - These services are provided on a fee basis to recover all of the expenses of the goods or services provided. The City's business-type activities are water and sewer.

Reporting on the Most Significant Funds of the City of Conneaut

Fund Financial Statements

The analysis of the City's major funds begins on page 10. The fund financial reports give a detailed report of the activities within the funds. The City's funds are in existence to provide a multitude of services to the citizens of Conneaut. Each fund is in some ways an entity unto itself. Each fund has a designated revenue stream and restricted uses for the monies within the fund.

In this report, the focus is on five major funds, the general fund, the street construction, maintenance and repair special revenue fund, the special assessment bond retirement fund, the water enterprise fund and the sewer enterprise fund.

Governmental Funds All of the City's major activities (excluding the water and sewer funds) are reported in the governmental funds. This report shows how monies flow into and out of these funds and also shows what balances are available for future expenditures. The accounting method used to report this activity is the modified accrual method. This method reports cash and like-cash items that can be converted into cash. This shows what level of financial resources is available or will be available to provide the services that the general government provides in the near future. These services include police and fire protection, as well as the improving and maintaining the City's streets, parks, cemeteries and City Hall. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and the government funds is reconciled in the financial statements.

Proprietary Funds Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.

Fiduciary Funds Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City's fiduciary fund is an agency fund.

The City of Conneaut as a Whole

The Statement of Net Position provides an overall view of the City. Table 1 shows a summary of the City's net position for 2013 as compared to 2012.

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(Table 1)
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Assets						
Current and Other Assets	\$7,625,032	\$7,255,504	\$2,286,792	\$2,013,768	\$9,911,824	\$9,269,272
Capital Assets, Net	27,917,466	29,398,234	20,175,341	18,709,174	48,092,807	48,107,408
<i>Total Assets</i>	<u>35,542,498</u>	<u>36,653,738</u>	<u>22,462,133</u>	<u>20,722,942</u>	<u>58,004,631</u>	<u>57,376,680</u>
Liabilities						
Current and Other Liabilities	875,655	1,087,216	451,348	356,919	1,327,003	1,444,135
Long-Term Liabilities:						
Due Within One Year	556,846	568,096	676,122	761,719	1,232,968	1,329,815
Due in More than One Year	2,620,537	3,010,771	5,874,564	5,303,611	8,495,101	8,314,382
<i>Total Liabilities</i>	<u>4,053,038</u>	<u>4,666,083</u>	<u>7,002,034</u>	<u>6,422,249</u>	<u>11,055,072</u>	<u>11,088,332</u>
Deferred Inflows of Resources						
Property Taxes	1,510,386	1,076,169	0	0	1,510,386	1,076,169
Net Position						
Net Investment in						
Capital Assets	26,751,490	27,886,020	13,880,043	12,848,459	40,631,533	40,734,479
Restricted:						
Capital Projects	84,680	791,699	0	0	84,680	791,699
Street Construction,						
Maintenance and Repair	575,566	347,209	0	0	575,566	347,209
Police and Fire Operations	270,622	220,558	0	0	270,622	220,558
Drug and Alcohol						
Enforcement	69,654	62,277	0	0	69,654	62,277
Cemetery Operations	52,533	45,156	0	0	52,533	45,156
Economic Development	0	72,220	0	0	0	72,220
Other Purposes	72,817	197,930	0	0	72,817	197,930
Unrestricted	2,101,712	1,288,417	1,580,056	1,452,234	3,681,768	2,740,651
<i>Total Net Position</i>	<u>\$29,979,074</u>	<u>\$30,911,486</u>	<u>\$15,460,099</u>	<u>\$14,300,693</u>	<u>\$45,439,173</u>	<u>\$45,212,179</u>

As noted earlier, the net position may serve over time as a useful indicator of a government's financial position. The largest portion of the City's net position reflects investments in capital assets (e.g. land, construction in progress, buildings, improvements, machinery and equipment, vehicles, and infrastructure), less any related debt to purchase or construct those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these are assets that are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Debt service on the debt issued to acquire assets in the governmental activities is paid from income tax, property tax, gas tax, interest income, fees, licenses, permits and other various revenue sources. In the business-type activities, user fees are the primary revenue source for the repayment of debt.

Total governmental assets decreased by \$1,111,240 from 2012 to 2013, and total governmental liabilities decreased by \$613,045. The most significant increases in assets were \$431,344 in property tax receivable and \$108,216 in equity in pooled cash and cash equivalents, while the most significant decrease was \$776,172 in

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depreciable capital assets and \$704,596 in non-depreciable capital assets. Business-type activities saw an increase in net position from \$14,300,693 in 2012 to \$15,460,099 in 2013, which is an increase of \$1,159,406. Assets in the business-type activities had an increase of \$1,739,191 when compared with 2012, primarily due to an increase in non-depreciable assets. Operating revenues increased by \$73,053 or 1.6 percent from 2012, while operating expenses remained nearly the same as last year. This is largely due to management's efforts to control costs. Therefore, at the end of the current year, the City of Conneaut is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities

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

(Table 2)
Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues						
<i>Program Revenues</i>						
Charges for Services and Assessments	\$1,249,275	\$1,062,500	\$4,464,276	\$4,373,440	\$5,713,551	\$5,435,940
Operating Grants and Contributions	710,237	808,430	0	0	710,237	808,430
Capital Grants	180,435	580,400	545,088	299,629	725,523	880,029
<i>Total Program Revenues</i>	<u>2,139,947</u>	<u>2,451,330</u>	<u>5,009,364</u>	<u>4,673,069</u>	<u>7,149,311</u>	<u>7,124,399</u>
<i>General Revenues</i>						
Property Taxes	1,152,460	987,696	0	0	1,152,460	987,696
Municipal Income Taxes	2,924,384	3,107,655	0	0	2,924,384	3,107,655
Hotel Taxes	20,655	20,477	0	0	20,655	20,477
Grants and Entitlements not						
Restricted to Specific Programs	658,227	480,529	0	0	658,227	480,529
Franchise Taxes	145,370	145,880	0	0	145,370	145,880
Unrestricted Contributions	23,085	22,173	0	0	23,085	22,173
Investment Earnings	5,101	3,716	0	0	5,101	3,716
Miscellaneous	141,150	77,092	40,804	58,587	181,954	135,679
<i>Total General Revenues</i>	<u>5,070,432</u>	<u>4,845,218</u>	<u>40,804</u>	<u>58,587</u>	<u>5,111,236</u>	<u>4,903,805</u>
<i>Total Revenues</i>	<u>\$7,210,379</u>	<u>\$7,296,548</u>	<u>\$5,050,168</u>	<u>\$4,731,656</u>	<u>\$12,260,547</u>	<u>\$12,028,204</u>

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	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Program Expenses						
General Government	\$1,228,286	\$1,184,781	\$0	\$0	(\$1,228,286)	(\$1,184,781)
Security of Persons and Property	3,275,647	3,061,292	0	0	(3,275,647)	(3,061,292)
Public Health Services	177,336	190,035	0	0	(177,336)	(190,035)
Leisure Time Activities	124,444	125,943	0	0	(124,444)	(125,943)
Community Development	463,946	376,556	0	0	(463,946)	(376,556)
Basic Utility Services	157,911	141,999	0	0	(157,911)	(141,999)
Transportation	2,492,999	1,812,092	0	0	(2,492,999)	(1,812,092)
Interest and Fiscal Charges	84,250	80,138	0	0	(84,250)	(80,138)
Water	0	0	1,959,425	2,069,126	(1,959,425)	(2,069,126)
Sewer	0	0	2,069,309	1,926,287	(2,069,309)	(1,926,287)
<i>Total Program Expenses</i>	<u>8,004,819</u>	<u>6,972,836</u>	<u>4,028,734</u>	<u>3,995,413</u>	<u>(12,033,553)</u>	<u>(10,968,249)</u>
<i>Increase (Decrease) in Net Position</i>	(794,440)	323,712	1,021,434	736,243	226,994	1,059,955
Transfers	(137,972)	(437,482)	137,972	437,482	0	0
<i>Change in Net Position</i>	(932,412)	(113,770)	1,159,406	1,173,725	226,994	1,059,955
<i>Net Position Beginning of Year</i>	<u>30,911,486</u>	<u>31,025,256</u>	<u>14,300,693</u>	<u>13,126,968</u>	<u>45,212,179</u>	<u>44,152,224</u>
<i>Net Position End of Year</i>	<u>\$29,979,074</u>	<u>\$30,911,486</u>	<u>\$15,460,099</u>	<u>\$14,300,693</u>	<u>\$45,439,173</u>	<u>\$45,212,179</u>

Governmental Activities

The City's net position in governmental activities decreased by \$932,412 for a net position total of \$29,979,074 in 2013. Total revenues decreased by \$86,169 or 1.2 percent, but total expenses increased by an even larger amount of \$1,031,983, with the most significant increases occurring in transportation and security of persons and property activities. Funding for governmental activities is derived from many sources, the largest of which is the City's municipal income tax, representing almost half of the general fund revenue budget. Effective January 1, 2013, the City's income tax rate decreased by .15 percent to 1.65 percent, down from 1.80 percent in 2012. This .15 percent decrease was due to the expiration of a seven year income tax levy designated for street maintenance and repair. Total income tax collections were \$2,924,384 for 2013, a decrease of \$183,271 from 2012. Part of this reduction is attributed to the elimination of the street improvement levy. The revenue collected from the 1.65 percent income tax was recorded into the general fund, street construction maintenance and repair, capital improvement, street lighting and recreation funds.

The largest program function for the City is security of persons and property, which includes expenses of the police and fire departments. In 2013, the City spent \$3,275,647 on police and fire protection. The police department employs sixteen officers and four full-time dispatchers. The fire department has ten full-time positions. There are two fire stations within the City, one staffed by the full-time firefighters, while the other station is staffed by part-time or volunteer personnel. The City also operates its own ambulance service with full-time employees. During 2013, there was an increase in expenses of \$214,355 for the police and fire departments or a 7 percent increase from 2012. The increase was attributable to an increase in police overtime as well as an increase in ambulance calls.

The City's Public Works Department (transportation) has twelve employees, including one mechanic, eight equipment operators, two managers, and one full-time administrative assistant. In 2013, they spent \$2,492,999 in transportation activities. The public works department is responsible for maintaining 565 lane miles of roads, including the paving of local streets, as well as snow plowing, storm sewer and ditch

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maintenance, tree trimming/removal, park and cemetery maintenance, litter pick up, recycling programs and various other duties. A capital improvement plan has been developed to address aging vehicles and equipment.

Business-Type Activities

The City operates two business-type activities: the water and sewer treatment facilities. Net position increased in business-type activities by \$1,159,406 to \$15,460,099. Total revenues increased by \$318,512 or 6.73 percent, and total program expenses increased slightly by \$33,321 or less than 1 percent. The major revenue sources for these activities are charges for services. The water plant provides water to approximately 4,900 customers. Approximately forty million gallons of water and ninety-seven million gallons of wastewater are processed each month.

The City's Funds

A review of the City's governmental funds provides information on near-term flows and balances of expendable resources and serves as a useful measure of a government's net resources. In particular, unassigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the year. Information about the City's governmental funds begins on page 18. These funds are accounted for using the modified accrual method of accounting.

The City's major governmental funds are the general fund, street construction, maintenance and repair special revenue fund and the special assessment bond retirement debt service fund. All governmental funds had total revenues of \$7,282,753 and total expenditures of \$7,157,308, resulting in revenues over expenditures by \$125,445. The most significant change in revenues was a decrease in intergovernmental revenue of \$610,890, while the most significant changes in expenditures were decreases of \$828,454 in capital outlay and \$188,664 in principal retirement. During 2013, there was an increase in general fund revenues of \$121,830, with revenues exceeding expenditures by \$329,431, adding to the general fund cash carryover of \$1,590,826. Expenditures exceeded revenues in the street construction, maintenance and repair fund and special assessment bond retirement fund due to increased paving projects completed, equipment acquisition and principal payments made during the year. The City's funds are monitored consistently with adjustments made throughout the year in budgets to accommodate yearly revenues.

Information about the proprietary funds starts on page 24. These funds are accounted for on an accrual basis.

Business type funds had GAAP operating revenues of \$4,505,080 and operating expenses of \$3,836,070, generating an operating income of \$669,010. Operating revenues increased by \$73,053 or 1.65 percent, and operating expenses increased modestly \$7,989. The City consistently reviews these funds, and if necessary, rate adjustments are made to ensure strength in our enterprise funds.

General Fund Budgeting Highlights

The general fund is the City's largest and most versatile operating fund. It funds the police and fire departments, and all of the administrative departments, as well as the municipal court, the health department, and general services. Furthermore, it assists other funds, primarily the street department, with cash transfers when necessary. Budgeting is prescribed by the Ohio Revised Code. The City's budgeted appropriations are restricted by the amounts of anticipated revenues certified by the Budget Commission in accordance with the Ohio Revised Code. General fund revenues and expenses are monitored on a monthly basis to ensure that overspending does not occur, and budget adjustments are proposed generally on a quarterly basis or more often if necessary. All changes in appropriation line items, no matter how small, must be authorized by City Council and by ordinance.

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In 2013, the general fund's original revenue budget and the final revenue budget estimates were unchanged at \$3,825,036, while actual revenues were higher at \$4,118,005 or a \$292,969 positive variance. A large part of the difference was made from more than anticipated municipal income tax and real estate tax collections. The general fund's original appropriation budget was \$4,146,300, and the final appropriation budget was \$4,278,035. Actual expenditures were substantially less than final budgeted appropriations with a positive variance of \$370,164. This difference is made from the City becoming more conservative in spending due to the current economic conditions that entities are facing State-wide. The combination of increased revenues and decreased expenses helped create a larger unencumbered general fund carryover. On a cash basis, the actual net change in fund balance increased by \$164,638, for an ending fund balance of \$1,282,087.

Capital Assets and Debt Administration

Capital Assets

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

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$554,972	\$554,972	\$6,880	\$6,880	\$561,852	\$561,852
Construction in Progress	17,299	721,895	1,601,788	155,705	1,619,087	877,600
Buildings and Improvements	282,975	332,119	123,012	134,458	405,987	466,577
Equipment	1,115,547	583,848	3,194,065	3,255,643	4,309,612	3,839,491
Vehicles	318,683	299,627	413,442	441,466	732,125	741,093
Furniture and Fixtures	0	0	0	0	0	0
Infrastructure						
Traffic Signals	202,523	209,361	0	0	202,523	209,361
Roads	12,263,264	13,252,301	0	0	12,263,264	13,252,301
Bridges	11,954,829	12,220,001	0	0	11,954,829	12,220,001
Storm Sewers	1,207,374	1,224,110	0	0	1,207,374	1,224,110
Water and Sewer Lines	0	0	14,836,154	14,715,022	14,836,154	14,715,022
Total	\$27,917,466	\$29,398,234	\$20,175,341	\$18,709,174	\$48,092,807	\$48,107,408

The largest increase in governmental capital assets were lighting upgrades to City buildings and a new boiler and cooling tower improvements at City Hall at a cost of \$594,449. Three new police vehicles were purchased for \$89,103. Governmental asset acquisitions less completed construction in progress totaled \$60,379. However, these additions were offset by another year of depreciation.

The largest increase in business-type capital assets was the completion of the Chestnut Street Aerial Sewer which cost \$425,681. Energy upgrade improvements were made to the water and wastewater facilities at a cost of \$137,180. The water distribution department also purchased a new box truck at a cost of \$41,153. The water department continued to replace old fire hydrants throughout the City, purchasing eleven hydrants at a cost of \$24,825. Construction in progress totaled \$1,601,788, the majority of which is attributable to the construction of the new Creek Road Water Tank and the Water Treatment Improvement Project. The City continues to work on major capital projects in the business type funds.

For additional information regarding the City's capital assets, see Note 10 to the basic financial statements.

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Long-term Obligations

The City's long-term obligations are comprised of general obligation bonds, OPWC and OWDA loans, notes payable, loans payable, capital leases and compensated absences.

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

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
General Obligation Bonds	\$967,749	\$1,105,175	\$452,075	\$525,615	\$1,419,824	\$1,630,790
OWDA Loans	485,908	622,506	4,207,834	3,582,226	4,693,742	4,204,732
OPWC Loans	32,071	34,008	550,350	383,167	582,421	417,175
Notes Payable	15,000	73,000	135,000	160,000	150,000	233,000
Loans Payable	922,072	1,026,597	867,539	1,099,707	1,789,611	2,126,304
Capital Leases	59,725	18,969	0	0	59,725	18,969
Compensated Absences	694,858	698,612	337,888	314,615	1,032,746	1,013,227
Total	\$3,177,383	\$3,578,867	\$6,550,686	\$6,065,330	\$9,728,069	\$9,644,197

Total debt in governmental activities decreased by \$401,484, while business-type activities had an increase of \$485,356. Debt service began on several new debt issues for the Industrial Park Infrastructure, the Lake Erie Sanitary Sewer, the Aerial Sewer Bridge, and the Creek Road Storage and Water Tanks. All of the debt service for these new issues are being paid from water and/or sewer fees. In total, there are thirteen OPWC and eight OWDA loans, the majority of which are being funded by special assessments and water and sewer user fees.

Two major debt issues in the Wastewater fund were paid off in 2013. One was a 1971 OWDA loan for \$1,797,200 and the other was a 1987 OWDA loan for \$557,110. Debt service on these two loans were over \$107,000 per year.

The three general obligation bonds outstanding at the end of the year were the Library, Energy Conservation Improvement and the Water Phase III Improvement. The Library and Water Phase III bonds will be paid off in December 2018 and the Energy Conservation Bond will be paid in full in 2022. All of the interest and principal on the Library Bond is paid from the debt retirement fund, with funding provided by real estate taxes. The Water III bond is paid from water user fees but the Energy Conservation Bond is paid from various funds.

Special assessment loans consist of various sewer projects. The debt service on these loans is paid from real estate tax assessments on those property owners who benefited from the improvements. These funds are deposited into the special assessment debt retirement fund. In 2013, the OWDA special assessment loan for Gateway Sewer Phase 1 was paid in full.

The City has entered into a capital loan obligation with OWDA and OPWC for the Harbor Street Infrastructure Project. Although no draws have been made, total loan proceeds are projected to be approximately \$320,000 from OWDA and \$50,000 from OPWC. The loan payments will be paid from the water and sewer fund user fees.

For more information about the City's long-term obligations, see Note 14 to the basic financial statements.

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Current Financial Issues

Health insurance rates increased approximately 16.1 percent over the prior year, and approximately twenty-four percent over a two year period. Funding these increases will continue to be a financial challenge, as the rate at which medical coverage continues to grow is faster than both the rate of inflation and the City's revenue growth. Although this increase was considered modest in comparison with other communities and nationwide averages, it is cause for concern. The cost of this plan for the City's 84 full-time employees is around \$1,135,000 per year. Three of the City's unions have agreed that each of their members will pay 7.5 percent of the health insurance premium to help offset the increased cost to the City, while one union remains at a 5 percent contribution. Health care contributions by employees total approximately \$64,000 annually.

All four of the City's unions' negotiated three-year contracts expired on December 31, 2012 and in 2013 the City was in negotiations with each union for the period of January 1, 2013 to December 31, 2015. Two of the unions reached an agreement on wage freezes for years 2013 and 2014, with reopeners in 2015. Another union was still in the process of negotiation as of December 31, 2013. A settlement could not be reached with the fourth union, the FOP, and the City entered into fact finding and then conciliation. The FOP prevailed in conciliation and was awarded a 4 percent increase for 2013, a 3.5 percent increase for 2014, and a 3 percent increase for 2015, and furthermore the police sergeants received a 4 percent increase in addition to the 4 percent increase received by all officers in 2013. The estimated annual cost, with benefits, of the proposed increase from the 2012 base year was \$48,230 in 2013, and will be \$83,914 in 2014 and \$115,570 in 2015, for a total cumulative cost of \$247,714 over a three year period. The majority of the financial impact of the conciliator's award will be absorbed by the general fund. The City's ability to fund these increases without layoffs will depend upon the strength of our local economic tax base and our ability to contain other costs.

In the business-type funds, water and sewer user charges were down by \$17,896 or 0.83 percent and \$32,567 or 1.41 percent, respectively, when compared with 2012. This was on a cash basis. Water consumption decreased by 10 million gallons, which contributed to the decline, despite a 3 percent increase in water rates and 2 percent increase in sewer rates in 2013. The replacement of water meters City-wide in 2012, both commercial and residential, has had a negligible effect on water and sewer revenues. Another rate increase for both water and sewer will be implemented in 2014.

One of the most critical financial issues for the City remains the reduction of the local government funds provided by the State of Ohio. These funds have accounted for 15 percent of the City's general fund revenues, generating between \$600,000 - \$700,000 annually over the past decade. As a result, the City experienced a decrease in local government revenue of \$280,197 from years 2011 to 2013. When all of the reductions are implemented, the City's local government revenue will be reduced from \$615,000 to \$300,000 per year. Although the City collected \$68,512 in inheritance taxes in 2013, the State of Ohio eliminated this revenue source as well. This will reduce general fund revenue by approximately \$100,000 - \$150,000 annually. Taken together, these reductions in intergovernmental revenue could reduce general fund revenue by ten percent or about \$460,000 per year.

Delinquent income tax payers continue to plague the City's budget. Even though the City continues to be very aggressive in pursuing delinquent income taxpayers, there is a substantial amount of delinquent income tax due to the City for various tax years. As of December 31, 2013, there were over 1,128 delinquent income tax accounts, and 551 accounts were in collection. This represents \$770,735 in delinquent income tax, including interest and penalties, due the City. The income tax department utilizes a variety of methods to collect delinquent income taxes, including in house collection, the City's municipal court and an outside collection agency. The number of income tax accounts sent to collection has risen from 199 in 2007 to 551 in 2013, an increase of 352 or 177 percent. Revenues from accounts sent to collections average \$3,200 per month.

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

In 2013, the general fund ended the year with a fund balance of \$1,590,826 on a GAAP basis and of this amount, \$1,164,537 was unassigned. This increase was due in part to a recovery in income tax and property tax revenue, however, efforts by the City Administration and City Council to implement numerous cost savings measures, including staff reductions, changes to health care benefits, and restructuring of departments have had a more positive impact on the general fund budget. There continues to be a concerted effort by the City Manager and staff to curtail spending wherever possible without compromising City services. Since 2008, fund balances have been improving, but in order to add to, or at least maintain, the fund balance, the City must remain diligent in exploring new ways to improve efficiency, cut costs and increase revenue, if possible.

Contacting the City's Finance Department

This report is designed to provide the reader with a broad overview of the City's financial position, as well as a general understanding of the financial operations of the City. If you have any questions about this report or need any additional financial information, please contact John Williams, J.D., CPA, Finance Director, 294 Main Street, Conneaut, Ohio 44030, telephone 440-593-7416, or e-mail at connfinance@suite224.net.

City of Conneaut, Ohio
Statement of Net Position
December 31, 2013

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Conneaut Port Authority
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,575,949	\$1,449,329	\$4,025,278	\$67,998
Accounts Receivable	201,525	592,514	794,039	2,630
Internal Balances	(23,132)	23,132	0	0
Intergovernmental Receivable	644,857	0	644,857	55,770
Prepaid Items	0	0	0	10,455
Materials and Supplies Inventory	73,801	187,382	261,183	7,230
Property Taxes Receivable	1,717,569	0	1,717,569	0
Municipal Income Taxes Receivable	953,546	0	953,546	0
Hotel Taxes Receivable	3,454	0	3,454	0
Special Assessments Receivable	1,237,463	34,435	1,271,898	0
Loans Receivable from Component Unit	240,000	0	240,000	0
Nondepreciable Capital Assets	572,271	1,608,668	2,180,939	124,529
Depreciable Capital Assets, Net	27,345,195	18,566,673	45,911,868	1,430,951
<i>Total Assets</i>	<u>35,542,498</u>	<u>22,462,133</u>	<u>58,004,631</u>	<u>1,699,563</u>
Liabilities				
Accounts Payable	81,757	104,537	186,294	1,600
Contracts Payable	67,514	58,636	126,150	0
Accrued Wages	156,055	69,080	225,135	7,753
Intergovernmental Payable	180,358	65,852	246,210	0
Accrued Interest Payable	17,451	63,430	80,881	701
Matured Compensated Absences Payable	7,020	7,313	14,333	0
Notes Payable	365,500	82,500	448,000	0
Due to Primary Government	0	0	0	240,000
Deferred Income	0	0	0	90,790
Deposits on Future Revenue	0	0	0	2,380
Long-Term Liabilities:				
Due Within One Year	556,846	676,122	1,232,968	0
Due In More Than One Year	2,620,537	5,874,564	8,495,101	59,940
<i>Total Liabilities</i>	<u>4,053,038</u>	<u>7,002,034</u>	<u>11,055,072</u>	<u>403,164</u>
Deferred Inflows of Resources				
Property Taxes	1,510,386	0	1,510,386	0
Net Position				
Net Investment in Capital Assets	26,751,490	13,880,043	40,631,533	1,315,480
Restricted for:				
Capital Projects	84,680	0	84,680	0
Street Construction, Maintenance and Repair	575,566	0	575,566	0
Police and Fire Operations	270,622	0	270,622	0
Drug and Alcohol Enforcement	69,654	0	69,654	0
Cemetery Operations	52,533	0	52,533	0
Other Purposes	72,817	0	72,817	0
Unrestricted (Deficit)	2,101,712	1,580,056	3,681,768	(19,081)
<i>Total Net Position</i>	<u>\$29,979,074</u>	<u>\$15,460,099</u>	<u>\$45,439,173</u>	<u>\$1,296,399</u>

See accompanying notes to the basic financial statements

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

	Program Revenues			
	Expenses	Charges for Services and Assessments	Operating Grants and Contributions	Capital Grants
Governmental Activities:				
General Government	\$1,228,286	\$342,133	\$0	\$55,455
Security of Persons and Property	3,275,647	495,024	126,853	3,800
Public Health Services	177,336	41,973	0	0
Leisure Time Activities	124,444	43,477	3,600	0
Community Development	463,946	65,248	272,528	6,000
Basic Utility Services	157,911	123,056	0	0
Transportation	2,492,999	138,364	307,256	115,180
Interest and Fiscal Charges	84,250	0	0	0
<i>Total Governmental Activities</i>	<u>8,004,819</u>	<u>1,249,275</u>	<u>710,237</u>	<u>180,435</u>
Business-Type Activities:				
Water	1,959,425	2,164,625	0	411,285
Sewer	2,069,309	2,299,651	0	133,803
<i>Total Business-Type Activities</i>	<u>4,028,734</u>	<u>4,464,276</u>	<u>0</u>	<u>545,088</u>
<i>Total - Primary Government</i>	<u>\$12,033,553</u>	<u>\$5,713,551</u>	<u>\$710,237</u>	<u>\$725,523</u>
Component Unit				
Conneaut Port Authority	<u>\$643,800</u>	<u>\$428,247</u>	<u>\$119,904</u>	<u>\$0</u>

General Revenues

Property Taxes Levied for:

General Purposes

Debt Service

Other Purposes

Municipal Income Taxes Levied for:

General Purposes

Capital Outlay

Street Construction, Maintenance and Repair

Other Purposes

Hotel Taxes

Grants and Entitlements not Restricted to Specific Programs

Franchise Taxes

Unrestricted Contributions

Investment Earnings

Gain on Sale of Capital Assets

Miscellaneous

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Unit
(\$830,698)	\$0	(\$830,698)	\$0
(2,649,970)	0	(2,649,970)	0
(135,363)	0	(135,363)	0
(77,367)	0	(77,367)	0
(120,170)	0	(120,170)	0
(34,855)	0	(34,855)	0
(1,932,199)	0	(1,932,199)	0
(84,250)	0	(84,250)	0
<u>(5,864,872)</u>	<u>0</u>	<u>(5,864,872)</u>	<u>0</u>
0	616,485	616,485	0
0	364,145	364,145	0
<u>0</u>	<u>980,630</u>	<u>980,630</u>	<u>0</u>
<u>(5,864,872)</u>	<u>980,630</u>	<u>(4,884,242)</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>(95,649)</u>
357,968	0	357,968	0
99,499	0	99,499	0
694,993	0	694,993	0
2,305,411	0	2,305,411	0
42,449	0	42,449	0
521,201	0	521,201	0
55,323	0	55,323	0
20,655	0	20,655	0
658,227	0	658,227	0
145,370	0	145,370	0
23,085	0	23,085	0
5,101	0	5,101	0
0	0	0	180
<u>141,150</u>	<u>40,804</u>	<u>181,954</u>	<u>15,995</u>
5,070,432	40,804	5,111,236	16,175
<u>(137,972)</u>	<u>137,972</u>	<u>0</u>	<u>0</u>
<u>4,932,460</u>	<u>178,776</u>	<u>5,111,236</u>	<u>16,175</u>
(932,412)	1,159,406	226,994	(79,474)
<u>30,911,486</u>	<u>14,300,693</u>	<u>45,212,179</u>	<u>1,375,873</u>
<u>\$29,979,074</u>	<u>\$15,460,099</u>	<u>\$45,439,173</u>	<u>\$1,296,399</u>

City of Conneaut, Ohio

Balance Sheet

Governmental Funds

December 31, 2013

	General	Street Construction, Maintenance and Repair	Special Assessment Bond Retirement
Assets			
Equity in Pooled Cash and			
Cash Equivalents	\$1,318,369	\$154,012	\$0
Materials and Supplies Inventory	22,078	51,723	0
Accounts Receivable	193,769	0	0
Intergovernmental Receivable	199,226	210,721	0
Municipal Income Taxes Receivable	750,793	169,697	0
Hotel Taxes Receivable	3,454	0	0
Property Taxes Receivable	404,871	0	0
Loans Receivable from Component Unit	0	0	0
Interfund Receivable	26,881	0	0
Special Assessments Receivable	471,644	168,468	597,351
Restricted Assets:			
Equity in Pooled Cash and			
Cash Equivalents	21,061	0	0
Total Assets	\$3,412,146	\$754,621	\$597,351
Liabilities			
Accounts Payable	\$19,311	\$28,836	\$0
Contracts Payable	5,987	0	0
Accrued Wages	127,191	26,953	0
Intergovernmental Payable	115,945	25,662	0
Interfund Payable	0	0	23,132
Matured Compensated Absences Payable	7,020	0	0
Accrued Interest Payable	507	308	0
Notes Payable	70,000	55,500	0
Total Liabilities	345,961	137,259	23,132
Deferred Inflows of Resources			
Property Taxes	340,562	0	0
Unavailable Revenue	1,134,797	380,990	597,351
Total Deferred Inflows of Resources	1,475,359	380,990	597,351
Fund Balances			
Nonspendable	43,139	51,723	0
Restricted	0	184,649	0
Committed	0	0	0
Assigned	383,150	0	0
Unassigned (Deficit)	1,164,537	0	(23,132)
Total Fund Balances (Deficit)	1,590,826	236,372	(23,132)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$3,412,146	\$754,621	\$597,351

See accompanying notes to the basic financial statements

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

Other Governmental Funds	Total Governmental Funds		
		Total Governmental Funds Balances	\$2,774,999
		<i>Amounts reported for governmental activities in the statement of net position are different because</i>	
\$1,082,507	\$2,554,888	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	27,917,466
0	73,801		
7,756	201,525		
234,910	644,857		
33,056	953,546		
0	3,454		
1,312,698	1,717,569	Other long-term assets are not available to pay for current period expenditures and therefore are reported as unavailable in the funds.	
240,000	240,000	Delinquent Property Taxes	207,183
0	26,881	Municipal Income Taxes	403,677
0	1,237,463	Intergovernmental	488,759
		Special Assessments	1,237,463
		Franchise Taxes	16,500
		Charges for Services	126,686
0	21,061	Total	2,480,268
\$2,910,927	\$7,675,045		
\$33,610	\$81,757	In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(16,276)
61,527	67,514		
1,911	156,055	Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
38,751	180,358	General Obligation Bonds	(967,749)
26,881	50,013	OWDA Loans Payable	(485,908)
0	7,020	Loans Payable	(922,072)
360	1,175	OPWC Loans Payable	(32,071)
240,000	365,500	Notes Payable	(15,000)
		Capital Leases Payable	(59,725)
		Compensated Absences	(694,858)
403,040	909,392	Total	(3,177,383)
1,169,824	1,510,386	<i>Net Position of Governmental Activities</i>	<i>\$29,979,074</i>
367,130	2,480,268		
1,536,954	3,990,654		
0	94,862		
1,024,411	1,209,060		
38,707	38,707		
0	383,150		
(92,185)	1,049,220		
970,933	2,774,999		
\$2,910,927	\$7,675,045		

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

	General	Street Construction, Maintenance and Repair	Special Assessment Bond Retirement
Revenues			
Property Taxes	\$358,020	\$0	\$0
Municipal Income Taxes	2,284,369	516,411	0
Hotel Taxes	20,655	0	0
Special Assessments	0	8,621	134,038
Intergovernmental	452,937	364,691	0
Fees, Licenses and Permits	514,576	94,470	0
Fines and Forfeitures	201,974	0	0
Rentals	30,436	0	0
Charges for Services	28,528	0	0
Contributions and Donations	23,085	0	0
Interest	4,918	29	0
Franchise Taxes	128,870	0	0
Other	70,380	59,306	0
<i>Total Revenues</i>	<u>4,118,748</u>	<u>1,043,528</u>	<u>134,038</u>
Expenditures			
Current:			
General Government	1,124,387	0	4,805
Security of Persons and Property	2,304,124	0	0
Public Health Services	172,451	0	0
Leisure Time Activities	51,159	0	0
Community Development	48,084	0	0
Basic Utility Services	0	0	0
Transportation	0	926,049	0
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	64,109	147,213	136,598
Principal Retirement - Current Refunding	0	7,500	0
Interest and Fiscal Charges	25,003	15,863	22,545
<i>Total Expenditures</i>	<u>3,789,317</u>	<u>1,096,625</u>	<u>163,948</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>329,431</u>	<u>(53,097)</u>	<u>(29,910)</u>
Other Financing Sources (Uses)			
General Obligation Notes Issued	0	15,000	0
Proceeds of Capital Lease	88,485	0	0
Current Refunding	0	(15,000)	0
Transfers In	0	99,208	0
Transfers Out	(177,100)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(88,615)</u>	<u>99,208</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	240,816	46,111	(29,910)
<i>Fund Balances Beginning of Year</i>	<u>1,350,010</u>	<u>190,261</u>	<u>6,778</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$1,590,826</u>	<u>\$236,372</u>	<u>(\$23,132)</u>

See accompanying notes to the basic financial statements

City of Conneaut, Ohio

*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2013*

Other Governmental Funds	Total Governmental Funds		
		Net Change in Fund Balances - Total Governmental Funds	\$213,138
		<i>Amounts reported for governmental activities in the statement of activities are different because</i>	
\$797,313	\$1,155,333	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 depreciation exceeded capital outlay in the current period.	
131,092	2,931,872	Capital Outlay	60,379
0	20,655	Depreciation	<u>(1,541,147)</u>
0	142,659		
716,968	1,534,596	Total	(1,480,768)
146,641	755,687	Revenue in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	
119,032	321,006	Delinquent Property Taxes	(2,873)
28,225	58,661	Municipal Income Taxes	(7,488)
34,750	63,278	Intergovernmental	13,503
800	23,885	Special Assessments	(102,267)
154	5,101	Franchise Taxes	16,500
0	128,870	Charges for Services	<u>10,251</u>
11,464	141,150		
1,986,439	7,282,753	Total	(72,374)
3,049	1,132,241	Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.	
807,465	3,111,589	General Obligation Bonds Payable	137,426
0	172,451	OWDA Loans Payable	136,598
49,599	100,758	Loans Payable	104,525
405,465	453,549	OPWC Loans Payable	1,937
155,068	155,068	Notes Payable	73,000
188,860	1,114,909	Capital Leases Payable	<u>47,729</u>
340,170	340,170		
130,795	478,715	Total	501,215
0	7,500	Accrued interest is reported as an expenditure when due in the governmental funds, but is accrued on outstanding debt on the statement of net position.	
26,947	90,358		6,108
2,107,418	7,157,308	Compensated absences reported in the statement of activities do not require the the use of current financial resources and therefore are not reported as expenditures in governmental funds.	3,754
(120,979)	125,445	Other financing sources in the governmental funds that increase long-term liabilities in the statement of net position are not reported as revenues in the statement of activities.	
0	15,000	General Obligation Notes Issued	(15,000)
0	88,485	Proceeds of Capital Lease	<u>(88,485)</u>
0	(15,000)		
77,100	176,308	Total	(\$103,485)
0	(177,100)	<i>Change in Net Position of Governmental Activities</i>	<u><u>(\$932,412)</u></u>
77,100	87,693		
(43,879)	213,138		
1,014,812	2,561,861		
\$970,933	\$2,774,999		

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$336,500	\$336,500	\$358,020	\$21,520
Municipal Income Taxes	2,093,379	2,093,379	2,252,237	158,858
Hotel Taxes	18,000	18,000	17,201	(799)
Intergovernmental	450,300	450,300	492,200	41,900
Fees, Licenses and Permits	494,387	494,387	514,576	20,189
Fines and Forfeitures	186,050	186,050	201,020	14,970
Rentals	35,000	35,000	30,436	(4,564)
Charges for Services	23,300	23,300	25,185	1,885
Contributions and Donations	16,600	16,600	23,085	6,485
Interest	1,500	1,500	4,918	3,418
Franchise Taxes	139,000	139,000	128,849	(10,151)
Other	31,020	31,020	70,278	39,258
<i>Total Revenues</i>	3,825,036	3,825,036	4,118,005	292,969
Expenditures				
Current:				
General Government	1,241,648	1,257,384	1,128,282	129,102
Security of Persons and Property	2,401,536	2,516,872	2,310,082	206,790
Public Health Services	195,380	195,530	176,958	18,572
Leisure Time Activities	63,553	63,553	59,724	3,829
Community Development	54,874	54,873	43,417	11,456
Debt Service:				
Principal Retirement	164,110	164,110	164,109	1
Interest and Fiscal Charges	25,199	25,713	25,299	414
<i>Total Expenditures</i>	4,146,300	4,278,035	3,907,871	370,164
<i>Excess of Revenues Over (Under) Expenditures</i>	(321,264)	(452,999)	210,134	663,133
Other Financing Sources (Uses)				
Proceeds of Capital Lease	88,485	88,485	88,485	0
General Obligation Notes Issued	75,000	75,000	70,000	(5,000)
Advances Out	0	(26,881)	(26,881)	0
Transfers Out	(210,750)	(240,750)	(177,100)	63,650
<i>Total Other Financing Sources (Uses)</i>	(47,265)	(104,146)	(45,496)	58,650
<i>Net Change in Fund Balance</i>	(368,529)	(557,145)	164,638	721,783
<i>Fund Balance Beginning of Year</i>	974,645	974,645	974,645	0
Prior Year Encumbrances Appropriated	142,804	142,804	142,804	0
<i>Fund Balances End of Year</i>	\$748,920	\$560,304	\$1,282,087	\$721,783

See accompanying notes to the basic financial statements

City of Conneaut, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$472,910	\$472,910	\$509,102	\$36,192
Special Assessments	7,000	7,000	8,621	1,621
Intergovernmental	365,000	365,000	361,935	(3,065)
Fees, Licenses and Permits	97,500	97,500	94,470	(3,030)
Interest	300	300	29	(271)
Other	30,000	30,000	59,306	29,306
<i>Total Revenues</i>	972,710	972,710	1,033,463	60,753
Expenditures				
Current:				
Transportation	1,086,580	1,104,580	986,988	117,592
Debt Service:				
Principal Retirement	195,359	196,505	196,505	0
Interest and Fiscal Charges	16,982	16,985	15,868	1,117
<i>Total Expenditures</i>	1,298,921	1,318,070	1,199,361	118,709
<i>Excess of Revenues Under Expenditures</i>	(326,211)	(345,360)	(165,898)	179,462
Other Financing Sources				
General Obligation Notes Issued	73,000	73,000	70,500	(2,500)
Transfers In	170,000	170,000	100,000	(70,000)
<i>Total Other Financing Sources</i>	243,000	243,000	170,500	(72,500)
<i>Net Change in Fund Balance</i>	(83,211)	(102,360)	4,602	106,962
<i>Fund Balance Beginning of Year</i>	68,304	68,304	68,304	0
Prior Year Encumbrances Appropriated	38,390	38,390	38,390	0
<i>Fund Balance End of Year</i>	\$23,483	\$4,334	\$111,296	\$106,962

See accompanying notes to the basic financial statements

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

	Business-Type Activities		
	Water	Sewer	Total
Assets			
<i>Current Assets:</i>			
Equity in Pooled Cash and Cash Equivalents	\$719,486	\$729,843	\$1,449,329
Materials and Supplies Inventory	139,914	47,468	187,382
<i>Receivables:</i>			
Accounts	291,560	300,954	592,514
Special Assessments	4,815	419	5,234
Interfund Receivable	0	23,132	23,132
<i>Total Current Assets</i>	<u>1,155,775</u>	<u>1,101,816</u>	<u>2,257,591</u>
<i>Noncurrent Assets:</i>			
Special Assessment Receivable	19,203	9,998	29,201
<i>Capital Assets:</i>			
Nondepreciable Capital Assets	1,608,668	0	1,608,668
Depreciable Capital Assets, Net	7,375,172	11,191,501	18,566,673
<i>Total Noncurrent Assets</i>	<u>9,003,043</u>	<u>11,201,499</u>	<u>20,204,542</u>
<i>Total Assets</i>	<u>10,158,818</u>	<u>12,303,315</u>	<u>22,462,133</u>
Liabilities			
<i>Current Liabilities:</i>			
Accounts Payable	31,237	73,300	104,537
Contracts Payable	56,680	1,956	58,636
Accrued Wages	38,269	30,811	69,080
Intergovernmental Payable	33,969	31,883	65,852
Matured Compensated Absences Payable	7,313	0	7,313
Compensated Absences Payable	35,078	25,499	60,577
Accrued Interest Payable	6,023	57,407	63,430
General Obligation Bonds Payable	67,474	8,103	75,577
OPWC Loans Payable	31,518	6,752	38,270
OWDA Loans Payable	48,667	212,001	260,668
Notes Payable	0	82,500	82,500
Loans Payable	225,697	15,333	241,030
<i>Total Current Liabilities</i>	<u>581,925</u>	<u>545,545</u>	<u>1,127,470</u>
<i>Long-Term Liabilities (net of current portion):</i>			
Compensated Absences Payable	103,874	173,437	277,311
General Obligation Bonds Payable	306,951	69,547	376,498
OPWC Loans Payable	366,194	145,886	512,080
OWDA Loans Payable	875,209	3,071,957	3,947,166
Notes Payable	0	135,000	135,000
Loans Payable	549,841	76,668	626,509
<i>Total Long-Term Liabilities</i>	<u>2,202,069</u>	<u>3,672,495</u>	<u>5,874,564</u>
<i>Total Liabilities</i>	<u>2,783,994</u>	<u>4,218,040</u>	<u>7,002,034</u>
Net Position			
Net Investment in Capital Assets	6,512,289	7,367,754	13,880,043
Unrestricted	862,535	717,521	1,580,056
<i>Total Net Position</i>	<u>\$7,374,824</u>	<u>\$8,085,275</u>	<u>\$15,460,099</u>

See accompanying notes to the basic financial statements

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

	Business-Type Activities		
	Water	Sewer	Total
Operating Revenues			
Charges for Services	\$2,157,358	\$2,291,622	\$4,448,980
Tap-In Fees	252	6,842	7,094
Special Assessments	3,015	1,187	4,202
Rentals	4,000	0	4,000
Other	24,146	16,658	40,804
<i>Total Operating Revenues</i>	<u>2,188,771</u>	<u>2,316,309</u>	<u>4,505,080</u>
Operating Expenses			
Personal Services	1,131,910	877,671	2,009,581
Purchased Services	233,540	466,888	700,428
Materials and Supplies	173,975	200,764	374,739
Depreciation	352,026	393,473	745,499
Other	2,075	3,748	5,823
<i>Total Operating Expenses</i>	<u>1,893,526</u>	<u>1,942,544</u>	<u>3,836,070</u>
<i>Operating Income</i>	<u>295,245</u>	<u>373,765</u>	<u>669,010</u>
Non-Operating Income (Expenses)			
Capital Grants	411,285	133,803	545,088
Interest and Fiscal Charges	(65,899)	(126,765)	(192,664)
<i>Total Non-Operating Income (Expenses)</i>	<u>345,386</u>	<u>7,038</u>	<u>352,424</u>
<i>Income before Contributions and Transfers</i>	640,631	380,803	1,021,434
Capital Contributions	43,678	93,502	137,180
Transfers In	0	792	792
<i>Change in Net Position</i>	684,309	475,097	1,159,406
<i>Net Position Beginning of Year</i>	<u>6,690,515</u>	<u>7,610,178</u>	<u>14,300,693</u>
<i>Net Position End of Year</i>	<u><u>\$7,374,824</u></u>	<u><u>\$8,085,275</u></u>	<u><u>\$15,460,099</u></u>

See accompanying notes to the basic financial statements

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

	Business-Type Activities		
	Water	Sewer	Total
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities			
Cash Received from Customers	\$2,136,634	\$2,274,937	\$4,411,571
Cash Received from Tap-In Fees	252	6,842	7,094
Cash Received from Special Assessments	4,216	2,383	6,599
Cash Received from Rentals	4,000	0	4,000
Other Cash Receipts	24,146	16,658	40,804
Cash Payments to Employees for Services	(1,097,169)	(864,531)	(1,961,700)
Cash Payments for Goods and Services	(376,768)	(612,438)	(989,206)
Other Cash Payments	(2,075)	(3,748)	(5,823)
<i>Net Cash Provided by Operating Activities</i>	<u>693,236</u>	<u>820,103</u>	<u>1,513,339</u>
Cash Flows from Noncapital Financing Activities			
Advances Out	0	(23,132)	(23,132)
Transfers In	0	792	792
<i>Net Cash Used in Noncapital Financing Activities</i>	<u>0</u>	<u>(22,340)</u>	<u>(22,340)</u>
Cash Flows from Capital and Related Financing Activities			
Capital Contributions	454,963	227,305	682,268
General Obligation Notes Issued	0	217,500	217,500
OWDA Loans Issued	665,065	331,077	996,142
OPWC Loans Issued	150,000	50,000	200,000
Principal Paid on Loans	(216,835)	(15,333)	(232,168)
Interest Paid on Loans	(40,761)	(4,209)	(44,970)
Principal Paid on OWDA Loans	(46,886)	(323,648)	(370,534)
Interest Paid on OWDA Loans	(10,928)	(117,636)	(128,564)
Principal Paid on OPWC Loans	(27,768)	(5,049)	(32,817)
Principal Paid on General Obligation Bond	(65,561)	(7,979)	(73,540)
Interest Paid on General Obligation Bond	(13,384)	(2,964)	(16,348)
Principal Paid on Long-term Notes	0	(160,000)	(160,000)
Interest Paid on Long-term Notes	0	(2,973)	(2,973)
Principal Paid on Short-term Notes	0	(110,000)	(110,000)
Interest Paid on Short-term Notes	0	(1,038)	(1,038)
Payments for Capital Acquisitions	(1,656,679)	(554,987)	(2,211,666)
<i>Net Cash Used in Capital and Related Financing Activities</i>	<u>(808,774)</u>	<u>(479,934)</u>	<u>(1,288,708)</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalent</i>	(115,538)	317,829	202,291
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>835,024</u>	<u>412,014</u>	<u>1,247,038</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$719,486</u>	<u>\$729,843</u>	<u>\$1,449,329</u>

(continued)

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

	Business-Type Activities		
	Water	Sewer	Total
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating Income	\$295,245	\$373,765	\$669,010
Adjustments:			
Depreciation	352,026	393,473	745,499
(Increase) Decrease in Assets:			
Accounts Receivable	(20,724)	(16,685)	(37,409)
Special Assessments Receivable	1,201	1,196	2,397
Materials and Supplies Inventory	(9,726)	(2,863)	(12,589)
Increase (Decrease) in Liabilities:			
Accounts Payable	9,202	50,881	60,083
Contracts Payable	36,891	1,846	38,737
Accrued Wages	10,329	(3,343)	6,986
Compensated Absences Payable	12,094	18,492	30,586
Intergovernmental Payable	6,698	3,341	10,039
<i>Total Adjustments</i>	<u>397,991</u>	<u>446,338</u>	<u>844,329</u>
<i>Net Cash Provided by Operating Activities</i>	<u>\$693,236</u>	<u>\$820,103</u>	<u>\$1,513,339</u>

Non-Cash Capital Transactions

In 2013, governmental activities transferred capital assets to the Water and Sewer enterprise funds, in the amount of \$43,678 and \$93,502, respectively. These amounts are included in capital contributions.

See accompanying notes to the basic financial statements

City Of Conneaut, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Fund
December 31, 2013

Assets	
Equity in Pooled Cash and Cash Equivalents	\$65,975
Cash and Cash Equivalents in Segregated Accounts	<u>6,579</u>
<i>Total Assets</i>	<u><u>\$72,554</u></u>
 Liabilities	
Deposits Held and Due to Others	<u><u>\$72,554</u></u>

See accompanying notes to the basic financial statements

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

Note 1 – Description of the City and Reporting Entity

The City of Conneaut (the “City”) is a charter municipal corporation duly organized and existing under the constitution and laws of the State of Ohio. The City may exercise all powers of local self-government and police powers to the extent not in conflict with applicable general laws. The City was incorporated as a city in 1902. The City operates under its own charter and is governed by a City Manager-Council form of government with the Council appointing the City Manager, Finance Director and Clerk of Council. Members of Council are elected to four-year staggered terms.

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the 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 Conneaut, this includes the agencies and departments that provide the following services: police protection, firefighting and prevention, street maintenance and repairs, building inspection, parks and recreation, water and wastewater. 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 deficits of, or provide financial support to, the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt or the levying of taxes and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government.

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

Conneaut Port Authority The Conneaut Port Authority is a legally separate organization, statutorily created under Section 4582.02 of the Ohio Revised Code, served by a seven-member board of directors appointed by the City Manager. Charged with the responsibility of industrial development and the improvement of Conneaut's waterways, the Port Authority is empowered with the ability to carry out the actions they consider necessary to achieve these responsibilities. The voting majority of the Board of the Port Authority is appointed by the City. The Port Authority has the potential to impose a financial burden on the City in that the City issued debt on behalf of the Port Authority and is therefore presented as a component unit of the City. The Conneaut Port Authority operates on a year ending December 31. Information for the component unit is identified in Note 24. Statements for the Port Authority can be obtained from the Conneaut Port Authority, 1205 Broad Street, Conneaut, Ohio 44030.

The City is associated with the Ohio Municipal League Workers' Compensation Group Rating Plan, an insurance purchasing pool, the Conneaut Public Library, a related organization and the Northeast Ohio Public Energy Council (NOPEC), a jointly governed organization. These organizations are presented in Notes 11, 12 and 19 to the basic financial statements.

Information in the following notes to the basic financial statements is applicable to the primary government.

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

Note 2 – Summary of Significant Accounting Policies

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

Basis of Presentation

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

Government-wide Financial Statements The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

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

Fund Accounting

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

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

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

The following are the City's major governmental funds:

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

Street Construction, Maintenance and Repair Fund - The street construction, maintenance and repair special revenue fund accounts for and reports its portion of municipal income tax collections and the portion of the gasoline tax and motor vehicle registration fees restricted for maintenance and repair of dedicated streets within the City.

Special Assessment Bond Retirement Fund - The special assessment bond retirement fund is used to account for and report restricted special assessments collected for the payment of special assessment debt principal, interest and related costs.

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

Proprietary Funds Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service. The City has no internal service funds.

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

Water Fund The water fund accounts for and reports revenues generated from the charges for distribution of water to the residential and commercial users of the City.

Sewer Fund The sewer fund accounts for sewer services to City individuals and commercial users in the City. The costs of providing these services are financed primarily through user charges.

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

Measurement Focus

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

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance

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

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

Basis of Accounting

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

Revenues - Exchange and Nonexchange 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, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within sixty 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 year for which the taxes are levied (See Note 7). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the 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), fines and forfeitures, interest, grants and rentals.

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

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future

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

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

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.

Cash and Cash Equivalents

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

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

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

Interest earnings are allocated to City funds according to State statutes, City Charter, grant requirements, or debt related restrictions. Interest revenue credited to the general fund during 2013 amounted to \$4,918 which includes \$3,221 assigned from other City funds.

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

Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventory consists of expendable supplies held for consumption.

Restricted Assets

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

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

Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in the governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the enterprise funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective funds.

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

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	15 - 45 years
Equipment	3 - 10 years
Vehicles	5 - 20 years
Furniture and Fixtures	3 - 10 years
Infrastructure	25 - 40 years
Water and Sewer Lines	50 years

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

Compensated Absences

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

Sick leave benefits are accrued as a liability using the termination method. An accrual for sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the City's past experience of making termination payments. Accumulated unused sick leave is paid to employees who retire at various rates depending on City policy and length of service.

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

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

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

Accrued Liabilities and Long-Term Obligations

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

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

Fund Balance

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

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criteria includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

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

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

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

City of Conneaut, Ohio
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For The Year Ended December 31, 2013

Assigned Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by City Council. In the general fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance, or by State Statute. State Statute authorizes the finance director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. City Council assigned fund balance to cover a gap between estimated revenue and appropriations in 2014's appropriated budget.

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

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

Net Position

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

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

Operating Revenues and Expenses

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

Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from contributions of capital assets from the energy system improvements capital projects governmental fund and from outside contributions of resources restricted to capital acquisition and construction.

Interfund Activity

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

City of Conneaut, Ohio
Notes to the Basic Financial Statements
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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 non-operating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Estimates

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

Budgetary Process

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 object level within each department. Budgetary modifications may only be made by resolution of the City Council at the legal level of control.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. The amounts reported as the original and final budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original and final appropriations were enacted by Council.

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.

Note 3 - Budgetary Basis of Accounting

While 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 Balance - Budget (Non-GAAP Basis) and Actual presented for the general and street construction, maintenance and repair funds 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 the GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).

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

3. Encumbrances are treated as expenditures (budget) rather than as restricted, committed or assigned fund balance (GAAP).
4. Unreported cash represents amounts received but not included as revenue on the budgetary statements, but reported on the operating statements prepared using GAAP.
5. Proceeds from and principal payment on short-term note obligations are reported on the operating statement (budget) rather than on the balance sheet (GAAP).

The adjustments necessary to convert the results of operations for the year on the GAAP basis to the budget basis are as follows:

	Net Change in Fund Balances	
	General	Street Construction, Maintenance and Repair
	<u> </u>	<u> </u>
GAAP Basis	\$240,816	\$46,111
Net Adjustment for Revenue Accruals	(90,933)	31,227
Net Adjustment for Expenditures Accruals	100,706	151,485
Beginning Unrecorded Cash	(487)	0
Ending Unrecorded Cash	2,192	0
Advances Out	(26,881)	0
Proceeds of Capital Lease	88,485	0
Proceeds of Notes	70,000	15,000
Principal Retirement	(164,109)	(196,505)
Encumbrances	<u>(55,151)</u>	<u>(42,716)</u>
Budget Basis	<u><u>\$164,638</u></u>	<u><u>\$4,602</u></u>

Note 4 - Fund Balances

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

	General	Street Maintenance, Construction and Repair	Special Assessment Bond Retirement	Nonmajor Governmental Funds	Total
<u>Fund Balances</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Nonspendable</i>					
Unclaimed Monies	\$21,061	\$0	\$0	\$0	\$21,061
Inventory	<u>22,078</u>	<u>51,723</u>	<u>0</u>	<u>0</u>	<u>73,801</u>
<i>Total Nonspendable</i>	<u><u>\$43,139</u></u>	<u><u>\$51,723</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$94,862</u></u>

(continued)

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

Fund Balances	General	Street Maintenance, Construction and Repair	Special Assessment Bond Retirement	Nonmajor Governmental Funds	Total
<i>Restricted for</i>					
Road Improvements	\$0	\$184,649	\$0	\$204,577	\$389,226
Drug and Alcohol					
Alcohol Enforcement	0	0	0	69,654	69,654
Police and Fire					
Departments	0	0	0	133,730	133,730
Municipal Probation					
Services	0	0	0	100	100
Economic Development	0	0	0	8,608	8,608
Restaurant Inspection	0	0	0	7,790	7,790
Marina Improvements	0	0	0	6,751	6,751
Cemetery	0	0	0	52,533	52,533
Tree Commission	0	0	0	7	7
Debt Service Payments	0	0	0	201,824	201,824
Municipal Court					
Improvements	0	0	0	285,332	285,332
Industrial Park Improvements	0	0	0	751	751
Energy Improvements	0	0	0	52,754	52,754
<i>Total Restricted</i>	0	184,649	0	1,024,411	1,209,060
<i>Committed to</i>					
Recreation	0	0	0	26,062	26,062
Capital Improvements	0	0	0	12,645	12,645
<i>Total Committed</i>	0	0	0	38,707	38,707
<i>Assigned to</i>					
Purchases on Order	39,061	0	0	0	39,061
Year 2014 Appropriations	344,089	0	0	0	344,089
<i>Total Assigned</i>	383,150	0	0	0	383,150
<i>Unassigned (Deficit)</i>	1,164,537	0	(23,132)	(92,185)	1,049,220
<i>Total Fund Balances (Deficit)</i>	\$1,590,826	\$236,372	(\$23,132)	\$970,933	\$2,774,999

Note 5 - Fund Deficits

Fund balance at December 31, 2013, included the following individual fund deficits:

Fund	Amount
<i>Major Fund:</i>	
Special Assessment Bond Retirement	\$23,132
<i>Nonmajor Funds:</i>	
Moving Ohio Forward	471
Street Lighting	5,658
CHIPS	701
Police Pension	23,379
Fire Pension	11,937
Formula Grant	50,039

City of Conneaut, Ohio
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For The Year Ended December 31, 2013

The deficits were caused by the recognition of expenditures on the modified accrual basis of accounting which are substantially greater than expenditures recognized on the cash basis. The general fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur.

Note 6 - Deposits and Investments

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

Active deposits are public deposits 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 withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

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

Interim monies can 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 payment of principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 25 percent of the interim monies available for investment at any one time if training requirements have been met, and;

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

8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

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

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

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

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

Deposits

Custodial Credit Risk Custodial credit risk for deposits is the risk that, in the event of the failure of the counterparty, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$1,321,078 of the City's bank balance of \$3,073,692 was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

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

Investments

At December 31, 2013, the City had \$1,167,594 invested in STAR Ohio with an average maturity of 53.4 days.

Interest Rate Risk As a means of limiting its exposure to fair value losses caused by rising interest rates, the City's investment policy requires that operating funds be invested primarily in short-term investments maturing within two years from the date of purchase and that the City's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

City of Conneaut, Ohio
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For The Year Ended December 31, 2013

Credit Risk Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The City has no investment policy that addresses credit risk.

Note 7 - Receivables

Receivables at December 31, 2013, consisted primarily of municipal income taxes, property taxes, intergovernmental receivables arising from entitlements and shared revenues, special assessments, loans and accounts (billings for user charged services, including unbilled utility services).

No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant. All receivable except property taxes, special assessments, and loans receivable are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Special assessments expected to be collected in more than one year amount to \$500,526 in the special assessment bond retirement fund, \$19,203 in the water enterprise fund and \$9,998 in the sewer enterprise fund. At December 31, 2013, the amount of delinquent special assessments was \$693,126.

The City entered into a project funding agreement with the Conneaut Port Authority to provide funds, through a note from the City, for marina improvements. As of December 31, 2013, the City has a loan receivable in the amount of \$240,000 in the marina special revenue fund. See Note 20 for additional information.

Property Taxes

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

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

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

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

The full tax rate for all City operations for the year ended December 31, 2013, was \$9.91 per \$1,000 of assessed value. The assessed values of real property and public utility property upon which 2013 property tax receipts were based are as follows:

Category	Assessed Value
Real Estate	
Residential/Agricultural	\$123,185,650
Other Real Estate	56,632,450
Public Utility Property	6,846,710
Total Assessed Values	<u>\$186,664,810</u>

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

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

Income Taxes

The City levies a municipal income tax of 1.65 percent on gross salaries, wages and other compensation, and net profits earned within the City, as well as incomes of residents earned outside of the City. In the latter case, the City allows a credit of 100 percent of the tax paid to another municipality to a maximum of the total amount assessed.

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

Income tax proceeds are received by the general fund, street construction, maintenance and repair, street lighting and recreation special revenue funds and the street improvement and capital improvement capital projects funds.

Intergovernmental Receivables

A summary of intergovernmental receivables follows:

Governmental Activities	Amounts
Gasoline Tax	\$191,020
Local Government	173,232
Homestead and Rollback	114,176
Permissive Tax	70,158
Formula Grant	59,484
Auto License Tax	36,787
Total	\$644,857

Note 8 – Interfund Transactions

Interfund Transfers

The general fund transferred \$99,208 to the street maintenance, construction and repair special revenue fund, \$77,100 to other governmental funds to provide additional resources for current operations, and \$792 to the sewer enterprise fund for debt payments.

Internal Balances

The general fund advanced \$26,881 to the CHIP special revenue fund to support projects pending the receipt of grant money that will be used to pay for these projects. The sewer fund made an advance to the special assessment bond retirement fund in the amount of \$23,132 to cover debt requirements. These loans are expected to be repaid in one year.

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

Note 9 - Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Vacation and sick leave are accrued without limit. Upon retirement, an employee with ten or more years of service can be paid an amount not to exceed 1,200 hours of accumulated sick leave at the employee's rate of pay at the time of retirement. Upon retirement or resignation, an employee shall receive a maximum vacation payout equal to the previous two years' vacation credit that was earned but not used, together with the current years unused vacation credit.

Note 10 - Capital Assets

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

Governmental Activities	Balance 12/31/2012	Additions	Deductions	Balance 12/31/2013
<i>Capital Assets not being Depreciated:</i>				
Land	\$554,972	\$0	\$0	\$554,972
Construction in Progress	721,895	27,033	(731,629)	17,299
<i>Total Capital Assets not being Depreciated</i>	1,276,867	27,033	(731,629)	572,271
<i>Capital Assets being Depreciated:</i>				
Buildings and Improvements	1,784,800	0	0	1,784,800
Equipment	2,073,763	658,471	0	2,732,234
Vehicles	3,675,677	89,103	(88,995)	3,675,785
Furniture and Fixtures	9,482	0	0	9,482
Infrastructure:				
Traffic Lights	285,338	0	0	285,338
Roads	23,173,153	0	0	23,173,153
Bridges	13,258,591	0	0	13,258,591
Storm Sewers	2,296,610	17,401	0	2,314,011
<i>Total Capital Assets being Depreciated</i>	46,557,414	764,975	(88,995)	47,233,394
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(1,452,681)	(49,144)	0	(1,501,825)
Equipment	(1,489,915)	(126,772)	0	(1,616,687)
Vehicles	(3,376,050)	(70,047)	88,995	(3,357,102)
Furniture and Fixtures	(9,482)	0	0	(9,482)
Infrastructure:				
Traffic Lights	(75,977)	(6,838)	0	(82,815)
Roads	(9,920,852)	(989,037)	0	(10,909,889)
Bridges	(1,038,590)	(265,172)	0	(1,303,762)
Storm Sewers	(1,072,500)	(34,137)	0	(1,106,637)
<i>Total Accumulated Depreciation</i>	(18,436,047)	(1,541,147)	88,995	(19,888,199)
Total Capital Assets being Depreciated, Net	28,121,367	(776,172)	0	27,345,195
Governmental Activities Capital Assets, Net	\$29,398,234	(\$749,139)	(\$731,629)	\$27,917,466

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

	Balance 12/31/2012	Additions	Deductions	Balance 12/31/2013
Business Type Activities:				
<i>Capital Assets not being Depreciated:</i>				
Land	\$6,880	\$0	\$0	\$6,880
Construction in Progress	155,705	1,898,764	(452,681)	1,601,788
<i>Total Capital Assets not being Depreciated</i>	<u>162,585</u>	<u>1,898,764</u>	<u>(452,681)</u>	<u>1,608,668</u>
<i>Capital Assets being Depreciated:</i>				
Buildings and Improvements	761,276	0	0	761,276
Equipment	6,166,259	221,199	0	6,387,458
Vehicles	880,774	41,153	0	921,927
Infrastructure:				
Water and Sewer Lines	20,015,563	503,231	0	20,518,794
<i>Total Capital Assets being Depreciated</i>	<u>27,823,872</u>	<u>765,583</u>	<u>0</u>	<u>28,589,455</u>
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(626,818)	(11,446)	0	(638,264)
Equipment	(2,910,616)	(282,777)	0	(3,193,393)
Vehicles	(439,308)	(69,177)	0	(508,485)
Infrastructure:				
Water and Sewer Lines	(5,300,541)	(382,099)	0	(5,682,640)
<i>Total Accumulated Depreciation</i>	<u>(9,277,283)</u>	<u>(745,499)</u>	<u>0</u>	<u>(10,022,782)</u>
Total Capital Assets being Depreciated, Net	<u>18,546,589</u>	<u>20,084</u>	<u>0</u>	<u>18,566,673</u>
Business Type Activities Capital Assets, Net	<u>\$18,709,174</u>	<u>\$1,918,848</u>	<u>(\$452,681)</u>	<u>\$20,175,341</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$66,965
Security of Persons and Property	106,991
Leisure Time Activities	21,445
Community Development	592
Transportation	<u>1,345,154</u>
Total Depreciation Expense	<u>\$1,541,147</u>

Note 11 – Insurance Purchasing Pool

Ohio Municipal League Workers' Compensation Group Rating Plan – The City participates in the Ohio Municipal League Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by an eleven member Board of directors. The board is a self-appointing board that coordinates the program. Each year, the participating members pay an enrollment fee to the GRP to cover the costs of administering the program.

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

Note 12 – Related Organization

The Conneaut Public Library is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Library is governed by a Board of Trustees appointed by the City of Conneaut; however, the City cannot influence the Library’s operation nor does the library represent a potential financial benefit for or burden on the City. The Board of Trustees possesses its own contracting and budgeting authority and hires and fires personnel. Although the City does serve as the taxing authority and may issue tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the rate and the purpose are discretionary decisions made solely by the Board of Trustees. Financial information can be obtained from the Conneaut Public Library, Bert Drennen, Board President, 304 Buffalo Street, Conneaut, Ohio 44030.

Note 13 - Notes Payable

Changes in the City’s note activity for the year ended December 31, 2013, were as follows:

	Outstanding 12/31/2012	Additions	(Reductions)	Outstanding 12/31/2013
<i>General Fund:</i>				
Prison Land, 1.32%	\$30,000	\$20,000	(\$30,000)	\$20,000
Madison Street Storm Sewer, 1.32%	70,000	50,000	(70,000)	50,000
<i>Total General Fund</i>	<u>100,000</u>	<u>70,000</u>	<u>(100,000)</u>	<u>70,000</u>
<i>Special Revenue Fund:</i>				
Street Equipment, 1.35%	16,000	28,000	(16,000)	28,000
Street Equipment, 1.35%	5,000	20,000	(5,000)	20,000
Street Equipment, 1.32%	5,000	7,500	(5,000)	7,500
Port Authority 1.37%	270,000	240,000	(270,000)	240,000
<i>Total Special Revenue Fund</i>	<u>296,000</u>	<u>295,500</u>	<u>(296,000)</u>	<u>295,500</u>
<i>Total Governmental Activities</i>	<u>\$396,000</u>	<u>\$365,500</u>	<u>(\$396,000)</u>	<u>\$365,500</u>
<i>Enterprise Funds:</i>				
<i>Sewer</i>				
Waste Water Improvement, 1.32%	\$70,000	\$50,000	(\$70,000)	\$50,000
Sewer Jet, 1.32%	40,000	32,500	(40,000)	32,500
<i>Total Enterprise Funds</i>	<u>\$110,000</u>	<u>\$82,500</u>	<u>(\$110,000)</u>	<u>\$82,500</u>

In 2013, the City issued \$20,000, \$50,000, \$7,500, \$50,000 and \$32,500 in various purpose improvement notes to help finance the purchase of land for the prison, to help finance the Madison Street storm sewer project, additional street equipment waste water improvements and a new sewer jet. These projects have been completed by December 31, 2013 and the notes mature on June 13, 2014.

In 2013, the City issued \$48,000 in various improvement notes for the purchase of new street equipment. The purchases have been made by December 31, 2013, and the notes mature on February 6, 2014.

In 2013, the City issued \$240,000 marina improvement note, on behalf of the Port Authority, for the purpose of acquiring, constructing, reconstructing, and improving boat docks and slips with an interest rate of 1.37 percent maturing on November 21, 2014. As of December 31, 2013 all proceeds had been disbursed.

The notes are backed by the full faith and credit of the City of Conneaut and mature within one year. The note liabilities are reflected in the funds which receive the proceeds. The notes are generally issued in anticipation of long-term bond financing and are refinanced until such bonds are issued.

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

Note 14 - Long-Term Obligations

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

Debt Issue	Original Issue Date	Interest Rate	Original Issue Amount	Year of Maturity
Governmental Activities				
<i>General Obligation Bonds:</i>				
Library Refunding	2011	3.00%	\$735,000	2018
Energy Conservation	2012	3.10	544,352	2022
<i>Special Assessment Loans:</i>				
East Conneaut Sewer Phase II	1996	4.16	746,716	2016
East/West Gateway	1993	4.80	554,029	2013
Gateway Phase II	1993	4.80	87,255	2014
I-90 Sewer	1998	3.98	167,329	2018
East Conneaut Sewer Phase III	1999	3.50	679,445	2020
<i>Loans:</i>				
Industrial Park	2008	3.25	500,000	2023
Road Equipment Acquisition	2009	4.125	153,334	2019
State Infrastructure Loan - Parish Road	2010	8.00	574,435	2018
<i>Ohio Public Works Commission Loan:</i>				
Under Ridge Road Culvert	2004	0.00	31,626	2025
Roadway Safety	2012	0.00	14,240	2033
<i>Notes:</i>				
Street Equipment	2012	1.46	44,000	2013
Street Equipment	2012	1.46	25,000	2013
Street Equipment	2012	1.47	30,000	2013
Business-Type Activities				
<i>Special Assessment Loans:</i>				
East Conneaut Sewer Phase II	1996	4.16	215,671	2016
I-90 Sewer	1998	3.98	94,123	2020
East Conneaut Sewer Phase III	1999	3.50	132,997	2020
<i>Ohio Water Development Authority:</i>				
Water III	1995	4.35	543,845	2017
Dechlorination Project	1997	4.12	89,144	2017
Wastewater Improvement Loan	2006	3.25	3,258,282	2026
Industrial Park	2011	3.00	199,183	2022
Wastewater Aeration Repairs	2012	2.80	130,587	2032
Lake Erie Street Sanitary Sewer	2012	3.32	240,548	2032
Aerial Sewer Repairs	2013	0.00	339,372	N/A
Creek Road Elevated Storage Tank	2013	3.24	1,640,127	N/A
<i>Ohio Public Works Commission</i>				
South Conneaut Water Tank	2000	0.00	385,000	2021
Liberty Water Line	2003	0.00	118,483	2023
Madison Sanitary Sewer	2004	0.00	37,833	2024
Finished Water and Booster Pump	2011	0.00	40,875	2030
Water and Booster Pump Station	2011	0.00	11,001	2030
Sandusky Sanitary Sewer	2011	0.00	28,178	2030
Sanitary Sewer Repairs	2011	0.00	10,051	2032
Roadway Safety	2012	0.00	31,700	2033
Wastewater Aeration Improvement	2012	0.00	18,130	2033
Creek Road Water Tank	2013	0.00	150,000	2034
Aerial Sewer	2013	0.00	50,000	2034

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

Debt Issue	Original Issue Date	Interest Rate	Original Issue Amount	Year of Maturity
Business-Type Activities (continued)				
<i>General Obligation Bond:</i>				
Water Refunding	2011	3.00%	\$530,000	2018
Energy Conservation	2012	3.10	125,648	2022
<i>Loans:</i>				
Road Equipment Acquisition	2009	4.125	306,666	2019
Water Meters	2010	4.31	1,134,867	2017
<i>Notes:</i>				
Sewer Jet	2012	1.47	160,000	2013

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

	Outstanding 12/31/2012	Additions	Reductions	Outstanding 12/31/2013	Amount Due In one Year
Governmental Activities:					
<i>General Obligation Bonds</i>					
Library Refunding	\$560,823	\$0	\$86,702	\$474,121	\$89,303
Energy Conservation	544,352		50,724	493,628	51,515
Total General Obligation Bonds	1,105,175	0	137,426	967,749	140,818
<i>Special Assessment OWDA Loans with Governmental Commitment:</i>					
East Conneaut Sewer Phase II	182,135	0	42,761	139,374	44,558
East/West Gateway	41,896	0	41,896	0	0
Gateway Phase II	9,780	0	6,441	3,339	3,339
I-90 Sewer	64,613	0	9,736	54,877	10,128
East Conneaut Sewer Phase III	324,082	0	35,764	288,318	37,028
Total Special Assessment OWDA Loans	622,506	0	136,598	485,908	95,053
<i>Loans:</i>					
Industrial Park	500,000	0	17,980	482,020	44,079
Road Equipment Acquisition	107,334	0	15,333	92,001	15,333
SIB - Parrish Road	419,263	0	71,212	348,051	73,365
Total Loans:	1,026,597	0	104,525	922,072	132,777
<i>OPWC Loan:</i>					
Under Ridge Road Culvert	19,768	0	1,581	18,187	1,581
Roadway Safety	14,240		356	13,884	356
Total OPWC Loans	34,008	0	1,937	32,071	1,937
<i>Long - Term Notes Payable:</i>					
Street Equipment	28,000	0	28,000	0	0
Street Equipment	20,000	0	20,000	0	0
Street Equipment	25,000	15,000	25,000	15,000	0
Total Long - Term Notes Payable	73,000	15,000	73,000	15,000	0
<i>Other Long-Term Liabilities:</i>					
Capital Leases	18,969	88,485	47,729	59,725	29,489
Compensated Absences	698,612	165,242	168,996	694,858	156,772
Total Other Long-Term Liabilities	717,581	253,727	216,725	754,583	186,261
Total Governmental Activities					
Long-Term Obligations	\$3,578,867	\$268,727	\$670,211	\$3,177,383	\$556,846

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

	Outstanding 12/31/2012	Additions	Reductions	Outstanding 12/31/2013	Amount Due In one Year
Business-Type Activities					
<i>Special Assessment OWDA Loans</i>					
<i>with Governmental Commitment:</i>					
East Conneaut Sewer Phase II	\$60,711	\$0	\$14,254	\$46,457	\$14,853
I-90 Sewer	36,346	0	5,477	30,869	5,697
East Conneaut Sewer Phase III	71,141	0	7,851	63,290	8,128
<i>Total Special Assessment OWDA Loans</i>	<u>168,198</u>	<u>0</u>	<u>27,582</u>	<u>140,616</u>	<u>28,678</u>
<i>OWDA Loans</i>					
Wastewater Plant Improvement	51,287	0	51,287	0	0
Wastewater Plant Improvement	52,242	0	52,242	0	0
Water III	164,317	0	33,816	130,501	35,302
Dechlorination Project	25,528	0	5,275	20,253	5,494
Wastewater Improvement Loan	2,466,758	0	159,247	2,307,511	164,464
Industrial Park	282,761	0	26,140	256,621	26,730
Wastewater Aeration Repairs	130,587	114,983	10,476	235,094	0
Lake Erie Street Sanitary Sewer	240,548	240	4,469	236,319	0
Aerial Sewer Repairs	0	215,854	0	215,854	0
Creek Road Elevated Storage Tank	0	665,065	0	665,065	0
<i>Total OWDA Loans</i>	<u>3,414,028</u>	<u>996,142</u>	<u>342,952</u>	<u>4,067,218</u>	<u>231,990</u>
<i>Total OWDA Obligations</i>	<u>3,582,226</u>	<u>996,142</u>	<u>370,534</u>	<u>4,207,834</u>	<u>260,668</u>
<i>OPWC Loans:</i>					
South Conneaut Water Tank	163,625	0	19,250	144,375	19,250
Liberty Water Line	65,167	0	5,924	59,243	5,924
Madison Sanitary Sewer	22,697	0	1,892	20,805	1,892
Finished Water and Booster Pump	36,787	0	2,044	34,743	2,044
Water Booster Pump Station	9,901	0	550	9,351	550
Sandusky Sanitary Sewer	25,360	0	1,409	23,951	1,409
Sanitary Sewer Repairs	9,800	0	503	9,297	503
Roadway Safety	31,700	0	792	30,908	792
Wastewater Aeration Improvement	18,130	0	453	17,677	906
Creek Road Water Tank	0	150,000	0	150,000	3,750
Aerial Sewer	0	50,000	0	50,000	1,250
<i>Total OPWC Loans</i>	<u>383,167</u>	<u>200,000</u>	<u>32,817</u>	<u>550,350</u>	<u>38,270</u>
<i>General Obligation Bonds:</i>					
Water Refunding	399,967	0	61,834	338,133	63,689
Energy Conservation	125,648	0	11,706	113,942	11,888
<i>Total Bonds</i>	<u>525,615</u>	<u>0</u>	<u>73,540</u>	<u>452,075</u>	<u>75,577</u>
<i>Loans:</i>					
Road Equipment Acquisition Loan	214,666	0	30,667	183,999	30,667
Water Meter Loan	885,041	0	201,501	683,540	210,363
<i>Total Loans</i>	<u>1,099,707</u>	<u>0</u>	<u>232,168</u>	<u>867,539</u>	<u>241,030</u>
<i>Other Long-Term Liabilities:</i>					
Compensated Absences	314,615	77,680	54,407	337,888	60,577
Sewer Jet Note	160,000	135,000	160,000	135,000	0
<i>Total Other Long-Term Liabilities</i>	<u>474,615</u>	<u>212,680</u>	<u>214,407</u>	<u>472,888</u>	<u>60,577</u>
<i>Total Business-Type Activities</i>					
<i>Long-Term Obligations</i>	<u>\$6,065,330</u>	<u>\$1,408,822</u>	<u>\$923,466</u>	<u>\$6,550,686</u>	<u>\$676,122</u>

City of Conneaut, Ohio
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General obligation bonds are direct obligations of the City and will be paid from the bond retirement debt service fund using property tax revenues and from the water fund using operating revenues. Special assessment debt will be paid from the proceeds of special assessments levied against benefited property owners. In the event that a property owner would fail to pay the assessment, payment would be made by the City. The OWDA loans will be paid partly with special assessments levied against benefited property owners as well as user charges from the appropriate enterprise fund. The OPWC loans in the enterprise funds will be paid with user charges. The loans will be paid from the general fund, street construction, maintenance and repair special revenue fund and capital improvements funds and the water and sewer enterprise funds. The long-term governmental notes will be paid from the general fund, the street construction, maintenance and repair special revenue fund, the street improvement and capital improvements capital projects funds. Compensated absences will be paid from the general fund, street construction, maintenance and repair special revenue fund and the water and sewer enterprise funds. The business-type notes will be paid with charges for services revenues from the sewer enterprise fund.

The road equipment acquisition and water meter enterprise fund loans are being paid from the water and sewer enterprise fund user fees. In the event that the water and sewer enterprise funds would fail to pay the loans, payment would be made by any general tax revenues collected in the general or bond retirement fund.

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

Lines of credit had been established for the Ohio Water Development Authority in the amount of \$2,507,036 for various water and sewer projects. Since the loan repayment schedule has not yet been finalized, a repayment schedule is not included in the schedule of debt service requirements. Until a final repayment schedule is available, the County is paying based on estimates. The balance of these loans is as follows:

Enterprise Funds	<u>December 31, 2013</u>	<u>Lines of Credit</u>
<i>Water Fund:</i>		
Creek Road Elevated Storage Tank	\$665,065	\$1,640,127
<i>Sewer Fund:</i>		
Wastewater Aeration Repairs	235,094	276,391
Lake Erie Street Sanitary Sewer	236,319	251,146
Aerial Sewer Repairs	215,854	339,372
Total Loans not Finalized:	<u>\$1,352,332</u>	<u>\$2,507,036</u>

The City has pledged future revenues, net of operating expenses less depreciation plus interest and fiscal charges, to repay OPWC and OWDA loans in the water enterprise fund. The debt is payable solely from net revenues and are payable through 2034. Annual principal and interest payments on the debt issues are expected to require 13.22 percent of net revenues. The total principal and interest remaining to be paid on the debt is \$1,351,196. Principal and interest paid for the current year and total net revenues were \$85,582 and \$647,271 respectively.

The City has pledged future revenues, net of operating expenses less depreciation plus interest and fiscal charges, to repay OPWC and OWDA loans in the sewer enterprise fund. The debt is payable solely from net revenues and are payable through 2034. Annual principal and interest payments on the debt issues are expected require 58.17 percent of net revenues. The total principal and interest remaining to be paid on the debt is \$3,927,357. Principal paid for the current year and total net revenues were \$446,333 and \$767,238 respectively.

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

In 2013, the City issued \$150,000 various purpose improvement notes for the purchase of street equipment and for a new sewer jet. These purchases have been made by December 31, 2013 and the notes mature on June 13, 2014. The short-term portion of these notes of \$40,000 are presented in Note 14.

The City's overall legal debt margin was \$16,119,694 with an unvoted debt margin of \$6,786,454 at December 31, 2013. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2013, are as follows:

	<i>Governmental Activities</i>						
	General Obligation Bonds		Special Assessment Loans		OPWC Loans	Loans Payable	
	Principal	Interest	Principal	Interest	Principal	Principal	Interest
2014	\$140,818	\$29,527	\$95,053	\$17,270	\$1,937	\$132,777	\$27,441
2015	144,301	25,251	95,303	13,606	2,293	136,335	23,241
2016	147,876	20,869	99,030	9,878	2,293	140,001	18,934
2017	151,548	16,380	52,488	6,521	2,293	143,778	14,515
2018	155,317	11,779	54,396	4,612	2,293	106,039	9,982
2019-2023	227,889	17,800	89,638	3,956	11,469	263,142	18,217
2024-2028	0	0	0	0	5,933	0	0
2029-2033	0	0	0	0	3,560	0	0
Total	\$967,749	\$121,606	\$485,908	\$55,843	\$32,071	\$922,072	\$112,330

	<i>Business-Type Activities</i>						
	General Obligation Bonds		Special Assessment OWDA Loans		OWDA Loans		OPWC Loans
	Principal	Interest	Principal	Interest	Principal	Interest	Principal
2014	\$75,577	\$13,676	\$28,678	\$5,097	\$231,990	\$96,979	\$38,270
2015	77,674	11,396	29,819	3,956	240,375	89,394	44,062
2016	79,829	9,054	31,003	2,771	248,438	80,931	44,062
2017	82,048	6,647	15,432	1,711	233,555	72,380	44,062
2018	84,331	4,172	16,008	1,134	217,438	65,060	44,062
2019-2023	52,616	4,107	19,676	3,713	1,145,158	215,683	172,188
2024-2028	0	0	0	0	397,932	40,557	86,862
2029-2033	0	0	0	0	0	0	71,782
2034	0	0	0	0	0	0	5,000
Total	\$452,075	\$49,052	\$140,616	\$18,382	\$2,714,886	\$660,984	\$550,350

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

	<i>Business-Type Activities</i>	
	Loans	
	Payable	
	Principal	Interest
2014	\$241,030	\$35,065
2015	250,280	24,532
2016	284,229	14,229
2017	30,666	3,526
2018	30,666	2,244
2019	30,668	962
Total	\$867,539	\$80,558

Note 15 – Capital Lease

During 2013, the City entered into a capitalized lease for police vehicles. This lease meets the criteria for a capital lease and has been recorded on the governmental-wide statements. The original amount capitalized for the capital lease and the book value as of December 31, 2013 for governmental activities follows:

	Governmental Activities
Asset:	
Police Vehicles	\$89,103
Less: Accumulated depreciation	(13,365)
Current Book Value	\$75,738

The following is a schedule of the future long-term minimum lease payments required under the capital lease and present value of the minimum lease payments is as follows:

Year Ending December 31,	Governmental Activities
2014	\$30,712
2015	30,712
Total	61,424
Less: Amount Representing Interest	(1,699)
Present Value of Net Minimum Lease Payments	\$59,725

Note 16 - Risk Management

Property and Liability

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2013, the City contracted with Wells Fargo Insurance Services for various types of insurance as follows:

City of Conneaut, Ohio
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Type of Coverage	Coverage
Property/Boilers and Machinery	\$23,975,982
Inland Marine	1,586,163
Vehicles	
Comprehensive	3,000,000
Valuable Papers and Records	100,000
Police	3,000,000
Public Officials	3,000,000
Business Electronics Equipment	188,022
Fire Vehicles and Ambulances	250,000

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

Worker's Compensation

For fiscal year 2013, the City participated in the Ohio Municipal League Worker's Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 11). The intent of the GRP is to achieve the benefit of a reduced premium for the City by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating city is calculated as one experience and a common premium rate is applied to all cities in the GRP. Each participant pays its worker's compensation premium to the State based on the rate for the GRP rather than its individual rate.

Participation in the GRP is limited to cities that can meet the GRP's selection criteria. The firm CompManagement, Inc. provides administrative, cost control and rating services to the GRP.

Note 17 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for law enforcement and public

City of Conneaut, Ohio
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safety employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll for members in State and local divisions and 12 percent for law enforcement and public safety members. For the year ended December 31, 2013, members in state and local divisions contributed 10 percent of covered payroll while public safety and law enforcement members contributed 12.0 percent and 12.6 percent, respectively. Effective January 1, 2014, the member contribution rates for law enforcement increased to 13 percent. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan. For 2013, member and employer contribution rates were consistent across all three plans.

The City's 2013 contribution rate was 14.0 percent, except for those plan members in law enforcement or public safety, for whom the City's contribution was 18.1 percent of covered payroll. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. For 2013, the portion of employer contribution allocated to health care was 1 percent for members in the Traditional Plan and the Combined Plan. Effective January 1, 2014, the portion of employer contributions allocated to health care increased to 2 percent. Employer contribution rates are actuarially determined.

The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2013, 2012 and 2011 were \$320,388, \$174,471 and \$166,527, respectively. For 2013, 89.85 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2012 and 2011. Contributions to the Member-Directed Plan for 2013 were \$4,075 made by the City and \$2,910 made by plan members.

Ohio Police and Fire Pension Fund

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

Funding Policy – Employer and employee contribution rates are set by the Ohio Revised Code. From January 1, 2013, thru July 1, 2013, plan members were required to contribute 10 percent of their annual covered salary. From July 2, 2013, thru December 31, 2013, plan members were required to contribute 10.75 percent of their annual covered salary. Throughout 2013, employers were required to contribute 19.5 percent and 24 percent respectively for police officers and firefighters.

The OP&F Pension Fund is authorized by the Ohio Revised Code to allocate a portion of the employer contributions to retiree health care benefits. For January 1, 2013, thru May 31, 2013, the portion of employer contributions used to fund pension benefits was 14.81 percent of covered payroll for police officers and 19.31 percent of covered payroll for firefighters. For June 1, 2013 thru December 31, 2013, the portion of employer contributions used to fund pension benefits was 16.65 percent of covered payroll for police officers and 21.15 percent of covered payroll for firefighters. The City's contributions to OP&F for police and firefighters pension were \$150,904 and \$117,044 for the year ended December 31, 2013, \$112,657 and \$96,101 for the year ended December 31, 2012, and \$112,421 and \$88,452 for the year ended December 31, 2011, respectively. For 2013, 79.90 percent for police and 83.54 percent for firefighters has been contributed with the balance for both police and firefighters being report as an intergovernmental payable. The full amount has been contributed for 2012 and 2011.

Note 18 - Postemployment Benefits

Ohio Public Employees Retirement System

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

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

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

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

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2013, state and local employers contributed at a rate of 14.0 percent of covered payroll, and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code.

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

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

The City’s contributions allocated to fund post-employment health care benefits for the years ended December 31, 2013, 2012 and 2011 were \$24,869, \$101,496 and \$104,451, respectively. For 2013, 89.85 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2012 and 2011.

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

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

Ohio Police and Fire Pension Fund

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

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

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

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

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

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administrated as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For January 1, 2013 thru May 31, 2013, the employer contribution allocated to the health care plan was 4.69 percent of covered payroll. For June 1, 2013 thru December 31, 2013, the employer contribution allocated to the health care plan was 2.85 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

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

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$33,803 and \$20,746 for the year ended December 31, 2013, \$59,642 and \$37,605 for the year ended December 31, 2012, and \$59,517 and \$34,612 for the year ended December 31, 2011. For 2013, 79.90 percent for police and 83.54 percent for firefighters has been contributed with the balance for both police and firefighters being report as an intergovernmental payable. The full amount has been contributed for 2012 and 2011.

Note 19 – Jointly Governed Organization

The City is a member of the Northeast Ohio Public Energy Council (NOPEC), a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity and natural gas. NOPEC is currently comprised of 126 communities who have been authorized by ballot to purchase electricity on behalf of their citizens.

The intent of NOPEC is to provide electricity and natural gas at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity and natural gas to the citizens of its member communities.

NOPEC is governed by General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight-member NOPEC Board of Directors. The Board has total control over budgeting, personnel and all other financial matters. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The City of Conneaut did not contribute to NOPEC during 2013. Financial information can be obtained by contacting 31320 Solon Road, Suite 20, Solon, Ohio 11120.

Note 20 – Related Party Transactions

The Conneaut Port Authority, a component unit of the City of Conneaut, owes the City \$240,000 as of December 31, 2013 for a marina improvement note issued by the City. During 2013, The Port Authority paid the City \$270,360, the amount of the principal and interest on the note. The financial statements reflect \$240,000 in 'due from component unit'.

Note 21 – Construction and Other Significant Commitments

Contractual Commitments

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

Project	Contract Amount	Amount Paid	Remaining Contract
Creek Road Water Tank	\$1,949,632	\$1,110,732	\$838,900
Water Treatment Improvements	273,932	204,156	69,776
Total	\$2,223,564	\$1,314,888	\$908,676

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

Encumbrances

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

Governmental Funds		Proprietary Funds	
General Fund	\$55,151	Water	\$58,469
Street Construction, Maintenance and Repair Fund	42,716	Sewer	94,726
Other Governmental Funds	32,038	Total Proprietary Funds	153,195
Total	\$129,905		

Note 22 – Subsequent Events

On February 6, 2014, the City retired \$48,000 in general obligation bond anticipation notes.

On June 13, 2014, the City retired \$310,000 in general obligation bond anticipation notes and issued \$210,000 in new notes. The new notes have a maturity date of June 12, 2015 and an interest rate of 1.34 percent. The following table summarizes the activity.

Note Issuance	Retired	Issued
Prison Land	\$20,000	\$0
Madison Street Storm Sewer	50,000	30,000
Street Equipment	22,500	15,000
Waste Water Improvement	50,000	30,000
Sewer Jet	167,500	135,000
Total Notes	\$310,000	\$210,000

Note 23 - Contingencies

Grants

The City receives financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2013.

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

Litigation

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

Note 24 – Conneaut Port Authority

Description of Reporting Entity

The Conneaut Port Authority, Ashtabula County, (Port Authority) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Port Authority for the City of Conneaut is directed by a seven-member Board appointed by the City Manager with the approval of Conneaut City Council.

Charged with the responsibility of industrial development and the improvement of Conneaut's interconnecting waterways, the Port Authority is empowered with the ability to carry out the actions they consider necessary to achieve these responsibilities. The Port Authority operates two marinas and leases other lakefront facilities at the Port to private entities. The Port Authority's management believes these financial statements present all activities for which the Port Authority is financially accountable. The Conneaut Port Authority has the potential to impose a financial burden on the City in that the City issued debt on behalf of the Port Authority and is therefore presented as a component unit of the City.

Summary of Significant Accounting Policies

The financial statements of the Port Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Port Authority also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its business-type activities. All transactions are accounted for in a single enterprise fund.

Basis of Presentation

The Port Authority accounts for all transaction in a single enterprise fund. The financial statement consist of a statement of net position, statement of revenues, expenses and changes in net position and a statement of cash flows.

Measurement Focus

The enterprise fund is accounted for on a flow of economic resources measurement focus. All asset and liabilities associated with the operation this fund are included on the statement of net position. The statement of revenues, expenses and changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the Port Authority finances and meets the cash flow needs of its activities.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The single proprietary fund used the accrual basis of accounting.

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

Revenues – Exchange and Nonexchange 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.

Nonexchange transactions, in which the Port Authority receives value without directly giving equal value in return, include grants and donations. On an accrual basis, revenue from grants and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Port Authority must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis.

Deferred Revenue Deferred revenue arises when assets (cash) are recognized before revenue recognition criteria have been satisfied.

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

Cash and Cash Equivalents

All monies of the Port Authority are maintained in one bank account. Investment procedures are restricted by the provisions of the Ohio Revised Code. During 2013, the Port Authority maintained no investment accounts.

For the purposes of the statement of cash flows, all bank deposits, including investments with maturity of less than three months are considered to be cash equivalents.

Inventory

Inventories are presented at cost on a first-in, first-out basis and expenses when used.

Capital Assets

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The Port Authority maintains a capitalization threshold of \$500. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest incurred on related debt during the construction of capital assets is also capitalized.

When assets are sold, or otherwise disposed of, the related cost and accumulated depreciation are removed from the accounts and any profit or loss arising from such disposition is included as income or expense in the year in which sold.

All capital assets, except land and construction in progress, are depreciated. Depreciation is computed using the straight line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	15 - 40 years
Equipment	3 - 10 years
Vehicles	5 - 20 years
Furniture and Fixtures	3 - 10 years

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

Net Position

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

Operating Revenues

Operating revenues are those revenues generated directly from the primary activity of the proprietary fund. For the Port Authority, these revenues are dock rentals and property leases. Operating expenses are necessary costs incurred to provide the goods or service that is the primary activity of the fund. Revenue and expenses which do not meet these definitions are reported as non-operating.

Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code, requiring annual appropriations and estimated resources (estimated receipts plus cash of January 1), to be adopted by resolution of the Board. Both are subject to amendment by the Board during the year. The Port Authority maintains budgetary control by not permitting expenditures to exceed their respective appropriations and not allowing appropriations to exceed estimated resources.

Additionally, the Port Authority is required by Ohio Revised Code to encumber appropriations when purchase commitments are made. Encumbrances outstanding at year end are cancelled and appropriated again in the subsequent year.

Deposits and Investments

The Conneaut Port Authority follows the same guidelines identified in Note 7.

Deposits At year-end, all of the Port Authority's bank balance of \$73,145 was covered by federal depository insurance.

The Conneaut Port Authority did not have any investments at year end.

Capital Assets

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

	Balance 12/31/2012	Additions	Deductions	Balance 12/31/2013
<i>Capital Assets not being Depreciated:</i>				
Land	\$38,496	\$0	\$0	\$38,496
Land Improvements	31,021	0	0	31,021
Construction in Progress	55,012	0	0	55,012
<i>Total Capital Assets not being Depreciated</i>	<u>\$124,529</u>	<u>\$0</u>	<u>\$0</u>	<u>\$124,529</u>

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

	Balance 12/31/2012	Additions	Deductions	Balance 12/31/2013
<i>Capital Assets being Depreciated:</i>				
Buildings and Improvements	\$2,512,397	\$0	\$0	\$2,512,397
Dock Improvements	1,144,670	10,070	0	1,154,740
Vehicles	16,823	0	0	16,823
Machinery and Equipment	133,112	16,416	0	149,528
<i>Total Capital Assets being Depreciated</i>	3,807,002	26,486	0	3,833,488
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(1,980,732)	(105,578)	0	(2,086,310)
Dock Improvements	(142,989)	(52,907)	0	(195,896)
Vehicles	(7,657)	(2,000)	0	(9,657)
Machinery and Equipment	(99,327)	(11,347)	0	(110,674)
<i>Total Accumulated Depreciation</i>	(2,230,705)	(171,832)	0	(2,402,537)
Total Capital Assets being Depreciated, Net	1,576,297	(145,346)	0	1,430,951
Governmental Activities Capital Assets, Net	\$1,700,826	(\$145,346)	\$0	\$1,555,480

Long-Term Obligations

The Port Authority is liable for a note payable to the City of Conneaut. A \$240,000 note was issued on November 21, 2013 with an interest rate of 1.37 percent. This note is due on November 21, 2014.

Leases

The Port Authority has entered into a fifty-year, non-monetary, lease commencing June 1, 1988 and ending May 31, 2038, with the City of Conneaut for specified lands in the lakefront area owned by the City.

The Port Authority has entered into a fifty-year lease commencing July 1, 1989 through June 30, 2039, with the State of Ohio for submerged land at the lakefront. The annual lease amount is \$1, due and payable the first day of June of each year for property that does not generate revenues for the Port Authority.

Defined Benefit Pension Plan

The Conneaut Port Authority participates in the Ohio Public Employee Retirement System (OPERS). See Note 18. The Conneaut Port Authority required contributions to OPERS for the years ended December 31, 2013, 2012 and 2011 were \$17,001, \$20,222 and \$18,869 respectively. The full amount has been contributed for 2012 and 2011, 92 percent has been contributed for 2013 with the remainder being reported as an intergovernmental payable.

Postemployment Benefit

The Conneaut Port Authority provides postemployment and health care coverage through the Ohio Public Employees Retirement System (OPERS). See Note 19. The Conneaut Port Authority's actual contributions to fund postemployment benefits for the years ended December 31, 2013, 2012 and 2011 were \$1,214, \$5,777 and \$5,391 respectively. The full amount has been contributed for 2012 and 2011, 92 percent has been contributed for 2013 with the remainder being reported as an intergovernmental payable.

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

Risk Management

The Port Authority is exposed to various risks of property and casualty losses, and injuries to employees.

The Port Authority insures against injuries to employees through the Ohio Bureau of Worker's Compensation. The Port Authority belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. York Risk Pooling Services, Inc. (formerly known as American Risk Pooling Consultants, Inc.), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2012, PEP retained \$350,000 for casualty claims and \$150,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2012 and 2011.

	<u>2012</u>	<u>2011</u>
Assets	\$34,389,569	\$33,362,404
Liabilities	<u>(14,208,353)</u>	<u>(14,187,273)</u>
Net Position	<u>\$20,181,216</u>	<u>\$19,175,131</u>

At December 31, 2012 and 2011, respectively, the liabilities above include approximately \$13.1 million and \$13.0 million of estimated incurred claims payable. The assets above also include approximately \$12.6 million and \$12.1 million of unpaid claims to be billed to approximately 466 and 455 member governments in the future, as of December 31, 2012 and 2011, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2013, the Port Authority's share of these unpaid claims collectible in future years is approximately \$15,000.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership. During 2013, member contributions amounted to \$17,986.

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

Combining and Individual Fund Statements and Schedules

Fund Descriptions – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

Auto Permissive Tax Fund The Permissive Motor Vehicle License Fund accounts for and reports additional motor vehicle registration fees restricted for maintenance and repair of streets within the City.

State Highway Fund The State Highway Fund accounts for and reports that portion of the State gasoline tax and motor vehicle registration fees restricted for maintenance and repair of State highways within the City.

Restaurant Vending Fund The Restaurant Vending Fund accounts for and reports fees restricted for implementing State programs for retail food establishments and for service operations, including vending.

Marina Fund The Marina Fund accounts for and reports fees restricted for the implementation of State programs for licensing and inspecting Marinas and the issuance of notes for marina improvements.

Enforcement and Education Fund The Enforcement and Education Fund accounts for and reports restricted court fines used to pay costs incurred in educating the public about the dangers of and enforcing the laws against operating a motor vehicle while under the influence of alcohol.

Indigent Drivers Fund The Indigent Drivers Fund accounts for and reports the additional fees restricted by the Conneaut Municipal Court under State law. Such funds are to be used in the rehabilitation of DUI indigent citizens.

Cemetery Fund The Cemetery Fund accounts and reports for cemetery lot sales restricted for operation and maintenance of City owned cemeteries.

Police Levy Fund The Police Levy Fund accounts for and reports a restricted property tax operating levy restricted for police officer wages and vehicle acquisition.

Fire Levy Fund The Fire Levy Fund accounts for and reports a restricted property tax operating levy restricted for fire fighters wages.

Litter Control Fund The Litter Control Fund accounts for and reports grant monies received from the County restricted for programs to pick up litter and provide recycling services for the citizens.

Indigent Monitoring Fund The Indigent Monitoring Fund accounts for and reports municipal court fines restricted to interlock alcohol monitoring for indigent offenders.

Law Enforcement Trust Fund The Law Enforcement Trust fund accounts for and monies seized from criminals by law enforcement officials in the course of their work and restricted, by State statute, for expenditures that would enhance the police department.

Municipal Probation Services Fund The Municipal Probation Services Fund accounts for and reports restricted fines received from municipal probation.

Moving Ohio Forward Fund – The Moving Ohio Forward Fund accounts for and reports Moving Ohio Forward grant monies restricted for demolishing abandoned and vacant homes.

(continued)

Fund Descriptions – Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

Street Lighting Fund The Street Lighting Fund accounts for and reports the service assessment revenue restricted to provide street lighting within the City.

Tree Commission Fund The Tree Commission Fund accounts for and reports monies received from residents, plus City matching funds, restricted by donations from City residents to plant trees and maintain an arboretum within the City.

Community Housing Fund The Community Housing Fund accounts for and reports repayments of CHIP loans and is restricted for reinvesting in community housing for qualified applicants.

Economic Development Fund The Economic Development Fund accounts for and reports restricted loans to businesses who wish to expand or purchase new equipment that would create new jobs.

Community Housing Improvement Programs (CHIPS) Fund The CHIPS Fund accounts for and reports CDBG, HOME, and OHTF funds restricted to providing emergency home repairs, home rehabilitation, down payment assistance, and new construction for qualified applicants.

Recreation Fund The Recreation Fund accounts for and reports committed income taxes used to maintain the City's parks and provide financial assistance to help the City's sports programs.

Police Pension Fund The Police Pension Fund accounts for and reports restricted property taxes for the payment of current employer's pension contributions and the long-term accounting liability.

Fire Pension Fund The Fire Pension Fund accounts for and reports restricted property taxes for the payment of current employer's pension contributions and the long-term accounting liability.

Nonmajor Debt Service Fund

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

General Obligation Bond Retirement Fund The General Obligation Bond Retirement Fund is used to account for and report restricted property taxes and bond proceeds for the payment of principal and interest and fiscal charges on general obligation debt.

Nonmajor Capital Projects Funds

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

Street Improvement Fund The Street Improvement Fund accounts for and reports restricted property taxes for the improvement of streets and curbs within the City.

Office of Justice Grants Fund The Office of Justice Grant Fund accounts for and reports grant monies received through the Department of Justice restricted for equipment in the police department.

(continued)

Fund Descriptions – Nonmajor Governmental Funds (continued)

Nonmajor Capital Projects Funds (continued)

Energy Improvement Fund The Energy Improvement Fund accounts for and reports restricted bond proceeds issued for energy improvements throughout the City.

Municipal Court Improvement Fund The Municipal Court Improvement Fund accounts for and reports the receipt of specific court fees and related expenditures which are restricted to the purchase of equipment and supplies for the Court.

Formula Grant Fund The Formula Grant Fund accounts for and reports restricted grants for the construction of a new water chlorination system for the water treatment plant.

Capital Improvement Fund The Capital Improvement Fund accounts for and reports committed income taxes for capital construction and the acquisition of capital assets.

Industrial Park Fund The Industrial Park Fund accounts for and reports restricted loan monies and grants for the development of the City's industrial park.

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

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and				
Cash Equivalents	\$338,989	\$201,824	\$541,694	\$1,082,507
Accounts Receivable	191	0	7,565	7,756
Intergovernmental Receivable	136,994	7,444	90,472	234,910
Municipal Income Taxes Receivable	18,031	0	15,025	33,056
Property Taxes Receivable	786,600	100,460	425,638	1,312,698
Loans Receivable from Component Unit	240,000	0	0	240,000
<i>Total Assets</i>	<u>\$1,520,805</u>	<u>\$309,728</u>	<u>\$1,080,394</u>	<u>\$2,910,927</u>
Liabilities				
Accounts Payable	\$19,726	\$0	\$13,884	\$33,610
Contracts Payable	0	0	61,527	61,527
Accrued Wages	1,911	0	0	1,911
Intergovernmental Payable	38,751	0	0	38,751
Interfund Payable	26,881	0	0	26,881
Accrued Interest Payable	360	0	0	360
Notes Payable	240,000	0	0	240,000
<i>Total Liabilities</i>	<u>327,629</u>	<u>0</u>	<u>75,411</u>	<u>403,040</u>
Deferred Inflows of Resources				
Property Taxes	662,142	82,044	425,638	1,169,824
Unavailable Revenue	244,437	25,860	96,833	367,130
<i>Total Deferred Inflows of Resources</i>	<u>906,579</u>	<u>107,904</u>	<u>522,471</u>	<u>1,536,954</u>
Fund Balances				
Restricted	302,681	201,824	519,906	1,024,411
Committed	26,062	0	12,645	38,707
Unassigned (Deficit)	(42,146)	0	(50,039)	(92,185)
<i>Total Fund Balances</i>	<u>286,597</u>	<u>201,824</u>	<u>482,512</u>	<u>970,933</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$1,520,805</u>	<u>\$309,728</u>	<u>\$1,080,394</u>	<u>\$2,910,927</u>

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

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	\$694,867	\$102,446	\$0	\$797,313
Municipal Income Taxes	54,816	0	76,276	131,092
Intergovernmental	548,114	14,891	153,963	716,968
Fees, Licenses and Permits	146,641	0	0	146,641
Fines and Forfeitures	5,774	0	113,258	119,032
Rentals	28,225	0	0	28,225
Charges for Services	34,750	0	0	34,750
Contributions and Donations	800	0	0	800
Interest	154	0	0	154
Other	11,464	0	0	11,464
<i>Total Revenues</i>	<u>1,525,605</u>	<u>117,337</u>	<u>343,497</u>	<u>1,986,439</u>
Expenditures				
Current:				
General Government	0	3,049	0	3,049
Security of Persons and Property	807,465	0	0	807,465
Leisure Time Activities	49,599	0	0	49,599
Community Development	405,465	0	0	405,465
Basic Utility Services	155,068	0	0	155,068
Transportation	166,692	0	22,168	188,860
Capital Outlay	0	0	340,170	340,170
Debt Service:				
Principal Retirement	28,760	86,702	15,333	130,795
Interest and Fiscal Charges	5,912	16,825	4,210	26,947
<i>Total Expenditures</i>	<u>1,618,961</u>	<u>106,576</u>	<u>381,881</u>	<u>2,107,418</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(93,356)	10,761	(38,384)	(120,979)
Other Financing Sources				
Transfers In	77,100	0	0	77,100
<i>Net Change in Fund Balances</i>	(16,256)	10,761	(38,384)	(43,879)
<i>Fund Balances Beginning of Year</i>	<u>302,853</u>	<u>191,063</u>	<u>520,896</u>	<u>1,014,812</u>
<i>Fund Balances End of Year</i>	<u><u>\$286,597</u></u>	<u><u>\$201,824</u></u>	<u><u>\$482,512</u></u>	<u><u>\$970,933</u></u>

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

	Auto Permissive Tax	State Highway	Restaurant Vending	Marina	Enforcement and Education
Assets					
Equity in Pooled Cash and					
Cash Equivalents	\$163	\$697	\$8,336	\$7,111	\$6,922
Accounts Receivable	0	0	0	0	0
Intergovernmental Receivable	70,158	17,086	0	0	0
Municipal Income Taxes Receivable	0	0	0	0	0
Property Taxes Receivable	0	0	0	0	0
Loans Receivable from Component Unit	0	0	0	240,000	0
<i>Total Assets</i>	<u>\$70,321</u>	<u>\$17,783</u>	<u>\$8,336</u>	<u>\$247,111</u>	<u>\$6,922</u>
Liabilities					
Accounts Payable	\$0	\$0	\$0	\$0	\$0
Accrued Wages	0	0	24	0	0
Intergovernmental Payable	0	0	522	0	0
Interfund Payable	0	0	0	0	0
Accrued Interest Payable	0	0	0	360	0
Notes Payable	0	0	0	240,000	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>546</u>	<u>240,360</u>	<u>0</u>
Deferred Inflows of Resources					
Property Taxes	0	0	0	0	0
Unavailable Revenue	51,189	11,407	0	0	0
<i>Total Deferred Inflows of Resources</i>	<u>51,189</u>	<u>11,407</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances					
Restricted	19,132	6,376	7,790	6,751	6,922
Committed	0	0	0	0	0
Unassigned (Deficit)	0	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>19,132</u>	<u>6,376</u>	<u>7,790</u>	<u>6,751</u>	<u>6,922</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$70,321</u>	<u>\$17,783</u>	<u>\$8,336</u>	<u>\$247,111</u>	<u>\$6,922</u>

<u>Indigent Drivers</u>	<u>Cemetery</u>	<u>Police Levy</u>	<u>Fire Levy</u>	<u>Indigent Monitoring</u>	<u>Law Enforcement Trust</u>	<u>Municipal Probation Services</u>
\$46,648	\$56,121	\$80,517	\$46,099	\$15,893	\$5,114	\$100
0	0	0	0	191	0	0
0	0	21,903	10,951	0	0	0
0	0	0	0	0	0	0
0	0	349,358	174,077	0	0	0
0	0	0	0	0	0	0
<u>\$46,648</u>	<u>\$56,121</u>	<u>\$451,778</u>	<u>\$231,127</u>	<u>\$16,084</u>	<u>\$5,114</u>	<u>\$100</u>
\$0	\$594	\$0	\$0	\$0	\$0	\$0
0	1,847	0	0	0	0	0
0	1,147	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	3,588	0	0	0	0	0
0	0	294,013	146,765	0	0	0
0	0	77,248	38,263	0	0	0
0	0	371,261	185,028	0	0	0
46,648	52,533	80,517	46,099	16,084	5,114	100
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>46,648</u>	<u>52,533</u>	<u>80,517</u>	<u>46,099</u>	<u>16,084</u>	<u>5,114</u>	<u>100</u>
<u>\$46,648</u>	<u>\$56,121</u>	<u>\$451,778</u>	<u>\$231,127</u>	<u>\$16,084</u>	<u>\$5,114</u>	<u>\$100</u>

(continued)

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

	Moving Ohio Forward	Street Lighting	Tree Commission	Community Housing	Economic Development
Assets					
Equity in Pooled Cash and					
Cash Equivalents	\$0	\$5,966	\$7	\$8,573	\$35
Accounts Receivable	0	0	0	0	0
Intergovernmental Receivable	0	0	0	0	0
Municipal Income Taxes Receivable	0	9,767	0	0	0
Property Taxes Receivable	0	0	0	0	0
Loans Receivable from Component Unit	0	0	0	0	0
<i>Total Assets</i>	<u>\$0</u>	<u>\$15,733</u>	<u>\$7</u>	<u>\$8,573</u>	<u>\$35</u>
Liabilities					
Accounts Payable	\$471	\$17,256	\$0	\$0	\$0
Accrued Wages	0	0	0	0	0
Intergovernmental Payable	0	0	0	0	0
Interfund Payable	0	0	0	0	0
Accrued Interest Payable	0	0	0	0	0
Notes Payable	0	0	0	0	0
<i>Total Liabilities</i>	<u>471</u>	<u>17,256</u>	<u>0</u>	<u>0</u>	<u>0</u>
Deferred Inflows of Resources					
Property Taxes	0	0	0	0	0
Unavailable Revenue	0	4,135	0	0	0
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>4,135</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances					
Restricted	0	0	7	8,573	35
Committed	0	0	0	0	0
Unassigned (Deficit)	(471)	(5,658)	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>(471)</u>	<u>(5,658)</u>	<u>7</u>	<u>8,573</u>	<u>35</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$0</u>	<u>\$15,733</u>	<u>\$7</u>	<u>\$8,573</u>	<u>\$35</u>

CHIPS	Recreation	Police Pension	Fire Pension	Total Nonmajor Special Revenue Funds
\$26,397	\$23,168	\$478	\$644	\$338,989
0	0	0	0	191
0	0	9,452	7,444	136,994
0	8,264	0	0	18,031
0	0	147,225	115,940	786,600
0	0	0	0	240,000
<u>\$26,397</u>	<u>\$31,432</u>	<u>\$157,155</u>	<u>\$124,028</u>	<u>\$1,520,805</u>
\$217	\$1,188	\$0	\$0	\$19,726
0	40	0	0	1,911
0	644	23,857	12,581	38,751
26,881	0	0	0	26,881
0	0	0	0	360
0	0	0	0	240,000
<u>27,098</u>	<u>1,872</u>	<u>23,857</u>	<u>12,581</u>	<u>327,629</u>
0	0	123,840	97,524	662,142
0	3,498	32,837	25,860	244,437
0	3,498	156,677	123,384	906,579
0	0	0	0	302,681
0	26,062	0	0	26,062
(701)	0	(23,379)	(11,937)	(42,146)
<u>(701)</u>	<u>26,062</u>	<u>(23,379)</u>	<u>(11,937)</u>	<u>286,597</u>
<u>\$26,397</u>	<u>\$31,432</u>	<u>\$157,155</u>	<u>\$124,028</u>	<u>\$1,520,805</u>

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

	Auto Permissive Tax	State Highway	Restaurant Vending	Marina	Enforcement and Education
Revenues					
Property Taxes	\$0	\$0	\$0	\$0	\$0
Municipal Income Taxes	0	0	0	0	0
Intergovernmental	130,508	35,446	0	3,600	0
Fees, Licenses and Permits	0	0	19,261	889	0
Fines and Forfeitures	0	0	0	0	538
Rentals	0	0	0	0	0
Charges for Services	0	0	0	0	0
Contributions and Donations	0	0	0	0	0
Interest	22	6	0	0	0
Other	0	0	0	0	0
<i>Total Revenues</i>	<u>130,530</u>	<u>35,452</u>	<u>19,261</u>	<u>4,489</u>	<u>538</u>
Expenditures					
Current:					
Security of Persons and Property	0	0	0	0	0
Leisure Time Activities	0	0	0	0	0
Community Development	0	0	16,787	0	0
Basic Utility Services	0	0	0	0	0
Transportation	130,756	35,936	0	0	0
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	3,960	0
<i>Total Expenditures</i>	<u>130,756</u>	<u>35,936</u>	<u>16,787</u>	<u>3,960</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(226)	(484)	2,474	529	538
Other Financing Sources					
Transfers In	0	0	0	0	0
<i>Net Change in Fund Balances</i>	(226)	(484)	2,474	529	538
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>19,358</u>	<u>6,860</u>	<u>5,316</u>	<u>6,222</u>	<u>6,384</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$19,132</u></u>	<u><u>\$6,376</u></u>	<u><u>\$7,790</u></u>	<u><u>\$6,751</u></u>	<u><u>\$6,922</u></u>

Indigent Drivers	Cemetery	Police Levy	Fire Levy	Litter Control	Indigent Monitoring	Law Enforcement Trust
\$0	\$0	\$308,101	\$154,051	\$0	\$0	\$0
0	0	0	0	0	0	0
0	0	43,587	21,793	0	0	0
0	60	0	0	0	0	0
2,169	0	0	0	0	2,402	565
0	0	0	0	0	0	0
0	34,750	0	0	0	0	0
0	0	0	0	0	0	0
0	47	0	0	0	0	0
615	290	0	0	0	1,653	0
<u>2,784</u>	<u>35,147</u>	<u>351,688</u>	<u>175,844</u>	<u>0</u>	<u>4,055</u>	<u>565</u>
0	0	299,062	172,139	0	0	0
0	0	0	0	0	0	0
0	27,770	0	0	308	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	28,760	0	0	0	0
0	0	1,952	0	0	0	0
<u>0</u>	<u>27,770</u>	<u>329,774</u>	<u>172,139</u>	<u>308</u>	<u>0</u>	<u>0</u>
2,784	7,377	21,914	3,705	(308)	4,055	565
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
2,784	7,377	21,914	3,705	(308)	4,055	565
43,864	45,156	58,603	42,394	308	12,029	4,549
<u>\$46,648</u>	<u>\$52,533</u>	<u>\$80,517</u>	<u>\$46,099</u>	<u>\$0</u>	<u>\$16,084</u>	<u>\$5,114</u>

(continued)

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

	Municipal Probation Services	Moving Ohio Forward	Street Lighting	Tree Commission	Community Housing
Revenues					
Property Taxes	\$0	\$0	\$0	\$0	\$0
Municipal Income Taxes	0	0	29,643	0	0
Intergovernmental	0	0	0	0	2,238
Fees, Licenses and Permits	0	0	123,056	0	0
Fines and Forfeitures	100	0	0	0	0
Rentals	0	0	0	0	0
Charges for Services	0	0	0	0	0
Contributions and Donations	0	0	0	800	0
Interest	0	0	0	0	29
Other	0	0	1,713	0	0
<i>Total Revenues</i>	<u>100</u>	<u>0</u>	<u>154,412</u>	<u>800</u>	<u>2,267</u>
Expenditures					
Current:					
Security of Persons and Property	0	0	0	0	0
Leisure Time Activities	0	0	0	0	0
Community Development	0	471	0	2,702	1,000
Basic Utility Services	0	0	155,068	0	0
Transportation	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0
<i>Total Expenditures</i>	<u>0</u>	<u>471</u>	<u>155,068</u>	<u>2,702</u>	<u>1,000</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	100	(471)	(656)	(1,902)	1,267
Other Financing Sources					
Transfers In	0	0	0	1,100	0
<i>Net Change in Fund Balances</i>	100	(471)	(656)	(802)	1,267
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>(5,002)</u>	<u>809</u>	<u>7,306</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$100</u>	<u>(\$471)</u>	<u>(\$5,658)</u>	<u>\$7</u>	<u>\$8,573</u>

Economic Development	CHIPS	Recreation	Police Pension	Fire Pension	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$130,190	\$102,525	\$694,867
0	0	25,173	0	0	54,816
0	269,490	0	23,190	18,262	548,114
0	0	3,375	0	0	146,641
0	0	0	0	0	5,774
0	0	28,225	0	0	28,225
0	0	0	0	0	34,750
0	0	0	0	0	800
50	0	0	0	0	154
0	0	7,193	0	0	11,464
50	269,490	63,966	153,380	120,787	1,525,605
0	0	0	192,416	143,848	807,465
0	0	49,599	0	0	49,599
72,235	284,192	0	0	0	405,465
0	0	0	0	0	155,068
0	0	0	0	0	166,692
0	0	0	0	0	28,760
0	0	0	0	0	5,912
72,235	284,192	49,599	192,416	143,848	1,618,961
(72,185)	(14,702)	14,367	(39,036)	(23,061)	(93,356)
0	0	0	36,000	40,000	77,100
(72,185)	(14,702)	14,367	(3,036)	16,939	(16,256)
72,220	14,001	11,695	(20,343)	(28,876)	302,853
\$35	(\$701)	\$26,062	(\$23,379)	(\$11,937)	\$286,597

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

	Street Improvement	Office of Justice Grant	Energy Improvement	Municipal Court Improvement
Assets				
Equity in Pooled Cash and Cash Equivalents	\$193,494	\$2,000	\$52,754	\$279,155
Accounts Receivable	0	0	0	7,565
Intergovernmental Receivable	30,988	0	0	0
Municipal Income Taxes Receivable	15,025	0	0	0
Property Taxes Receivable	425,638	0	0	0
<i>Total Assets</i>	<u>\$665,145</u>	<u>\$2,000</u>	<u>\$52,754</u>	<u>\$286,720</u>
Liabilities				
Accounts Payable	\$1,432	\$0	\$0	\$1,388
Contracts Payable	21,657	0	0	0
<i>Total Liabilities</i>	<u>23,089</u>	<u>0</u>	<u>0</u>	<u>1,388</u>
Deferred Inflows of Resources				
Property Taxes	425,638	0	0	0
Unavailable Revenue	37,349	0	0	0
<i>Total Deferred Inflows of Resources</i>	<u>462,987</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances				
Restricted	179,069	2,000	52,754	285,332
Committed	0	0	0	0
Unassigned (Deficit)	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>179,069</u>	<u>2,000</u>	<u>52,754</u>	<u>285,332</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$665,145</u>	<u>\$2,000</u>	<u>\$52,754</u>	<u>\$286,720</u>

<u>Formula Grant</u>	<u>Capital Improvement</u>	<u>Industrial Park</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$0	\$13,540	\$751	\$541,694
0	0	0	7,565
59,484	0	0	90,472
0	0	0	15,025
0	0	0	425,638
<u>\$59,484</u>	<u>\$13,540</u>	<u>\$751</u>	<u>\$1,080,394</u>
\$11,064	\$0	\$0	\$13,884
38,975	895	0	61,527
<u>50,039</u>	<u>895</u>	<u>0</u>	<u>75,411</u>
0	0	0	425,638
59,484	0	0	96,833
<u>59,484</u>	<u>0</u>	<u>0</u>	<u>522,471</u>
0	0	751	519,906
0	12,645	0	12,645
(50,039)	0	0	(50,039)
<u>(50,039)</u>	<u>12,645</u>	<u>751</u>	<u>482,512</u>
<u>\$59,484</u>	<u>\$13,540</u>	<u>\$751</u>	<u>\$1,080,394</u>

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

	Street Improvement	Office of Justice Grant	Energy Improvement	Municipal Court Improvement
Revenues				
Municipal Income Taxes	\$39,177	\$0	\$0	\$0
Intergovernmental	84,192	3,800	55,455	0
Fines and Forfeitures	0	0	0	113,258
<i>Total Revenues</i>	<u>123,369</u>	<u>3,800</u>	<u>55,455</u>	<u>113,258</u>
Expenditures				
Current:				
Transportation	22,168	0	0	0
Capital Outlay	50,774	1,800	18,761	54,385
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>72,942</u>	<u>1,800</u>	<u>18,761</u>	<u>54,385</u>
<i>Net Change in Fund Balances</i>	50,427	2,000	36,694	58,873
<i>Fund Balances (Deficit)</i>				
<i>Beginning of Year</i>	<u>128,642</u>	<u>0</u>	<u>16,060</u>	<u>226,459</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$179,069</u></u>	<u><u>\$2,000</u></u>	<u><u>\$52,754</u></u>	<u><u>\$285,332</u></u>

Formula Grant	Capital Improvement	Industrial Park	Total Nonmajor Capital Projects Funds
\$0	\$37,099	\$0	\$76,276
4,516	0	6,000	153,963
0	0	0	113,258
4,516	37,099	6,000	343,497
0	0	0	22,168
187,555	23,265	3,630	340,170
0	15,333	0	15,333
0	4,210	0	4,210
187,555	42,808	3,630	381,881
(183,039)	(5,709)	2,370	(38,384)
133,000	18,354	(1,619)	520,896
(\$50,039)	\$12,645	\$751	\$482,512

Fund Descriptions – Fiduciary Funds

Fiduciary Funds

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

Agency Fund

Deposits Fund – This fund accounts for deposits from the municipal court to be distributed to the State.

City of Conneaut, Ohio
Statement of Changes in Assets and Liabilities
Agency Fund
For the Year Ended December 31, 2013

	Beginning Balance 12/31/12	Additions	Deductions	Ending Balance 12/31/13
<i>Deposits Fund</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$16,407	\$87,774	\$38,206	\$65,975
Cash and Cash Equivalents In Segregated Accounts	7,032	690,589	691,042	6,579
<i>Total Assets</i>	<u>\$23,439</u>	<u>\$778,363</u>	<u>\$729,248</u>	<u>\$72,554</u>
Liabilities				
Deposits Held and Due to Others	\$23,439	\$778,363	\$729,248	\$72,554

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

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$336,500	\$336,500	\$358,020	\$21,520
Municipal Income Taxes	2,093,379	2,093,379	2,252,237	158,858
Hotel Taxes	18,000	18,000	17,201	(799)
Intergovernmental	450,300	450,300	492,200	41,900
Fees, Licenses and Permits	494,387	494,387	514,576	20,189
Fines and Forfeitures	186,050	186,050	201,020	14,970
Rentals	35,000	35,000	30,436	(4,564)
Charges for Services	23,300	23,300	25,185	1,885
Contributions and Donations	16,600	16,600	23,085	6,485
Interest	1,500	1,500	4,918	3,418
Franchise Taxes	139,000	139,000	128,849	(10,151)
Other	31,020	31,020	70,278	39,258
<i>Total Revenues</i>	3,825,036	3,825,036	4,118,005	292,969
Expenditures				
Current:				
General Government:				
Council				
Personal Services	51,800	51,800	51,308	492
Materials and Supplies	700	700	254	446
Contractual Services	5,086	6,086	4,842	1,244
Total Council	57,586	58,586	56,404	2,182
Clerk of Council				
Personal Services	7,693	7,693	7,296	397
City Manager				
Personal Services	100,845	102,730	97,973	4,757
Materials and Supplies	2,750	2,750	2,136	614
Contractual Services	3,421	3,421	2,587	834
Total City Manager	107,016	108,901	102,696	6,205
Finance Office				
Personal Services	191,625	191,625	191,625	0
Materials and Supplies	20,850	21,700	19,513	2,187
Contractual Services	3,344	3,344	2,953	391
Capital Outlay	500	500	500	0
Total Finance Office	\$216,319	\$217,169	\$214,591	\$2,578

(continued)

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Law Director				
Personal Services	\$146,177	\$137,072	\$117,208	\$19,864
Materials and Supplies	2,750	2,750	2,576	174
Contractual Services	3,800	13,800	13,102	698
Total Law Director	152,727	153,622	132,886	20,736
Civil Service				
Personal Services	5,470	5,470	5,325	145
Materials and Supplies	2,500	2,500	964	1,536
Contractual Services	1,885	1,885	1,437	448
Total Civil Service	9,855	9,855	7,726	2,129
Court				
Personal Services	310,643	312,264	299,088	13,176
Materials and Supplies	17,142	17,142	15,240	1,902
Contractual Services	22,320	22,320	16,228	6,092
Purchased Services	1,100	1,100	1,006	94
Capital Outlay	2,000	2,000	1,999	1
Total Court	353,205	354,826	333,561	21,265
City Hall				
Personal Services	4,000	4,000	0	4,000
Materials and Supplies	26,328	26,328	25,175	1,153
Contractual Services	9,000	9,000	6,511	2,489
Purchased Services	7,000	7,000	7,000	0
Capital Outlay	500	500	423	77
Total City Hall	46,828	46,828	39,109	7,719
Planning Commission				
Personal Services	5,200	5,200	1,319	3,881
Materials and Supplies	628	628	402	226
Total Planning Commission	5,828	5,828	1,721	4,107
Demolition				
Purchased Services	255	255	0	255
Reserve Fund				
Contractual Services	30,200	30,200	22,868	7,332
Purchased Services	77,896	77,896	48,799	29,097
Capital Outlay	6,028	6,028	6,000	28
Total Reserve Fund	\$114,124	\$114,124	\$77,667	\$36,457

(continued)

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
General Services				
Contractual Services	\$80,400	\$65,400	\$57,762	\$7,638
Capital Outlay	19,500	34,500	31,641	2,859
Other	70,312	79,797	65,222	14,575
Total General Services	<u>170,212</u>	<u>179,697</u>	<u>154,625</u>	<u>25,072</u>
Total General Government	<u>1,241,648</u>	<u>1,257,384</u>	<u>1,128,282</u>	<u>129,102</u>
Security of Persons and Property				
Police Department				
Personal Services	1,110,600	1,199,935	1,185,509	14,426
Materials and Supplies	79,170	79,170	72,629	6,541
Contractual Services	37,157	37,157	24,222	12,935
Purchased Services	34,984	34,984	25,179	9,805
Capital Outlay	111,174	111,174	108,055	3,119
Other	1,000	1,000	0	1,000
Total Police Department	<u>1,374,085</u>	<u>1,463,420</u>	<u>1,415,594</u>	<u>47,826</u>
Jail				
Materials and Supplies	3,000	3,500	3,000	500
Purchased Services	11,266	11,266	9,195	2,071
Capital Outlay	3,500	3,500	1,042	2,458
Other	4,100	6,100	2,553	3,547
Total Jail	<u>21,866</u>	<u>24,366</u>	<u>15,790</u>	<u>8,576</u>
Fire Department				
Personal Services	688,050	721,550	701,346	20,204
Materials and Supplies	67,304	73,304	56,008	17,296
Contractual Services	44,500	44,500	31,872	12,628
Purchased Services	73,832	73,833	57,268	16,565
Capital Outlay	123,267	107,267	25,754	81,513
Total Fire Department	<u>996,953</u>	<u>1,020,454</u>	<u>872,248</u>	<u>148,206</u>
Ambulance Fund				
Capital Outlay	<u>8,632</u>	<u>8,632</u>	<u>6,450</u>	<u>2,182</u>
Total Security of Persons and Property	<u>\$2,401,536</u>	<u>\$2,516,872</u>	<u>\$2,310,082</u>	<u>\$206,790</u>

(continued)

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Public Health Services:				
Health Department				
Personal Services	\$142,047	\$142,197	\$132,338	\$9,859
Materials and Supplies	4,558	4,558	3,446	1,112
Contractual Services	27,775	27,775	21,108	6,667
Purchased Services	11,000	11,000	10,722	278
Total Health Department	185,380	185,530	167,614	17,916
Street Lighting				
Purchased Services	10,000	10,000	9,344	656
Total Public Health Services	195,380	195,530	176,958	18,572
Leisure Time Activities:				
Museum Railroad				
Purchased Service	4,081	4,081	2,620	1,461
Bureau of Tourism				
Materials and Supplies	5,250	5,250	5,101	149
Contractual Services	2,020	2,020	2,000	20
Purchased Services	12,445	12,445	11,857	588
Total Bureau of Tourism	19,715	19,715	18,958	757
Cable Advisory Board				
Personal Services	22,967	22,967	21,998	969
Materials and Supplies	500	500	405	95
Contractual Services	353	353	330	23
Capital Outlay	15,937	15,937	15,413	524
Total Cable Advisory Board	39,757	39,757	38,146	1,611
Total Leisure Time Activities	63,553	63,553	59,724	3,829
Community Development:				
Housing and Zoning:				
Personal Services	46,045	46,045	35,804	10,241
Materials and Supplies	3,407	3,407	2,911	496
Contractual Services	1,022	1,021	645	376
Purchased Services	4,400	4,400	4,057	343
Total Community Development	\$54,874	\$54,873	\$43,417	\$11,456

(continued)

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Debt Service				
Principal Retirement	\$164,110	\$164,110	\$164,109	\$1
Interest and Fiscal Charges	25,199	25,713	25,299	414
Total Debt Service	<u>189,309</u>	<u>189,823</u>	<u>189,408</u>	<u>415</u>
<i>Total Expenditures</i>	<u>4,146,300</u>	<u>4,278,035</u>	<u>3,907,871</u>	<u>370,164</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(321,264)</u>	<u>(452,999)</u>	<u>210,134</u>	<u>663,133</u>
Other Financing Sources (Uses)				
Proceeds of Capital Lease	88,485	88,485	88,485	0
General Obligation Notes Issued	75,000	75,000	70,000	(5,000)
Advances Out	0	(26,881)	(26,881)	0
Transfers Out	(210,750)	(240,750)	(177,100)	63,650
<i>Total Other Financing Sources (Uses)</i>	<u>(47,265)</u>	<u>(104,146)</u>	<u>(45,496)</u>	<u>58,650</u>
<i>Net Change in Fund Balance</i>	(368,529)	(557,145)	164,638	721,783
<i>Fund Balance Beginning of Year</i>	974,645	974,645	974,645	0
Prior Year Encumbrances Appropriated	<u>142,804</u>	<u>142,804</u>	<u>142,804</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$748,920</u></u>	<u><u>\$560,304</u></u>	<u><u>\$1,282,087</u></u>	<u><u>\$721,783</u></u>

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$472,910	\$472,910	\$509,102	\$36,192
Special Assessments	7,000	7,000	8,621	1,621
Intergovernmental	365,000	365,000	361,935	(3,065)
Fees, Licenses and Permits	97,500	97,500	94,470	(3,030)
Interest	300	300	29	(271)
Other	30,000	30,000	59,306	29,306
<i>Total Revenues</i>	<u>972,710</u>	<u>972,710</u>	<u>1,033,463</u>	<u>60,753</u>
Expenditures				
Current:				
Transportation:				
Street Department				
Personal Services	760,090	736,090	663,037	73,053
Materials and Supplies	202,998	212,998	181,169	31,829
Contractual Services	16,400	16,400	13,819	2,581
Purchased Services	97,492	121,492	113,752	7,740
Capital Outlay	9,600	17,100	15,123	1,977
Other	0	500	88	412
Total Transportation	<u>1,086,580</u>	<u>1,104,580</u>	<u>986,988</u>	<u>117,592</u>
Debt Service:				
Principal Retirement	195,359	196,505	196,505	0
Interest and Fiscal Charges	16,982	16,985	15,868	1,117
Total Debt Service	<u>212,341</u>	<u>213,490</u>	<u>212,373</u>	<u>1,117</u>
<i>Total Expenditures</i>	<u>1,298,921</u>	<u>1,318,070</u>	<u>1,199,361</u>	<u>118,709</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(326,211)</u>	<u>(345,360)</u>	<u>(165,898)</u>	<u>179,462</u>
Other Financing Sources				
General Obligation Notes Issued	73,000	73,000	70,500	(2,500)
Transfers In	170,000	170,000	100,000	(70,000)
<i>Total Other Financing Sources</i>	<u>243,000</u>	<u>243,000</u>	<u>170,500</u>	<u>(72,500)</u>
<i>Net Change in Fund Balance</i>	<u>(83,211)</u>	<u>(102,360)</u>	<u>4,602</u>	<u>106,962</u>
<i>Fund Balance Beginning of Year</i>	<u>68,304</u>	<u>68,304</u>	<u>68,304</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>38,390</u>	<u>38,390</u>	<u>38,390</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$23,483</u>	<u>\$4,334</u>	<u>\$111,296</u>	<u>\$106,962</u>

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Assessment Bond Retirement Fund
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Special Assessments	\$118,000	\$118,000	\$134,038	\$16,038
Expenditures				
Current:				
General Government:				
Special Assessment Bond Retirement				
Other	4,000	4,805	4,805	0
Debt Service:				
Principal Retirement	136,598	136,598	136,598	0
Interest and Fiscal Charges	22,551	22,545	22,545	0
Total Debt Service	159,149	159,143	159,143	0
<i>Total Expenditures</i>	163,149	163,948	163,948	0
<i>Excess of Revenues Under Expenditures</i>	(45,149)	(45,948)	(29,910)	16,038
Other Financing Sources				
Advances In	45,149	45,149	23,132	(22,017)
<i>Net Change in Fund Balance</i>	0	(799)	(6,778)	(5,979)
<i>Fund Balance Beginning of Year</i>	6,778	6,778	6,778	0
<i>Fund Balance End of Year</i>	\$6,778	\$5,979	\$0	(\$5,979)

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$2,145,250	\$2,145,250	\$2,136,634	(\$8,616)
Tap-In Fees	17,000	17,000	252	(16,748)
Special Assessments	4,000	4,000	4,216	216
Intergovernmental	411,285	411,285	411,285	0
Rentals	2,500	2,500	4,000	1,500
Other	13,500	13,500	24,146	10,646
OPWC Loans Issued	938,650	938,650	150,000	(788,650)
OWDA Loans Issued	665,065	665,065	665,065	0
<i>Total Revenues</i>	<u>4,197,250</u>	<u>4,197,250</u>	<u>3,395,598</u>	<u>(801,652)</u>
Expenses				
Personal Services	1,189,855	1,179,855	1,097,169	82,686
Purchased Services	950,691	952,691	842,088	110,603
Contractual Services	233,415	234,415	170,859	63,556
Materials and Supplies	188,981	200,831	171,131	29,700
Capital Outlay	1,664,686	1,710,936	864,327	846,609
Other	2,400	3,900	2,075	1,825
Debt Service:				
Principal Retirement	357,054	357,054	357,050	4
Interest and Fiscal Charges	65,198	65,198	65,073	125
<i>Total Expenses</i>	<u>4,652,280</u>	<u>4,704,880</u>	<u>3,569,772</u>	<u>1,135,108</u>
<i>Net Change in Fund Equity</i>	(455,030)	(507,630)	(174,174)	333,456
<i>Fund Equity Beginning of Year</i>	800,703	800,703	800,703	0
Prior Year Encumbrances Appropriated	34,973	34,973	34,973	0
<i>Fund Equity End of Year</i>	<u>\$380,646</u>	<u>\$328,046</u>	<u>\$661,502</u>	<u>\$333,456</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$2,296,903	\$2,296,903	\$2,274,937	(\$21,966)
Tap-In Fees	9,800	9,800	6,842	(2,958)
Special Assessments	2,500	2,500	2,383	(117)
Intergovernmental	386,900	386,900	133,803	(253,097)
Other	1,500	1,500	16,658	15,158
General Obligation Notes Issued	210,000	210,000	217,500	7,500
OPWC Loans Issued	100,000	100,000	50,000	(50,000)
OWDA Loans Issued	497,100	497,100	331,077	(166,023)
<i>Total Revenues</i>	<u>3,504,703</u>	<u>3,504,703</u>	<u>3,033,200</u>	<u>(471,503)</u>
Expenses				
Personal Services	941,955	928,955	864,531	64,424
Purchased Services	952,470	986,470	615,016	371,454
Contractual Services	145,176	150,677	108,490	42,187
Materials and Supplies	137,759	156,109	150,306	5,803
Capital Outlay	554,135	554,885	294,792	260,093
Other	4,750	6,750	3,748	3,002
Debt Service:				
Principal Retirement	616,295	621,217	621,217	0
Interest and Fiscal Charges	128,301	132,466	128,820	3,646
<i>Total Expenses</i>	<u>3,480,841</u>	<u>3,537,529</u>	<u>2,786,920</u>	<u>750,609</u>
<i>Excess of Revenues Over (Under) Expenses before Advances</i>	23,862	(32,826)	246,280	279,106
Advances Out	(45,149)	(23,132)	(23,132)	0
<i>Net Change in Fund Equity</i>	(21,287)	(55,958)	223,148	279,106
<i>Fund Equity Beginning of Year</i>	360,519	360,519	360,519	0
Prior Year Encumbrances Appropriated	52,042	52,042	52,042	0
<i>Fund Equity End of Year</i>	<u>\$391,274</u>	<u>\$356,603</u>	<u>\$635,709</u>	<u>\$279,106</u>

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Auto Permissive Tax Fund
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$135,000	\$135,000	\$130,813	(\$4,187)
Interest	200	200	22	(178)
<i>Total Revenues</i>	135,200	135,200	130,835	(4,365)
Expenditures				
Current:				
Transportation:				
Auto Permissive				
Personal Services	135,200	118,200	117,209	991
Materials and Supplies	0	17,000	13,547	3,453
<i>Total Expenditures</i>	135,200	135,200	130,756	4,444
<i>Net Change in Fund Balance</i>	0	0	79	79
<i>Fund Balance Beginning of Year</i>	84	84	84	0
<i>Fund Balance End of Year</i>	\$84	\$84	\$163	\$79

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$36,300	\$36,300	\$35,222	(\$1,078)
Interest	100	100	6	(94)
<i>Total Revenues</i>	36,400	36,400	35,228	(1,172)
Expenditures				
Current:				
Transportation:				
State Highway				
Personal Services	36,000	36,000	35,936	64
<i>Net Change in Fund Balance</i>	400	400	(708)	(1,108)
<i>Fund Balance Beginning of Year</i>	1,405	1,405	1,405	0
<i>Fund Balance End of Year</i>	\$1,805	\$1,805	\$697	(\$1,108)

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Restaurant Vending Fund
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fees, Licenses and Permits	\$18,610	\$18,610	\$19,261	\$651
Expenditures				
Current:				
Community Development:				
Restaurant Vending				
Personal Services	17,270	17,270	13,977	3,293
Materials and Supplies	200	200	122	78
Contractual Services	3,200	3,200	2,562	638
Purchased Services	150	0	0	0
<i>Total Expenditures</i>	20,820	20,670	16,661	4,009
<i>Net Change in Fund Balance</i>	(2,210)	(2,060)	2,600	4,660
<i>Fund Balance Beginning of Year</i>	5,736	5,736	5,736	0
<i>Fund Balance End of Year</i>	\$3,526	\$3,676	\$8,336	\$4,660

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Marina Fund
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$33,600	\$33,600	\$33,600	\$0
Fees, Licenses and Permits	585	585	889	304
<i>Total Revenues</i>	34,185	34,185	34,489	304
Expenditures				
Current:				
Leisure Time Activities:				
Marina				
Contractual Services	500	500	0	500
Debt Service:				
Principal Retirement	270,000	270,000	270,000	0
Interest and Fiscal Charges	3,600	3,600	3,600	0
Total Debt Service	273,600	273,600	273,600	0
<i>Total Expenditures</i>	274,100	274,100	273,600	500
<i>Excess of Revenues Under Expenditures</i>	(239,915)	(239,915)	(239,111)	804
Other Financing Sources				
General Obligation Notes Issued	240,000	240,000	240,000	0
<i>Net Change in Fund Balance</i>	85	85	889	804
<i>Fund Balance Beginning of Year</i>	6,222	6,222	6,222	0
<i>Fund Balance End of Year</i>	\$6,307	\$6,307	\$7,111	\$804

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Enforcement and Education Fund
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$1,100	\$1,100	\$663	(\$437)
Expenditures				
Current:				
Community Development:				
Enforcement and Education				
Contractual Services	1,000	1,000	0	1,000
<i>Net Change in Fund Balance</i>	100	100	663	563
<i>Fund Balance Beginning of Year</i>	6,259	6,259	6,259	0
<i>Fund Balance End of Year</i>	<u>\$6,359</u>	<u>\$6,359</u>	<u>\$6,922</u>	<u>\$563</u>

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Indigent Drivers Fund
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$1,900	\$1,900	\$2,278	\$378
Other	1,000	1,000	615	(385)
<i>Total Revenues</i>	2,900	2,900	2,893	(7)
Expenditures				
Current:				
Public Health Services:				
Indigent Drivers				
Contractual Services	1,000	1,000	0	1,000
<i>Net Change in Fund Balance</i>	1,900	1,900	2,893	993
<i>Fund Balance Beginning of Year</i>	43,755	43,755	43,755	0
<i>Fund Balance End of Year</i>	<u>\$45,655</u>	<u>\$45,655</u>	<u>\$46,648</u>	<u>\$993</u>

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Cemetery Fund
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fees, Licenses and Permits	\$100	\$100	\$60	(\$40)
Charges for Services	26,000	26,000	34,750	8,750
Interest	80	80	47	(33)
Other	1,000	1,000	290	(710)
<i>Total Revenues</i>	<u>27,180</u>	<u>27,180</u>	<u>35,147</u>	<u>7,967</u>
Expenditures				
Current:				
Community Development:				
Cemetery				
Personal Services	20,265	20,265	20,264	1
Materials and Supplies	3,451	3,451	3,256	195
Contractual Services	1,950	1,950	728	1,222
Purchased Services	4,156	4,156	3,879	277
<i>Total Expenditures</i>	<u>29,822</u>	<u>29,822</u>	<u>28,127</u>	<u>1,695</u>
<i>Net Change in Fund Balance</i>	(2,642)	(2,642)	7,020	9,662
<i>Fund Balance at Beginning of Year</i>	47,652	47,652	47,652	0
Prior Year Encumbrances Appropriated	607	607	607	0
<i>Fund Balance End of Year</i>	<u>\$45,617</u>	<u>\$45,617</u>	<u>\$55,279</u>	<u>\$9,662</u>

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Levy Fund
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$287,773	\$287,773	\$308,101	\$20,328
Intergovernmental	46,500	46,500	43,587	(2,913)
<i>Total Revenues</i>	<u>334,273</u>	<u>334,273</u>	<u>351,688</u>	<u>17,415</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police Levy				
Personal Services	310,000	310,000	292,923	17,077
Other	6,500	6,500	6,139	361
Total Security of Persons and Property	<u>316,500</u>	<u>316,500</u>	<u>299,062</u>	<u>17,438</u>
Debt Service:				
Principal Retirement	30,000	30,000	28,760	1,240
Interest and Fiscal Charges	2,000	2,000	1,952	48
Total Debt Service	<u>32,000</u>	<u>32,000</u>	<u>30,712</u>	<u>1,288</u>
<i>Total Expenditures</i>	<u>348,500</u>	<u>348,500</u>	<u>329,774</u>	<u>18,726</u>
<i>Net Change in Fund Balance</i>	(14,227)	(14,227)	21,914	36,141
<i>Fund Balance Beginning of Year</i>	<u>58,603</u>	<u>58,603</u>	<u>58,603</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$44,376</u></u>	<u><u>\$44,376</u></u>	<u><u>\$80,517</u></u>	<u><u>\$36,141</u></u>

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Levy Fund
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$144,137	\$144,137	\$154,051	\$9,914
Intergovernmental	23,000	23,000	21,793	(1,207)
<i>Total Revenues</i>	<u>167,137</u>	<u>167,137</u>	<u>175,844</u>	<u>8,707</u>
Expenditures				
Current:				
Security of Persons and Property:				
Fire Levy				
Personal Services	182,000	182,000	169,070	12,930
Other	3,200	3,200	3,069	131
<i>Total Expenditures</i>	<u>185,200</u>	<u>185,200</u>	<u>172,139</u>	<u>13,061</u>
<i>Net Change in Fund Balance</i>	(18,063)	(18,063)	3,705	21,768
<i>Fund Balance Beginning of Year</i>	<u>42,394</u>	<u>42,394</u>	<u>42,394</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$24,331</u></u>	<u><u>\$24,331</u></u>	<u><u>\$46,099</u></u>	<u><u>\$21,768</u></u>

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Litter Control Fund
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Community Development:				
Litter Control				
Materials and Supplies	308	308	308	0
<i>Net Change in Fund Balance</i>	(308)	(308)	(308)	0
<i>Fund Balance Beginning of Year</i>	308	308	308	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Indigent Monitoring Fund
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$2,000	\$2,000	\$2,371	\$371
Other	1,200	1,200	1,653	453
<i>Total Revenues</i>	3,200	3,200	4,024	824
Expenditures	0	0	0	0
<i>Net Change in Fund Balance</i>	3,200	3,200	4,024	824
<i>Fund Balance Beginning of Year</i>	11,869	11,869	11,869	0
<i>Fund Balance End of Year</i>	<u>\$15,069</u>	<u>\$15,069</u>	<u>\$15,893</u>	<u>\$824</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$3,000	\$3,000	\$565	(\$2,435)
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	3,000	3,000	565	(2,435)
<i>Fund Balance Beginning of Year</i>	<u>4,549</u>	<u>4,549</u>	<u>4,549</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$7,549</u></u>	<u><u>\$7,549</u></u>	<u><u>\$5,114</u></u>	<u><u>(\$2,435)</u></u>

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Municipal Probation Services Fund
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$1,000	\$1,000	\$100	(\$900)
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	1,000	1,000	100	(900)
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,000</u></u>	<u><u>\$1,000</u></u>	<u><u>\$100</u></u>	<u><u>(\$900)</u></u>

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Moving Ohio Forward Fund
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$150,000	\$150,000	\$0	(\$150,000)
Expenditures				
Current:				
Community Development:				
Moving Ohio Forward				
Purchased Services	142,500	142,500	0	0
Capital Outlay	7,500	7,500	0	7,500
<i>Total Expenditures</i>	150,000	150,000	0	7,500
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Lighting Fund
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$27,223	\$27,223	\$29,223	\$2,000
Fees, Licenses and Permits	125,000	125,000	123,056	(1,944)
Other	1,700	1,700	1,713	13
<i>Total Revenues</i>	153,923	153,923	153,992	69
Expenditures				
Current:				
Basic Utility Services:				
Street Lighting				
Purchased Services	151,000	151,000	151,000	0
<i>Net Change in Fund Balance</i>	2,923	2,923	2,992	69
<i>Fund Balance Beginning of Year</i>	2,974	2,974	2,974	0
<i>Fund Balance End of Year</i>	\$5,897	\$5,897	\$5,966	\$69

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Tree Commission Fund
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Contributions and Donations	\$2,000	\$2,000	\$800	(\$1,200)
Expenditures				
Current:				
Community Development:				
Tree Commission				
Materials and Supplies	900	900	852	48
Capital Outlay	1,850	1,850	1,850	0
<i>Total Expenditures</i>	2,750	2,750	2,702	48
<i>Excess of Revenues Under Expenditures</i>	(750)	(750)	(1,902)	(1,152)
Other Financing Sources				
Transfers In	750	750	1,100	350
<i>Net Change in Fund Balance</i>	0	0	(802)	(802)
<i>Fund Balance Beginning of Year</i>	809	809	809	0
<i>Fund Balance End of Year</i>	\$809	\$809	\$7	(\$802)

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Community Housing Fund
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$3,000	\$3,000	\$2,238	(\$762)
Interest	40	40	29	(11)
<i>Total Revenues</i>	3,040	3,040	2,267	(773)
Expenditures				
Current:				
Community Development:				
Community Housing				
Capital Outlay	1,000	1,000	1,000	0
<i>Net Change in Fund Balance</i>	2,040	2,040	1,267	(773)
<i>Fund Balance Beginning of Year</i>	7,306	7,306	7,306	0
<i>Fund Balance End of Year</i>	<u>\$9,346</u>	<u>\$9,346</u>	<u>\$8,573</u>	<u>(\$773)</u>

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Economic Development Fund
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$0	\$11,250	\$100	(\$11,150)
Interest	200	200	50	(150)
<i>Total Revenues</i>	200	11,450	150	(11,300)
Expenditures				
Current:				
Community Development:				
Economic Development				
Contractual Services	2,700	2,700	0	2,700
Capital Outlay	54,439	80,844	72,270	8,574
<i>Total Expenditures</i>	57,139	83,544	72,270	11,274
<i>Net Change in Fund Balance</i>	(56,939)	(72,094)	(72,120)	(26)
<i>Fund Balance Beginning of Year</i>	17,681	17,681	17,681	0
Prior Year Encumbrances Appropriated	54,439	54,439	54,439	0
<i>Fund Balance End of Year</i>	\$15,181	\$26	\$0	(\$26)

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Community Housing Improvement Programs (CHIPS) Fund
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$859,907	\$859,907	\$269,490	(\$590,417)
Expenditures				
Current:				
Community Development:				
CHIPS				
Materials and Supplies	313,728	313,728	125,459	188,269
Purchased Services	546,179	546,179	182,511	363,668
<i>Total Expenditures</i>	859,907	859,907	307,970	551,937
<i>Excess of Revenues Over (Under) Expenditures</i>	0	0	(38,480)	(38,480)
Other Financing Sources				
Advances In	0	0	26,881	26,881
<i>Net Change in Fund Balance</i>	0	0	(11,599)	(11,599)
<i>Fund Balance Beginning of Year</i>	31,667	31,667	31,667	0
<i>Fund Balance End of Year</i>	\$31,667	\$31,667	\$20,068	(\$11,599)

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Recreation Fund
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$23,035	\$23,035	\$24,817	\$1,782
Fees, Licenses and Permits	11,200	11,200	3,375	(7,825)
Rentals	29,150	29,150	28,225	(925)
Contributions and Donations	1,000	1,000	0	(1,000)
Other	200	200	7,193	6,993
<i>Total Revenues</i>	64,585	64,585	63,610	(975)
Expenditures				
Current:				
Leisure Time Activities:				
Recreation				
Personal Services	16,265	16,265	15,047	1,218
Materials and Supplies	11,600	11,000	9,338	1,662
Contractual Services	270	270	187	83
Purchased Services	5,000	5,600	4,618	982
Other	3,400	3,400	2,953	447
Total Recreation	36,535	36,535	32,143	4,392
Parks				
Personal Services	17,050	17,050	5,868	11,182
Materials and Supplies	5,238	5,238	5,011	227
Contractual Services	900	900	30	870
Purchased Services	7,852	7,852	7,183	669
Total Parks	31,040	31,040	18,092	12,948
<i>Total Expenditures</i>	67,575	67,575	50,235	17,340
<i>Net Change in Fund Balance</i>	(2,990)	(2,990)	13,375	16,365
<i>Fund Balance Beginning of Year</i>	7,457	7,457	7,457	0
Prior Year Encumbrances Appropriated	1,871	1,871	1,871	0
<i>Fund Balance End of Year</i>	\$6,338	\$6,338	\$22,703	\$16,365

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Pension Fund
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$122,360	\$122,360	\$130,190	\$7,830
Intergovernmental	31,628	31,628	23,190	(8,438)
<i>Total Revenues</i>	153,988	153,988	153,380	(608)
Expenditures				
Current:				
Security of Persons and Property:				
Police Pension				
Personal Services	178,000	214,508	214,508	0
Other	3,500	3,000	2,603	397
<i>Total Expenditures</i>	181,500	217,508	217,111	397
<i>Excess of Revenues Under Expenditures</i>	(27,512)	(63,520)	(63,731)	(211)
Other Financing Sources				
Transfers In	10,000	36,000	36,000	0
<i>Net Change in Fund Balance</i>	(17,512)	(27,520)	(27,731)	(211)
<i>Fund Balance Beginning of Year</i>	28,209	28,209	28,209	0
<i>Fund Balance End of Year</i>	\$10,697	\$689	\$478	(\$211)

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Pension Fund
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$96,170	\$100,170	\$102,525	\$2,355
Intergovernmental	20,643	20,643	18,262	(2,381)
<i>Total Revenues</i>	116,813	120,813	120,787	(26)
Expenditures				
Current:				
Security of Persons and Property:				
Fire Pension				
Personal Services	145,000	167,282	167,282	0
Other	2,000	2,139	2,049	90
<i>Total Expenditures</i>	147,000	169,421	169,331	90
<i>Excess of Revenues Under Expenditures</i>	(30,187)	(48,608)	(48,544)	64
Other Financing Sources				
Transfers In	30,000	40,000	40,000	0
<i>Net Change in Fund Balance</i>	(187)	(8,608)	(8,544)	64
<i>Fund Balance Beginning of Year</i>	9,188	9,188	9,188	0
<i>Fund Balance End of Year</i>	\$9,001	\$580	\$644	\$64

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Obligation Bond Retirement Fund
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$98,895	\$98,895	\$102,446	\$3,551
Intergovernmental	12,622	12,622	14,891	2,269
<i>Total Revenues</i>	111,517	111,517	117,337	5,820
Expenditures				
Current:				
General Government:				
General Obligation Bond Retirement				
Contractual Services	7,620	7,620	3,049	4,571
Debt Service:				
Principal Retirement	86,702	86,702	86,702	0
Interest and Fiscal Charges	16,825	16,825	16,825	0
<i>Total Debt Service</i>	103,527	103,527	103,527	0
<i>Total Expenditures</i>	111,147	111,147	106,576	4,571
<i>Net Change in Fund Balance</i>	370	370	10,761	10,391
<i>Fund Balance Beginning of Year</i>	191,063	191,063	191,063	0
<i>Fund Balance End of Year</i>	\$191,433	\$191,433	\$201,824	\$10,391

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Improvement Fund
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$56,000	\$56,000	\$76,766	\$20,766
Intergovernmental	199,900	199,900	84,192	(115,708)
<i>Total Revenues</i>	255,900	255,900	160,958	(94,942)
Expenditures				
Current:				
Capital Outlay:				
Street Improvement				
Capital Outlay	331,559	331,559	60,926	270,633
<i>Net Change in Fund Balance</i>	(75,659)	(75,659)	100,032	175,691
<i>Fund Balance Beginning of Year</i>	71,651	71,651	71,651	0
Prior Year Encumbrances Appropriated	11,659	11,659	11,659	0
<i>Fund Balance End of Year</i>	<u>\$7,651</u>	<u>\$7,651</u>	<u>\$183,342</u>	<u>\$175,691</u>

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Office of Justice Grant Fund
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$1,800	\$1,800	\$3,800	\$2,000
Expenditures				
Capital Outlay:				
OCJS Technology Replacement Grant				
Capital Outlay	<u>1,800</u>	<u>1,800</u>	<u>1,800</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	2,000	2,000
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$2,000</u>	<u>\$2,000</u>

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Energy Improvement Fund
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$55,455	\$55,455	\$55,455	\$0
Expenditures				
Capital Outlay:				
Energy System Improvements				
Capital Outlay	260,803	260,803	221,638	39,165
<i>Net Change in Fund Balance</i>	(205,348)	(205,348)	(166,183)	39,165
<i>Fund Balance Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	205,348	205,348	205,348	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$39,165</u>	<u>\$39,165</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$82,000	\$82,000	\$110,834	\$28,834
Expenditures				
Capital Outlay:				
Municipal Court Improvement				
Capital Outlay	135,000	135,350	54,753	80,597
<i>Net Change in Fund Balance</i>	(53,000)	(53,350)	56,081	109,431
<i>Fund Balance Beginning of Year</i>	222,204	222,204	222,204	0
Prior Year Encumbrances Appropriated	350	350	350	0
<i>Fund Balance End of Year</i>	<u>\$169,554</u>	<u>\$169,204</u>	<u>\$278,635</u>	<u>\$109,431</u>

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Formula Grant Fund
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$64,000	\$64,000	\$4,516	(\$59,484)
Expenditures				
Capital Outlay:				
Formula Grant				
Capital Outlay	<u>197,000</u>	<u>197,000</u>	<u>137,516</u>	<u>59,484</u>
<i>Net Change in Fund Balance</i>	(133,000)	(133,000)	(133,000)	0
<i>Fund Balance Beginning of Year</i>	<u>133,000</u>	<u>133,000</u>	<u>133,000</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Capital Improvement Fund
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$41,882	\$41,882	\$45,118	\$3,236
Expenditures				
Capital Outlay:				
Capital Improvement				
Capital Outlay	24,040	24,040	22,370	1,670
Debt Service:				
Principal Retirement	15,333	15,333	15,333	0
Interest and Fiscal Charges	4,329	4,329	4,210	119
Total Debt Service	19,662	19,662	19,543	119
<i>Total Expenditures</i>	43,702	43,702	41,913	1,789
<i>Net Change in Fund Balance</i>	(1,820)	(1,820)	3,205	5,025
<i>Fund Balance Beginning of Year</i>	6,295	6,295	6,295	0
Prior Year Encumbrances Appropriated	4,040	4,040	4,040	0
<i>Fund Balance End of Year</i>	\$8,515	\$8,515	\$13,540	\$5,025

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Industrial Park Fund
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$201,072	\$201,072	\$6,000	(\$195,072)
Expenditures				
Capital Outlay:				
Rural Industrial Park				
Capital Outlay	<u>201,072</u>	<u>201,072</u>	<u>6,000</u>	<u>195,072</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>751</u>	<u>751</u>	<u>751</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$751</u>	<u>\$751</u>	<u>\$751</u>	<u>\$0</u>

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STATISTICAL SECTION

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Statistical Section

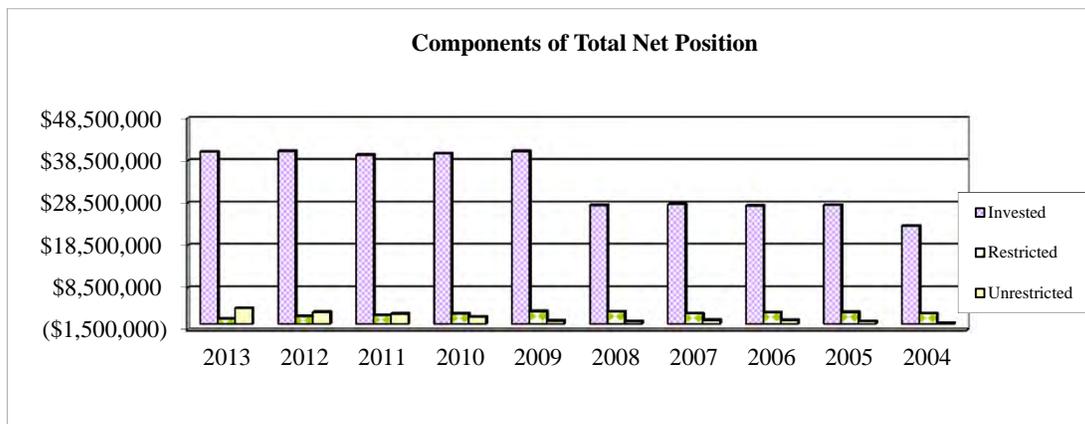
This part of the City of Conneaut, Ohio's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

Contents	Pages(s)
<i>Financial Trends</i>	<i>S2 – S13</i>
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
<i>Revenue Capacity</i>	<i>S14 – S23</i>
These schedules contain information to help the reader assess the City's most significant local revenue, the property tax and the municipal income tax.	
<i>Debt Capacity</i>	<i>S24 – S31</i>
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
<i>Economic and Demographic Information</i>	<i>S32 – S35</i>
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	
<i>Operating Information</i>	<i>S36 – S45</i>
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The City implemented GASB Statement No. 34 in 2003; schedules presenting government-wide information include information beginning in that year.

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

	2013	2012	2011	2010
Governmental Activities				
Net Investment in Capital Assets	\$26,751,490	\$27,886,020	\$27,936,348	\$28,696,100
Restricted:				
Capital Projects	84,680	791,699	625,348	616,736
Debt Service	0	0	0	576,190
Street Construction, Maintenance and Repair	575,566	347,209	241,401	342,702
Police and Fire Operations	270,622	220,558	0	0
Drug and Alcohol Enforcement	69,654	62,277	0	0
Cemetery Operations	52,533	45,156	0	0
Community Housing	0	0	0	4,778
Economic Development	0	72,220	223,944	223,752
USEPA	0	0	60,223	184,960
Other Purposes	72,817	197,930	803,024	395,117
Unrestricted (Deficit)	2,101,712	1,288,417	1,134,968	400,613
Total Governmental Activities Net Position	29,979,074	30,911,486	31,025,256	31,440,948
Business Type - Activities				
Net Investment in Capital Assets	13,880,043	12,848,459	11,935,329	11,515,121
Unrestricted	1,580,056	1,452,234	1,191,639	1,243,770
Total Business-Type Activities Net Position	15,460,099	14,300,693	13,126,968	12,758,891
Primary Government				
Net Investment in Capital Assets	40,631,533	40,734,479	39,871,677	40,211,221
Restricted	1,125,872	1,737,049	1,953,940	2,344,235
Unrestricted	3,681,768	2,740,651	2,326,607	1,644,383
Total Primary Government Net Position	\$45,439,173	\$45,212,179	\$44,152,224	\$44,199,839



2009	2008	2007	2006	2005	2004
\$29,749,095	\$17,147,964	\$17,632,445	\$17,359,101	\$17,803,818	\$13,885,124
996,700	1,086,874	328,198	300,157	153,012	165,563
686,581	784,246	875,896	924,154	1,064,561	978,890
357,308	328,839	262,384	355,363	499,673	427,146
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
12,013	10,105	53,730	153,734	163,939	102,376
223,301	232,096	324,232	494,102	483,025	476,127
193,195	0	0	0	0	0
454,658	424,486	586,281	456,124	352,894	279,820
100,450	(99,466)	350,902	553,320	205,338	(173,066)
<u>32,773,301</u>	<u>19,915,144</u>	<u>20,414,068</u>	<u>20,596,055</u>	<u>20,726,260</u>	<u>16,141,980</u>
10,970,211	10,794,002	10,543,038	10,515,764	10,235,723	9,226,252
586,161	618,321	511,375	283,302	326,986	347,250
<u>11,556,372</u>	<u>11,412,323</u>	<u>11,054,413</u>	<u>10,799,066</u>	<u>10,562,709</u>	<u>9,573,502</u>
40,719,306	27,941,966	28,175,483	27,874,865	28,039,541	23,111,376
2,923,756	2,866,646	2,430,721	2,683,634	2,717,104	2,429,922
686,611	518,855	862,277	836,622	532,324	174,184
<u>\$44,329,673</u>	<u>\$31,327,467</u>	<u>\$31,468,481</u>	<u>\$31,395,121</u>	<u>\$31,288,969</u>	<u>\$25,715,482</u>

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

	2013	2012	2011	2010
Program Revenues				
Governmental Activities:				
Charges for Services and Assessments:				
General Government	\$342,133	\$318,582	\$348,583	\$302,039
Security of Persons and Property	495,024	428,794	556,754	457,176
Public Health Services	41,973	39,160	58,426	64,244
Leisure Time Activities	43,477	42,852	46,378	52,911
Community Development	65,248	56,373	54,225	65,170
Basic Utility Services	123,056	124,708	124,473	125,004
Transportation	138,364	52,031	53,406	58,621
Subtotal - Charges for Services	<u>1,249,275</u>	<u>1,062,500</u>	<u>1,242,245</u>	<u>1,125,165</u>
Operating Grants and Contributions:				
General Government	0	0	0	0
Security of Persons and Property	126,853	85,931	156,429	175,617
Public Health Services	0	0	0	44,121
Leisure Time Activities	3,600	4,946	302,750	1,940
Community Development	272,528	102,036	255,725	219,613
Transportation	307,256	615,517	626,342	361,059
Subtotal - Operating Grants and Contributions	<u>710,237</u>	<u>808,430</u>	<u>1,341,246</u>	<u>802,350</u>
Capital Grants and Assessments:				
General Government	55,455	55,455	23,750	0
Security of Persons and Property	3,800	4,000	0	0
Public Health Services	0	0	0	0
Leisure Time Activities	0	0	0	0
Community Development	6,000	431,453	179,640	0
Transportation (1)	115,180	89,492	25,283	24,626
Subtotal - Capital Grants and Assessments	<u>180,435</u>	<u>580,400</u>	<u>228,673</u>	<u>24,626</u>
<i>Total Governmental Activities</i>				
<i>Program Revenues</i>	<u>2,139,947</u>	<u>2,451,330</u>	<u>2,812,164</u>	<u>1,952,141</u>
Business-Type Activities:				
Charges for Services:				
Water	2,164,625	2,126,057	2,063,031	2,116,230
Sewer	2,299,651	2,247,383	2,383,343	2,408,925
Operating Grants and Contributions				
Sewer	0	0	0	0
Capital Grants and Assessments				
Water	411,285	64,346	0	91,414
Sewer	133,803	235,283	67,973	112,476
<i>Total Business-Type Activities</i>				
<i>Program Revenues</i>	<u>5,009,364</u>	<u>4,673,069</u>	<u>4,514,347</u>	<u>4,729,045</u>
<i>Total Primary Government</i>				
<i>Program Revenues</i>	<u>\$7,149,311</u>	<u>\$7,124,399</u>	<u>\$7,326,511</u>	<u>\$6,681,186</u>

2009	2008	2007	2006	2005	2004
\$426,290	\$158,783	\$176,418	\$186,469	\$177,001	\$219,503
658,859	530,394	508,332	453,497	442,365	420,384
39,544	34,644	38,655	37,551	41,523	38,628
56,026	49,113	47,501	43,313	39,984	38,274
75,456	57,247	65,921	55,708	59,353	58,627
0	0	0	0	0	0
54,333	44,742	67,008	4,300	0	0
<u>1,310,508</u>	<u>874,923</u>	<u>903,835</u>	<u>780,838</u>	<u>760,226</u>	<u>775,416</u>
0	4,578	5,649	6,995	6,721	7,216
189,911	220,073	18,655	48,451	21,894	29,577
22,879	1,385	4,716	16,231	60,738	47,785
0	4,395	1,878	13,941	54,191	331
230,219	226,539	106,897	249,202	326,568	388,570
591,731	684,981	702,427	657,215	693,931	625,609
<u>1,034,740</u>	<u>1,141,951</u>	<u>840,222</u>	<u>992,035</u>	<u>1,164,043</u>	<u>1,099,088</u>
219,607	721,800	82,883	159,621	98,004	0
23,313	0	0	25,319	141,361	0
0	0	0	0	23,767	0
0	0	0	0	596	0
0	0	0	0	8,830	156,358
45,505	148,737	5,759	5,800	4,614,458	3,843,114
<u>288,425</u>	<u>870,537</u>	<u>88,642</u>	<u>190,740</u>	<u>4,887,016</u>	<u>3,999,472</u>
<u>2,633,673</u>	<u>2,887,411</u>	<u>1,832,699</u>	<u>1,963,613</u>	<u>6,811,285</u>	<u>5,873,976</u>
2,077,360	1,951,756	1,922,216	1,785,302	1,802,540	1,842,561
2,001,905	2,003,945	1,944,689	1,879,332	1,847,344	1,706,244
0	0	0	0	0	10,003
178,560	4,040	13,383	30,075	0	0
118,292	16,478	29,859	10,615	504,342	0
<u>4,376,117</u>	<u>3,976,219</u>	<u>3,910,147</u>	<u>3,705,324</u>	<u>4,154,226</u>	<u>3,558,808</u>
<u>\$7,009,790</u>	<u>\$6,863,630</u>	<u>\$5,742,846</u>	<u>\$5,668,937</u>	<u>\$10,965,511</u>	<u>\$9,432,784</u>

(continued)

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

	2013	2012	2011	2010
Expenses				
Governmental Activities:				
General Government	\$1,228,286	\$1,184,781	\$1,424,515	\$1,226,765
Security of Persons and Property	3,275,647	3,061,292	3,043,520	3,362,411
Public Health Services	177,336	190,035	211,538	312,558
Leisure Time Activities	124,444	125,943	141,303	136,287
Community Development	463,946	376,556	513,096	310,981
Basic Utility Services	157,911	141,999	155,121	109,837
Transportation	2,492,999	1,812,092	2,628,167	2,321,555
Interest and Fiscal Charges	84,250	80,138	111,373	132,375
<i>Total Governmental Activities Expenses</i>	<u>8,004,819</u>	<u>6,972,836</u>	<u>8,228,633</u>	<u>7,912,769</u>
Business-Type Activities				
Water	1,959,425	2,069,126	2,183,135	1,576,246
Sewer	2,069,309	1,926,287	1,982,892	1,959,232
<i>Total Business-Type Activities Expenses</i>	<u>4,028,734</u>	<u>3,995,413</u>	<u>4,166,027</u>	<u>3,535,478</u>
<i>Total Primary Government Program Expenses</i>	<u>12,033,553</u>	<u>10,968,249</u>	<u>12,394,660</u>	<u>11,448,247</u>
Net (Expense)/Revenue				
Governmental Activities	(5,864,872)	(4,521,506)	(5,416,469)	(5,960,628)
Business-Type Activities	980,630	677,656	348,320	1,193,567
<i>Total Primary Government Net Expense</i>	<u><u>(\$4,884,242)</u></u>	<u><u>(\$3,843,850)</u></u>	<u><u>(\$5,068,149)</u></u>	<u><u>(\$4,767,061)</u></u>

2009	2008	2007	2006	2005	2004
\$1,167,792	\$1,254,299	\$1,308,725	\$1,406,409	\$1,183,087	\$1,463,838
3,590,030	3,888,488	3,527,501	3,387,785	3,299,875	3,039,526
148,494	359,428	432,807	374,896	355,171	320,256
131,575	77,711	115,777	94,657	94,950	92,522
150,557	501,093	294,546	467,034	411,062	583,977
149,308	43,877	31,975	32,500	32,500	32,500
1,917,512	2,376,287	2,420,821	2,449,845	2,232,242	2,265,269
135,715	157,917	178,252	195,947	191,188	229,363
<u>7,390,983</u>	<u>8,659,100</u>	<u>8,310,404</u>	<u>8,409,073</u>	<u>7,800,075</u>	<u>8,027,251</u>
2,350,298	1,755,161	1,763,839	1,711,495	1,653,560	1,627,086
<u>1,899,102</u>	<u>1,865,615</u>	<u>1,769,365</u>	<u>1,802,037</u>	<u>1,517,578</u>	<u>1,400,021</u>
<u>4,249,400</u>	<u>3,620,776</u>	<u>3,533,204</u>	<u>3,513,532</u>	<u>3,171,138</u>	<u>3,027,107</u>
<u>11,640,383</u>	<u>12,279,876</u>	<u>11,843,608</u>	<u>11,922,605</u>	<u>10,971,213</u>	<u>11,054,358</u>
(4,757,310)	(5,771,689)	(6,477,705)	(6,445,460)	(988,790)	(2,153,275)
<u>126,717</u>	<u>355,443</u>	<u>376,943</u>	<u>191,792</u>	<u>983,088</u>	<u>531,701</u>
<u>(\$4,630,593)</u>	<u>(\$5,416,246)</u>	<u>(\$6,100,762)</u>	<u>(\$6,253,668)</u>	<u>(\$5,702)</u>	<u>(\$1,621,574)</u>

(continued)

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

	2013	2012	2011	2010
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes:				
Property Taxes Levied For:				
General Purposes	\$357,968	\$303,604	\$355,721	\$345,426
Debt Service	99,499	94,984	146,123	198,163
Other Purposes	694,993	589,108	756,686	626,793
Municipal Income Taxes levied for:				
General Purposes	2,305,411	2,243,409	2,028,347	1,913,724
Capital Outlay	42,449	303,620	274,515	258,999
Street Construction, Maintenance and Repair	521,201	506,860	458,270	133,594
Other Purposes	55,323	53,766	48,613	45,862
Hotel Taxes	20,655	20,477	18,744	15,925
Grants and Entitlements not Restricted to Specific Programs	658,227	480,529	675,631	897,681
Franchise Taxes	145,370	145,880	130,915	125,997
Unrestricted Contributions	23,085	22,173	0	0
Investment Earnings	5,101	3,716	2,935	4,071
Gain on Sale of Capital Assets	0	0	20,056	0
Miscellaneous	141,150	77,092	84,221	62,040
Special Item - Capital Contribution (2)	0	0	0	0
Transfers	(137,972)	(437,482)	0	0
<i>Total Governmental Activities</i>	<u>4,932,460</u>	<u>4,407,736</u>	<u>5,000,777</u>	<u>4,628,275</u>
Business-Type Activities				
Gain on Sale of Capital Assets	0	0	4,768	0
Miscellaneous	40,804	58,587	14,989	8,952
Transfers	137,972	437,482	0	0
<i>Total Business-Type Activities</i>	<u>178,776</u>	<u>496,069</u>	<u>19,757</u>	<u>8,952</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<u>5,111,236</u>	<u>4,903,805</u>	<u>5,020,534</u>	<u>4,637,227</u>
Change in Net Position				
Governmental Activities	(932,412)	(113,770)	(415,692)	(1,332,353)
Business-Type Activities	1,159,406	1,173,725	368,077	1,202,519
<i>Total Primary Government Change in Net Position</i>	<u>\$226,994</u>	<u>\$1,059,955</u>	<u>(\$47,615)</u>	<u>(\$129,834)</u>

(1) During 2005 and 2004, the State contributed 80 percent of the funding for the U.S. route 20 and State Route 7 paving projects.

(2) During 2009, the Ohio Department of Transportation completed construction of the City's Parrish Road bridge. 95 percent of the funding was a capital contribution from the Ohio Department of Transportation.

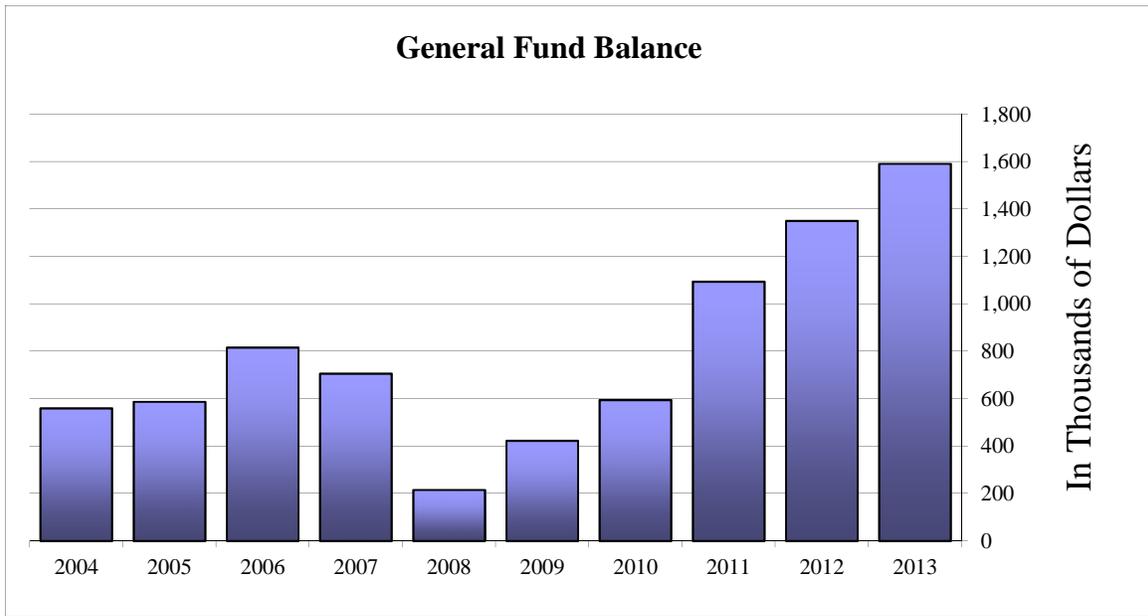
2009	2008	2007	2006	2005	2004
\$357,971	\$327,807	\$401,371	\$419,938	\$390,798	\$311,222
214,134	226,055	275,546	316,107	312,684	309,290
648,490	635,997	707,006	721,649	666,808	719,660
1,953,905	1,791,008	2,030,350	2,015,340	2,035,114	1,960,666
230,716	278,447	317,487	309,969	47,183	45,457
536,238	731,338	845,549	839,298	847,493	816,488
48,681	45,113	56,221	55,850	56,441	54,374
18,902	0	0	0	0	0
800,550	1,157,451	1,122,971	1,196,117	1,045,596	937,225
152,708	0	0	0	0	0
0	0	0	0	0	0
7,655	51,195	139,919	147,560	73,016	25,400
6,469	7,953	7,303	0	3,593	0
57,142	20,401	56,620	293,427	94,344	170,568
12,595,661	0	0	0	0	0
(13,755)	0	0	0	0	0
<u>17,615,467</u>	<u>5,272,765</u>	<u>5,960,343</u>	<u>6,315,255</u>	<u>5,573,070</u>	<u>5,350,350</u>
0	0	239	0	0	0
3,577	2,467	10,877	44,565	6,119	4,136
<u>13,755</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>17,332</u>	<u>2,467</u>	<u>11,116</u>	<u>44,565</u>	<u>6,119</u>	<u>4,136</u>
<u>17,632,799</u>	<u>5,275,232</u>	<u>5,971,459</u>	<u>6,359,820</u>	<u>5,579,189</u>	<u>5,354,486</u>
12,858,157	(498,924)	(517,362)	(130,205)	4,584,280	3,197,075
<u>144,049</u>	<u>357,910</u>	<u>388,059</u>	<u>236,357</u>	<u>989,207</u>	<u>535,837</u>
<u>\$13,002,206</u>	<u>(\$141,014)</u>	<u>(\$129,303)</u>	<u>\$106,152</u>	<u>\$5,573,487</u>	<u>\$3,732,912</u>

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

	2013	2012	2011	2010
General Fund				
Nonspendable	\$43,139	\$40,845	\$52,597	\$53,077
Assigned	383,150	343,253	345,329	18,035
Unassigned	1,164,537	965,912	695,947	523,368
Reserved	n/a	n/a	n/a	n/a
Unreserved	n/a	n/a	n/a	n/a
Total General Fund	1,590,826	1,350,010	1,093,873	594,480
All Other Governmental Funds				
Nonspendable	51,723	66,015	59,912	66,205
Restricted	1,209,060	1,171,627	1,398,644	2,055,894
Committed	38,707	30,049	46,874	14,153
Unassigned (Deficit)	(115,317)	(55,840)	(430,812)	(144,163)
Reserved	n/a	n/a	n/a	n/a
Unreserved, Undesignated, Reported in:				
Special Revenue funds	n/a	n/a	n/a	n/a
Debt Service funds	n/a	n/a	n/a	n/a
Capital Projects funds (Deficit)	n/a	n/a	n/a	n/a
Total All Other Governmental Funds	1,184,173	1,211,851	1,074,618	1,992,089
Total Governmental Funds	\$2,774,999	\$2,561,861	\$2,168,491	\$2,586,569

Note: The City implemented GASB 54 during 2011.

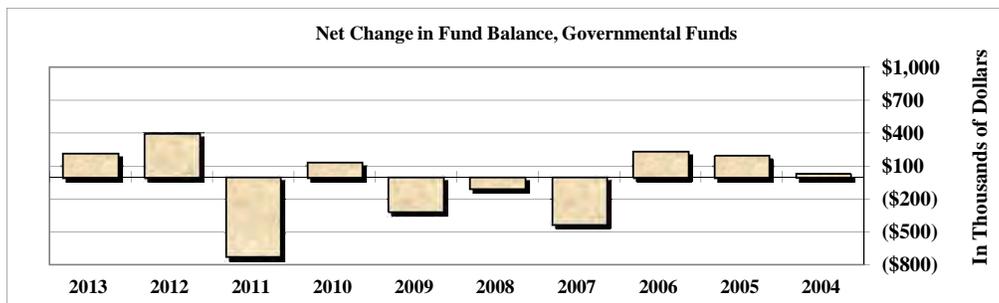
n/a - Information not available.



2009	2008	2007	2006	2005	2004
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
\$9,478	\$10,063	\$12,326	\$31,333	\$37,837	\$18,093
412,981	205,180	692,944	783,991	549,024	541,313
422,459	215,243	705,270	815,324	586,861	559,406
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
24,228	57,471	111,035	347,586	335,390	318,871
559,643	909,427	972,650	1,216,277	1,122,472	880,223
572,348	675,692	764,661	799,830	812,744	823,267
873,648	904,996	313,671	254,831	347,238	430,440
2,029,867	2,547,586	2,162,017	2,618,524	2,617,844	2,452,801
\$2,452,326	\$2,762,829	\$2,867,287	\$3,433,848	\$3,204,705	\$3,012,207

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

	2013	2012	2011	2010
Revenues				
Property Taxes	\$1,155,333	\$1,021,308	\$1,047,455	\$1,285,434
Municipal Income Taxes	2,931,872	3,067,806	2,771,887	2,392,978
Hotel Taxes	20,655	20,477	18,744	15,925
Special Assessments	142,659	149,561	125,719	117,447
Intergovernmental	1,534,596	2,145,486	2,015,466	1,960,327
Fees, Licenses and Permits	755,687	646,370	686,084	698,995
Fines and Forfeitures	321,006	281,892	316,679	256,964
Rentals	58,661	40,464	89,720	51,000
Charges for Services	63,278	60,839	47,210	31,000
Contributions and Donations	23,885	23,963	26,036	27,917
Interest	5,101	3,716	2,935	4,071
Franchise Taxes	128,870	145,880	144,227	125,799
Other	141,150	77,092	84,221	62,040
Total Revenues	7,282,753	7,684,854	7,376,383	7,029,897
Expenditures				
Current:				
General Government	1,132,241	1,110,431	1,346,573	1,205,449
Security of Persons and Property	3,111,589	2,867,862	2,847,980	3,205,587
Public Health Services	172,451	186,860	223,038	312,852
Leisure Time Activities	100,758	103,469	112,259	113,391
Community Development	453,549	374,504	505,419	302,117
Basic Utilities Services	155,068	141,999	155,125	109,837
Transportation	1,114,909	1,174,367	1,129,878	1,090,117
Capital Outlay	340,170	1,168,624	1,402,792	538,330
Debt Service:				
Principal Retirement	478,715	619,379	1,283,255	439,156
Principal Retirement - Current Refunding	7,500	26,000	26,000	26,000
Interest and Fiscal Charges	90,358	76,581	117,198	127,253
Total Expenditures	7,157,308	7,850,076	9,149,517	7,470,089
<i>Excess of Revenues Over</i> <i>(Under) Expenditures</i>	<u>125,445</u>	<u>(165,222)</u>	<u>(1,773,134)</u>	<u>(440,192)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	0	20,056	0
Loans Issued	0	0	0	574,435
General Obligation Bonds Issued	0	544,352	735,000	0
General Obligation Notes Issued	15,000	73,000	399,000	125,000
OPWC Loans Issued	0	14,240	0	0
Inception of Capital Lease	88,485	0	0	0
Current Refunding	(15,000)	(73,000)	(99,000)	(125,000)
Transfers In	176,308	200,750	36,250	60,750
Transfers Out	(177,100)	(200,750)	(36,250)	(60,750)
Total Other Financing Sources (Uses)	87,693	558,592	1,055,056	574,435
Net Change in Fund Balances	\$213,138	\$393,370	(\$718,078)	\$134,243
Debt Service as a Percentage of Noncapital Expenditures	8.1%	11.2%	17.8%	8.6%



2009	2008	2007	2006	2005	2004
\$1,196,921	\$1,200,633	\$1,374,642	\$1,428,751	\$1,363,150	\$1,337,280
2,709,105	2,966,852	3,264,412	3,134,220	2,943,847	2,923,195
18,902	0	0	0	0	0
140,026	156,324	160,405	166,702	189,379	180,452
2,065,713	2,564,852	2,024,833	2,340,638	2,216,747	2,229,617
822,684	204,923	342,916	240,568	220,080	215,398
249,793	203,988	209,448	228,014	242,279	266,244
53,050	53,985	53,525	49,750	50,300	48,175
120,092	327,059	288,911	271,371	271,404	206,512
27,212	36,335	34,114	46,641	31,183	31,101
7,655	51,195	139,919	147,560	73,016	25,400
139,594	0	0	0	0	0
57,142	20,401	56,620	293,427	94,344	170,568
<u>7,607,889</u>	<u>7,786,547</u>	<u>7,949,745</u>	<u>8,347,642</u>	<u>7,695,729</u>	<u>7,633,942</u>
1,103,255	1,189,657	1,187,788	1,279,596	1,151,220	1,327,360
3,589,404	3,679,873	3,680,658	3,330,567	3,237,997	2,956,531
192,405	334,167	429,521	368,283	353,791	316,299
107,704	95,067	141,403	93,265	123,314	73,907
161,431	485,474	318,168	473,387	405,487	526,196
149,308	43,877	31,975	32,500	32,500	32,500
1,174,475	1,543,137	1,592,808	1,714,041	1,390,496	1,496,163
952,076	482,922	418,959	445,600	81,983	291,904
477,512	447,015	412,952	315,870	434,866	1,180,444
34,000	87,000	82,000	90,500	0	0
140,956	167,254	189,969	193,157	199,533	225,379
<u>8,082,526</u>	<u>8,555,443</u>	<u>8,486,201</u>	<u>8,336,766</u>	<u>7,411,187</u>	<u>8,426,683</u>
<u>(474,637)</u>	<u>(768,896)</u>	<u>(536,456)</u>	<u>10,876</u>	<u>284,542</u>	<u>(792,741)</u>
10,800	39,439	7,303	10,000	13,456	0
153,334	500,000	0	0	0	0
0	0	0	0	0	0
151,000	185,000	203,500	297,000	387,500	788,000
0	0	0	0	0	31,626
0	74,999	103,764	208,267	0	0
(151,000)	(135,000)	(203,500)	(297,000)	(493,000)	0
77,265	100,350	116,750	104,750	143,406	279,950
<u>(77,265)</u>	<u>(100,350)</u>	<u>(116,750)</u>	<u>(104,750)</u>	<u>(143,406)</u>	<u>(279,950)</u>
<u>164,134</u>	<u>664,438</u>	<u>111,067</u>	<u>218,267</u>	<u>(92,044)</u>	<u>819,626</u>
<u>(\$310,503)</u>	<u>(\$104,458)</u>	<u>(\$425,389)</u>	<u>\$229,143</u>	<u>\$192,498</u>	<u>\$26,885</u>
9.8%	8.8%	8.9%	8.0%	9.5%	20.9%

City of Conneaut, Ohio
Assessed Valuation and Estimated True Values of Taxable Property
Last Ten Years

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2013	\$123,185,650	\$56,632,450	\$513,766,000	\$6,846,710	\$7,780,352
2012	122,881,370	57,275,150	514,732,914	6,171,300	7,012,841
2011	122,619,790	32,124,220	442,125,743	5,705,250	6,483,239
2010	131,694,650	35,376,140	477,345,114	5,527,720	6,281,500
2009	131,441,760	35,607,370	477,283,229	5,304,940	6,028,341
2008	131,378,020	34,138,410	472,904,086	5,451,860	6,195,295
2007	124,585,680	31,434,560	445,772,114	5,487,170	6,235,420
2006	123,245,560	31,401,020	441,847,371	9,571,180	10,876,341
2005	122,461,990	32,194,020	441,874,314	9,628,160	10,941,091
2004	109,856,550	29,606,730	398,466,514	10,951,410	12,444,784

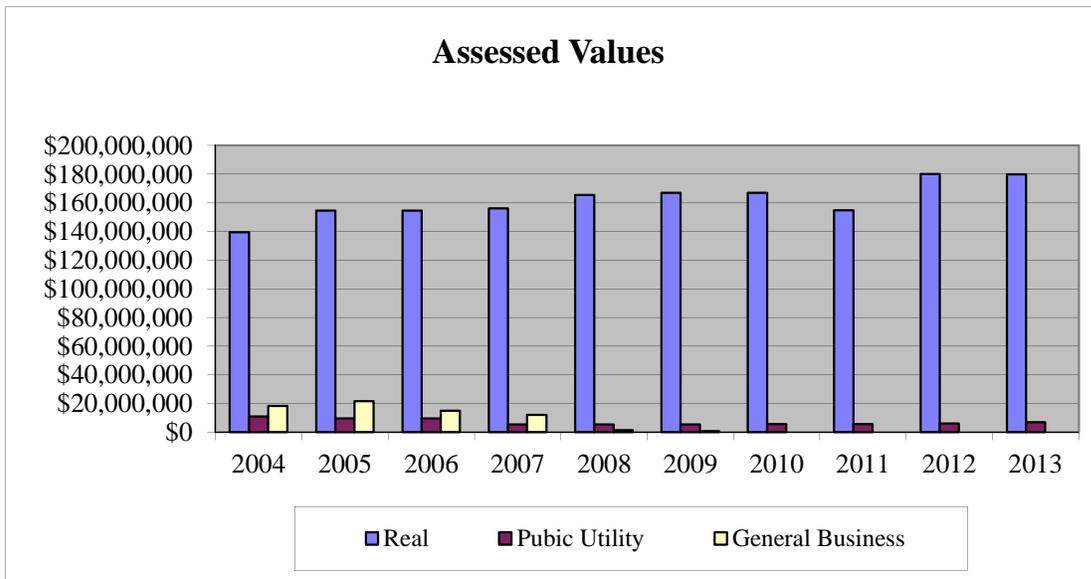
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax was phased out beginning in 2006. Both types of general business tangible personal property were assessed at 12.5 for 2007, 6.25 percent for 2008 and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local and inter-exchange telephone companies. No tangible personal property taxes were levied or collected in 2010 from general business taxpayers (except telephone companies whose last year to pay tangible personal property tax was in 2010). During 2013, the City did not include an assessed value for general business tangible personal property.

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

Source: Ashtabula County, Ohio; County Auditor

Tangible Personal Property					Weighted Average Tax Rate (per \$1,000 of Assessed Value)
General Business		Total			
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio	
\$0	\$0	\$186,664,810	\$521,546,352	35.79%	\$9.75
0	0	186,327,820	521,745,755	35.71	7.09
0	0	160,449,260	448,608,981	35.77	6.67
0	0	172,598,510	483,626,614	35.69	7.51
641,975	10,271,600	172,996,045	493,583,169	35.05	7.50
1,357,800	21,724,800	172,326,090	500,824,181	34.41	7.51
12,120,220	96,961,760	173,627,630	548,969,295	31.63	7.62
15,050,190	60,200,760	179,267,950	512,924,472	34.95	8.07
21,491,570	85,966,280	185,775,740	538,781,685	34.48	9.37
18,222,780	72,891,120	168,637,470	483,802,418	34.86	9.37



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

	2013	2012	2011	2010	2009
Unvoted Millage					
Operating	\$2.2000	\$2.2000	\$2.2000	\$2.0000	\$2.0000
Fire Pension	0.6300	0.6300	0.6300	0.6300	0.4400
Police Pension	0.8000	0.8000	0.8000	1.0000	1.1900
Bond Sinking Fund	0.0000	0.0000	0.0000	0.0000	0.0000
<i>Total Unvoted Millage</i>	3.6300	3.6300	3.6300	3.6300	3.6300
Voted Millage - by levy					
1977 Bond	0.0000	0.0000	0.0000	0.0000	0.0000
1977 Police					
Residential/Agricultural Real	0.0000	0.0000	0.0000	0.0000	0.0000
Commercial/Industrial and Public Utility Real	0.0000	0.0000	0.0000	0.0000	0.0000
General Business and Public Utility Personal	0.0000	0.0000	0.0000	0.0000	0.0000
1986 Bond	0.0000	0.0000	0.0000	0.4400	0.4400
1995 Library Bond	0.5300	0.6300	0.7300	0.8300	0.8300
2000 Fire					
Residential/Agricultural Real	0.0000	0.0000	0.0000	0.0000	0.0000
Commercial/Industrial and Public Utility Real	0.0000	0.0000	0.0000	0.0000	0.0000
General Business and Public Utility Personal	0.0000	0.0000	0.0000	0.0000	0.0000
2003 Police Operating					
Residential/Agricultural Real	1.85339	1.85366	1.85270	1.72580	1.72480
Commercial/Industrial and Public Utility Real	1.97037	1.95099	1.93870	1.74400	1.73520
General Business and Public Utility Personal	2.00000	2.00000	2.00000	2.00000	2.00000
2005 Fire					
Residential/Agricultural Real	0.9267	0.9268	0.9264	0.8629	0.8624
Commercial/Industrial and Public Utility Real	0.9852	0.9755	0.9693	0.8720	0.8676
General Business and Public Utility Personal	1.0000	1.0000	1.0000	1.0000	1.0000
2013 Road and Bridge					
Residential/Agricultural Real	2.7496	0.0000	0.0000	0.0000	0.0000
Commercial/Industrial and Public Utility Real	2.7500	0.0000	0.0000	0.0000	0.0000
General Business and Public Utility Personal	2.7500	0.0000	0.0000	0.0000	0.0000
<i>Total Voted Millage by Type of Property</i>					
Residential/Agricultural Real	\$6.0597	\$3.4105	\$3.5091	\$3.8587	\$3.8572
Commercial/Industrial and Public Utility Real	6.2356	3.5565	3.6380	3.8860	3.8728
General Business and Public Utility Personal	6.2800	3.6300	3.7300	4.2700	4.2700
<i>Total Millage by Type of Property</i>					
Residential/Agricultural Real	\$9.6897	\$7.0405	\$7.1391	\$7.4887	\$7.4872
Commercial/Industrial and Public Utility Real	9.8656	7.1865	7.2680	7.5160	7.5028
General Business and Public Utility Personal	9.9100	7.2600	7.3600	7.9000	7.9000

2008	2007	2006	2005	2004
\$2.0000	\$2.0000	\$2.1900	\$2.1900	\$1.7900
0.4400	0.4400	0.4400	0.4400	0.4400
1.1900	1.1900	1.0000	1.0000	1.4000
0.0000	0.0000	0.0000	0.0000	0.0000
3.6300	3.6300	3.6300	3.6300	3.6300
0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000
0.4400	0.6400	0.7400	0.9500	0.9500
0.8300	0.8300	0.9300	1.0900	1.0900
0.0000	0.0000	0.0000	0.8273	0.8273
0.0000	0.0000	0.0000	0.8491	0.8488
0.0000	0.0000	0.0000	1.0000	1.0000
1.7236	1.8075	1.8070	2.0000	2.0000
1.7606	1.9114	1.9075	2.0000	2.0000
2.0000	2.0000	2.0000	2.0000	2.0000
0.8618	0.9038	0.9035	0.8273	0.8273
0.8803	0.9557	0.9538	0.8491	0.8488
1.0000	1.0000	1.0000	1.0000	1.0000
0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000
\$3.8554	\$4.1813	\$4.3805	\$5.6946	\$5.6946
3.9109	4.3371	4.5313	5.7382	5.7376
4.2700	4.4700	4.6700	6.0400	6.0400
\$7.4854	\$7.8113	\$8.0105	\$9.3246	\$9.3246
7.5409	7.9671	8.1613	9.3682	9.3676
7.9000	8.1000	8.3000	9.6700	9.6700

(continued)

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

	2013	2012	2011	2010	2009
Overlapping Rates by Taxing District					
Conneaut City School District					
Residential/Agricultural Real	\$24.3233	\$25.5513	\$25.5424	\$24.4838	\$24.4735
Commercial/Industrial and Public Utility Real	25.5875	26.6359	26.5549	24.5714	24.5103
General Business and Public Utility Personal	39.3900	37.6300	37.6300	37.6300	37.6300
Ashtabula County					
Residential/Agricultural Real	9.0012	8.9962	8.9922	8.5409	8.5335
Commercial/Industrial and Public Utility Real	9.9622	9.9304	9.9223	9.4041	9.2994
General Business and Public Utility Personal	11.0200	11.0200	11.0200	11.0200	11.0200
Special Taxing Districts (1)					
Residential/Agricultural Real	3.5917	3.5894	2.5972	3.3998	3.2237
Commercial/Industrial and Public Utility Real	3.6610	3.6489	2.6574	3.3966	3.2468
General Business and Public Utility Personal	5.2500	5.2500	4.2600	5.2500	5.2500

Source: Ashtabula County Auditor

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

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

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

Real property tax rates are reduced so that inflationary increases in value do not generate additional taxes.

Debt service levies are designed to raise a fixed amount of revenue each year. A rate is set each year so that when it is applied to the total assessed value, that fixed amount is generated.

(1) Park District, Joint Vocational School

2008	2007	2006	2005	2004
\$24.4579	\$24.5244	\$24.5371	\$26.0001	\$25.9999
24.5311	24.7382	24.6535	28.3117	28.3061
37.6300	37.6300	37.6300	45.8300	45.8300
8.5375	8.9780	8.4057	9.0059	9.0043
9.2655	9.7795	9.4488	9.8486	9.8242
11.0300	11.0300	11.0300	11.0300	11.0300
3.2207	3.7273	3.4773	3.6199	3.6197
3.2461	3.8383	3.6471	3.8448	3.8353
5.2500	5.7500	5.7500	5.7500	5.7500

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

Year	Total Original Tax Levy	Current Tax Collections	Percent of Current Tax Collections To Original Tax Levy	Delinquent Tax Collections	Total Tax Collections (1)
2013	\$1,319,314	\$1,223,741	92.76 %	\$50,554	\$1,274,295
2012	1,157,637	1,062,111	91.75	65,444	1,127,555
2011	1,281,428	1,149,689	89.72	60,441	1,210,130
2010	1,366,669	1,286,146	94.11	61,699	1,347,845
2009	1,361,376	1,234,909	90.71	81,875	1,316,784
2008	1,366,449	1,250,191	91.49	56,280	1,306,471
2007	1,487,924	1,473,441	99.03	76,271	1,549,712
2006	1,584,667	1,404,523	88.63	87,005	1,491,528
2005	1,462,087	1,431,518	97.91	56,018	1,487,536
2004	1,463,258	1,401,487	95.78	58,205	1,459,692

Source: Ashtabula County, Ohio; County Auditor

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

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

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

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

<u>Percent of Total Tax Collections To Original Tax Levy</u>	<u>Accumulated Outstanding Delinquent Taxes</u>	<u>Percentage of Delinquent Taxes To Total Original Tax Levy</u>
96.59 %	\$207,183	15.70 %
97.40	210,056	18.15
94.44	243,668	19.02
98.62	32,593	2.38
96.72	147,644	10.85
95.61	123,970	9.07
104.15	134,745	9.06
94.12	138,160	8.72
101.74	106,404	7.28
99.76	130,407	8.91

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

<i>2013</i>		
Taxpayer	Real Property Assessed Valuation	Percentage of Total Real Assessed Valuation
CCA Western Properties	\$25,049,150	13.94 %
Millwork Properties	1,718,490	0.96
Navigroup Venture, LLC	1,406,830	0.78
Ernster XV, LLC	1,131,220	0.63
SCP	1,047,240	0.58
CSP of Ohio, LLC	966,010	0.54
Mobile Grove	867,760	0.48
ES Realty	857,540	0.48
Highland Place	800,140	0.44
Kolman Properties	786,950	0.44
Total	\$34,631,330	19.26 %
Total Real Assessed Valuation	\$179,818,100	

<i>2004</i>		
Taxpayer	Real Property Assessed Valuation	Percentage of Total Real Assessed Valuation
Cleveland Electric Illuminating Company	\$3,562,580	2.55 %
Conneaut Telephone	3,190,460	2.29
Inn at the Lake	1,548,090	1.11
Millwork Properties	1,509,220	1.08
Union Court Apartments	1,421,690	1.02
CSP of Ohio, LLC	1,392,060	1.00
Highland Place	1,034,680	0.74
Inn Conn Health Care	985,710	0.71
Norfolk Southern Rail Road	833,800	0.60
Union Railroad	828,250	0.59
Total	\$16,306,540	11.69 %
Total Real Assessed Valuation	\$139,463,280	

Source: Ashtabula County Auditor

City of Conneaut, Ohio
Income Tax Revenue Base and Collections
Last Ten Years

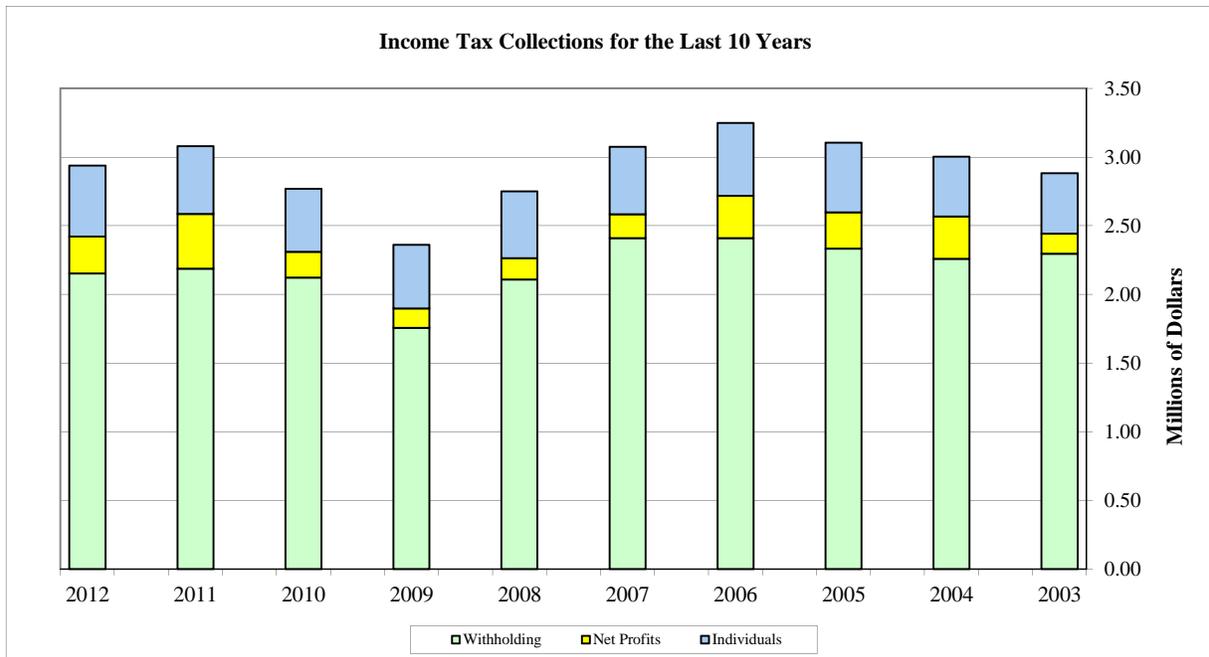
Tax Year	Tax Rate (2)	Total Tax Collected (1)	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individuals	Percentage of Taxes from Individuals
2013	1.65%	\$2,937,263	\$2,151,241	73.24%	\$269,472	9.17%	\$516,550	17.59%
2012	1.80	3,078,827	2,185,879	71.00	400,016	12.99	492,932	16.01
2011	1.80	2,768,926	2,121,702	76.62	188,782	6.82	458,442	16.56
2010	1.80	2,360,141	1,755,009	74.36	142,990	6.06	462,142	19.58
2009	1.80	2,750,298	2,108,614	76.67	154,590	5.62	487,094	17.71
2008	1.80	3,073,413	2,410,323	78.42	172,210	5.60	490,880	15.97
2007	1.80	3,248,649	2,408,804	74.15	307,928	9.48	531,917	16.37
2006	1.80	3,103,824	2,333,543	75.18	263,019	8.47	507,252	16.34
2005	1.65	3,002,703	2,258,747	75.22	308,814	10.28	435,241	14.49
2004	1.65	2,881,056	2,296,181	79.70	145,282	5.04	439,593	15.26

(1) Cash Basis of Accounting

(2) Effective January 1, 2006 City of Conneaut Electors voted to increase the City income tax by .15 percent to generate proceeds to be used for the paving of local streets. This levy expired December 31, 2012 and was not renewed for 2013.

Note: The City is statutory and is prohibited from presenting individual taxpayers.

Source: City Financial Records



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

Year	Governmental Activities					
	General Obligation Bonds	OWDA Loans	OPWC Loans	Bond Anticipation Notes	Capital Leases	Loans
2013	\$967,749	\$485,908	\$32,071	\$15,000	\$59,725	\$922,072
2012	1,105,175	622,506	34,008	73,000	18,969	1,026,597
2011	645,000	753,536	21,349	399,000	37,104	1,111,053
2010	940,000	879,237	22,930	125,000	80,649	1,193,481
2009	1,145,000	999,827	24,511	151,000	158,346	653,334
2008	1,350,000	1,115,517	26,092	242,000	256,587	500,000
2007	1,555,000	1,226,509	27,673	329,000	261,030	0
2006	1,760,000	1,332,998	29,254	467,000	201,148	0
2005	1,965,000	1,435,168	30,835	557,500	0	0
2004	2,170,000	1,539,243	31,626	788,000	0	0

(1) Personal Income and Population Data are located on S34.

Source: City Financial Records

Business-Type Activities								
General Obligation Bonds	OWDA Loans	OPWC Loans	Bond Anticipation Notes	Loans	Capital Leases	Total Debt	Percentage of Personal Income (1)	Per Capita (1)
\$452,075	\$4,207,834	\$550,350	\$135,000	\$867,539	\$0	\$8,695,323	3.97%	\$677.15
525,615	3,582,226	383,167	160,000	1,099,707	0	8,630,970	3.94	672.14
460,000	3,441,654	364,657	200,000	1,178,287	0	8,611,640	3.93	670.64
530,895	3,750,911	305,621	240,000	1,379,949	0	9,448,673	4.31	735.82
601,018	4,236,568	345,077	280,000	306,666	0	8,901,347	4.85	712.96
671,141	4,700,557	384,536	0	0	0	9,246,430	5.04	740.60
741,264	5,143,931	423,995	10,000	0	34,751	9,753,153	5.31	781.19
811,387	5,402,913	464,225	20,000	0	68,570	10,557,495	5.75	845.61
880,000	5,030,125	504,456	20,000	0	0	10,423,084	5.67	834.85
950,000	2,788,046	528,865	30,000	0	0	8,825,780	4.81	706.91

City of Conneaut, Ohio

*Ratio of General Obligation Bonded Debt to Estimated True Values
of Taxable Property and Bonded Debt Per Capita
Last Ten Years*

Year	Population (1)	Estimated True Values of Taxable Property (2)	Gross Bonded Debt (3)			Ratio of Bonded Debt to Estimated True Values of Taxable Property	Bonded Debt Per Capital
			Governmental	Business- Type	Total		
2013	12,841	\$521,546,352	\$967,749	\$452,075	\$1,419,824	0.27 %	\$110.57
2012	12,841	521,745,755	1,105,175	525,615	1,630,790	0.31	127.00
2011	12,841	448,608,981	645,000	460,000	1,105,000	0.25	86.05
2010	12,841	483,626,614	940,000	530,895	1,470,895	0.30	114.55
2009	12,485	493,583,169	1,145,000	601,018	1,746,018	0.35	139.85
2008	12,485	500,824,181	1,350,000	670,000	2,020,000	0.40	161.79
2007	12,485	548,969,295	1,555,000	740,000	2,295,000	0.42	183.82
2006	12,485	512,924,472	1,760,000	810,000	2,570,000	0.34	205.85
2005	12,485	538,781,685	1,965,000	880,000	2,845,000	0.53	227.87
2004	12,485	483,802,418	2,170,000	950,000	3,120,000	0.64	249.90

Sources:

- (1) 2013 - 2010 The U.S. Bureau of Census, 2010 Federal Census of Population
2004 - 2009 The U.S. Bureau of Census, 2000 Federal Census of Population
- (2) Ashtabula County Auditor
- (3) Includes only general obligation bonds.
- (4) Although the general obligation bond retirement fund is restricted for debt service, it is not specifically restricted to the payment of principal. Therefore, these resources are not shown as a deduction from general obligation bonded debt.

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

Jurisdiction	Governmental Activites Debt	Percentage Applicable to City (1)	Amount Applicable to City of Conneaut
Direct			
General Obligation Bonds	\$967,749	100.00 %	\$967,749
OWDA Loans	485,908	100.00	485,908
Loans	922,072	100.00	922,072
OPWC Loans	32,071	100.00	32,071
Bond Anticipation Notes	15,000	100.00	15,000
Capital Leases	59,725	100.00	59,725
<i>Total Direct Debt</i>	<u>2,482,525</u>		<u>2,482,525</u>
Overlapping			
Ashtabula County			
General Obligation Bonds	19,893,892	9.83	1,955,570
OWDA Loans	13,196,372	9.83	1,297,203
OPWC Loans	1,123,784	9.83	110,468
Capital Leases	202,964	9.83	19,951
Conneaut City School District			
General Obligation Bonds	5,688,116	88.27	5,020,900
Loan	224	88.27	198
<i>Total Overlapping Debt</i>	<u>40,105,352</u>		<u>8,404,292</u>
Total	<u><u>\$42,587,877</u></u>		<u><u>\$10,886,817</u></u>

Source: Ashtabula County, Ohio; County Auditor

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

City of Conneaut, Ohio

Legal Debt Margin

Last Ten Years

	2013	2012	2011	2010
Total Assessed Property Value	<u>\$186,664,810</u>	<u>\$186,327,820</u>	<u>\$160,449,260</u>	<u>\$172,598,510</u>
General Bonded Debt Outstanding:				
General Obligation Bonds	\$1,419,824	\$1,630,790	\$1,105,000	\$1,470,000
OWDA Loans	4,693,742	4,204,732	4,195,190	4,630,148
OPWC Loans	582,421	417,175	386,006	328,551
Bond Anticipation Notes	598,000	739,000	880,000	691,000
Loans	<u>1,789,611</u>	<u>2,126,304</u>	<u>2,289,340</u>	<u>2,573,430</u>
Total Gross Indebtedness	9,083,598	9,118,001	8,855,536	9,693,129
Less:				
Bond Anticipation Notes	(125,500)	(126,000)	(151,000)	(301,000)
OPWC Loans	(582,421)	(417,175)	(386,006)	(328,551)
OWDA Loans	(4,693,742)	(4,204,732)	(4,195,190)	(4,630,148)
General Obligation Bond Retirement Fund Balance	<u>(201,824)</u>	<u>(191,063)</u>	<u>(178,020)</u>	<u>(394,447)</u>
Total Net Debt Applicable to Debt Limit	<u>3,480,111</u>	<u>4,179,031</u>	<u>3,945,320</u>	<u>4,038,983</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>19,599,805</u>	<u>19,564,421</u>	<u>16,847,172</u>	<u>18,122,844</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$16,119,694</u>	<u>\$15,385,390</u>	<u>\$12,901,852</u>	<u>\$14,083,861</u>
Legal Debt Margin as a Percentage of the Debt Limit	82.24%	78.64%	76.58%	77.71%
Unvoted Debt Limitation 5 ½ % of Assessed Valuation	<u>\$10,266,565</u>	<u>\$10,248,030</u>	<u>\$8,824,709</u>	<u>\$9,492,918</u>
Total Gross Indebtedness	9,083,598	9,118,001	8,855,536	9,693,129
Less:				
Bond Anticipation Notes	(125,500)	(126,000)	(151,000)	(301,000)
Special Assessment Bonds	0	0	0	0
OPWC Loans	(582,421)	(417,175)	(386,006)	(328,551)
OWDA Loans	(4,693,742)	(4,204,732)	(4,195,190)	(4,630,148)
General Obligation Bond Retirement Fund Balance	<u>(201,824)</u>	<u>(191,063)</u>	<u>(178,020)</u>	<u>(394,447)</u>
Net Debt Within 5 ½ % Limitations	<u>3,480,111</u>	<u>4,179,031</u>	<u>3,945,320</u>	<u>4,038,983</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$6,786,454</u>	<u>\$6,068,999</u>	<u>\$4,879,389</u>	<u>\$5,453,935</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	66.10%	59.22%	55.29%	57.45%

Source: City Financial Records

2009	2008	2007	2006	2005	2004
<u>\$172,996,045</u>	<u>\$172,326,090</u>	<u>\$173,627,630</u>	<u>\$179,267,950</u>	<u>\$185,775,740</u>	<u>\$168,637,470</u>
\$1,745,000	\$2,020,000	\$2,295,000	\$2,570,000	\$2,845,000	\$3,120,000
5,236,395	5,816,074	6,370,440	6,735,911	6,465,293	4,327,289
369,588	410,628	451,668	493,479	535,291	560,491
1,090,000	667,000	796,000	1,007,500	1,168,000	1,358,000
960,000	500,000	0	0	0	0
9,400,983	9,413,702	9,913,108	10,806,890	11,013,584	9,365,780
(510,905)	(517,000)	(621,000)	(857,500)	(1,168,000)	(1,358,000)
(369,588)	(410,628)	(451,668)	(493,479)	(535,291)	(560,491)
(5,236,395)	(5,816,074)	(6,370,440)	(6,735,911)	(6,465,293)	(4,327,289)
(449,671)	(511,302)	(563,506)	(568,788)	(548,375)	(529,397)
2,834,424	2,158,698	1,906,494	2,151,212	2,296,625	2,590,603
18,164,585	18,094,239	18,230,901	18,823,135	19,506,453	17,706,934
<u>\$15,330,161</u>	<u>\$15,935,541</u>	<u>\$16,324,407</u>	<u>\$16,671,923</u>	<u>\$17,209,828</u>	<u>\$15,116,331</u>
84.40%	88.07%	89.54%	88.57%	88.23%	85.37%
<u>\$9,514,782</u>	<u>\$9,477,935</u>	<u>\$9,549,520</u>	<u>\$9,859,737</u>	<u>\$10,217,666</u>	<u>\$9,275,061</u>
9,400,983	9,413,702	9,913,108	10,806,890	11,013,584	9,365,780
(510,905)	(517,000)	(621,000)	(857,500)	(1,168,000)	(1,358,000)
0	0	0	0	0	0
(369,588)	(410,628)	(451,668)	(493,479)	(535,291)	(560,491)
(5,236,395)	(5,816,074)	(6,370,440)	(6,735,911)	(6,465,293)	(4,327,289)
(449,671)	(511,302)	(563,506)	(568,788)	(548,375)	(529,397)
2,834,424	2,158,698	1,906,494	2,151,212	2,296,625	2,590,603
<u>\$6,680,358</u>	<u>\$7,319,237</u>	<u>\$7,643,026</u>	<u>\$7,708,525</u>	<u>\$7,921,041</u>	<u>\$6,684,458</u>
70.21%	77.22%	80.04%	78.18%	77.52%	72.07%

City of Conneaut, Ohio
Pledged Revenue Coverage
Revenue Debt - Water Fund
Last Ten Years

Year	Operating Revenue	Expenses, Net of Depreciation *	Net Revenue Available for Debt Service	Debt Service Requirement**			Coverage
				Principal	Interest	Total	
2013	\$2,188,771	\$1,541,500	\$647,271	\$74,654	\$10,928	\$85,582	7.56
2012	2,174,864	1,687,291	487,573	66,549	10,425	76,974	6.33
2011	2,075,076	1,748,927	326,149	58,795	9,572	68,367	4.77
2010	2,119,609	1,287,132	832,477	54,894	10,882	65,776	12.66
2009	2,078,764	2,092,618	(13,854)	53,642	12,131	65,773	(0.21)
2008	1,953,085	1,504,597	448,488	25,174	0	25,174	17.82
2007	1,927,268	1,518,447	408,821	25,174	0	25,174	16.24
2006	1,789,744	1,463,394	326,350	25,174	0	25,174	12.96
2005	1,806,950	1,502,413	304,537	15,549	0	15,549	19.59
2004	1,845,374	1,409,385	435,989	25,174	0	25,174	17.32

* Total operating expenses exclusive of depreciation.

** Revenue debt includes OWDA and OPWC loans payable solely from net revenues in the water enterprise fund.

Source: City Financial Records

City of Conneaut, Ohio
Pledged Revenue Coverage
Revenue Debt - Sewer Fund
Last Ten Years

Year	Operating Revenue	Expenses, Net of Depreciation *	Net Revenue Available for Debt Service	Debt Service Requirement**			Coverage
				Principal	Interest	Total	
2013	\$2,316,309	\$1,549,071	\$767,238	\$328,697	\$117,636	\$446,333	1.72
2012	2,257,163	1,427,678	829,485	291,692	116,774	408,466	2.03
2011	2,386,287	1,489,917	896,370	480,714	133,660	614,374	1.46
2010	2,414,498	1,454,173	960,325	470,219	158,406	628,625	1.53
2009	2,004,078	1,372,948	631,130	449,806	173,721	623,527	1.01
2008	2,005,083	1,376,937	628,146	14,285	0	14,285	43.97
2007	1,950,514	1,267,503	683,011	15,056	0	15,056	45.36
2006	1,919,455	1,379,547	539,908	15,057	0	15,057	35.86
2005	1,849,053	1,313,869	535,184	8,860	0	8,860	60.40
2004	1,707,567	1,112,494	595,073	13,936	0	13,936	42.70

* Total operating expenses exclusive of depreciation.

** Revenue debt includes OWDA and OPWC loans payable solely from net revenues in the sewer enterprise fund.

Source: City Financial Records

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

2013

Employer	Employees	Percentage of Total City Employment
University Heights Hospital System	321	6.97%
Corrections Corporation of America (CCA)	303	6.58
Conneaut Area City School District	297	6.45
Continental Structural Plastics	259	5.63
General Aluminum	200	4.34
Cascade Ohio	153	3.32
Infinity Resources	144	3.13
Ashtabula County	132	2.87
Lukjan Metal Products	113	2.45
ES3 Management	103	2.24
Total	2,025	43.98%
Total Employment within the City	4,604	

2004

Employer	Employees	Percentage of Total City Employment
Conneaut Area City School District	506	8.87%
Cascade Ohio	425	7.45
Management Training Corporation	320	5.61
General Aluminum	312	5.47
Venture Holdings	250	4.38
University Heights Hospital System	200	3.51
Lukjan Metal Products	197	3.45
Ashtabula County	150	2.63
P & C Dock	127	2.23
Sunshine	112	1.96
Total	2,599	45.55%
Total Employment within the City	5,706	

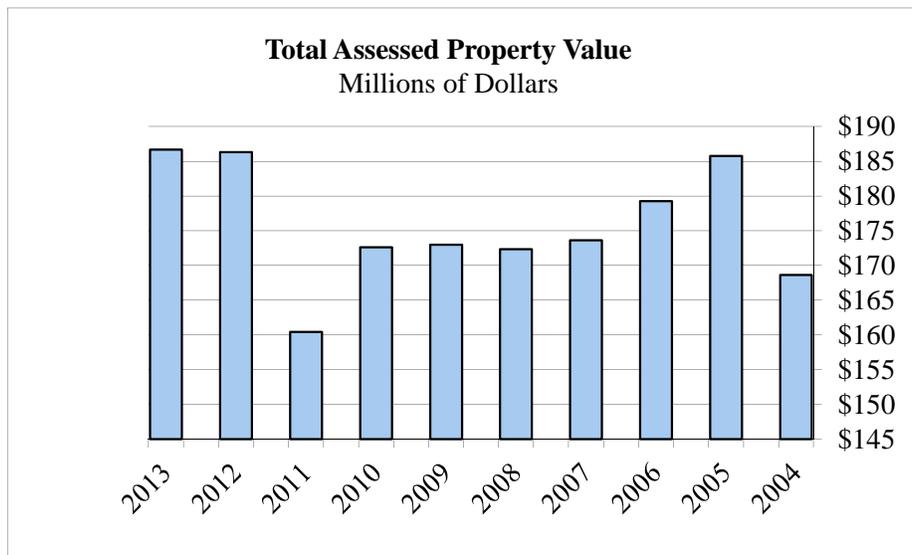
Source: Number of employees obtained from the W2's
from the City's Tax Department

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City of Conneaut, Ohio
Demographic and Economic Statistics
Last Ten Years

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (3)</u>	<u>Personal Income Per Capita (1)</u>	<u>Median Household Income (1)</u>	<u>Median Age (1)</u>
2013	12,841	\$219,131,665	\$17,065	\$38,250	40
2012	12,841	219,131,665	17,065	38,250	40
2011	12,841	219,131,665	17,065	38,250	40
2010	12,841	219,131,665	17,065	38,250	40
2009	12,485	183,566,955	14,703	31,717	38
2008	12,485	183,566,955	14,703	31,717	38
2007	12,485	183,566,955	14,703	31,717	38
2006	12,485	183,566,955	14,703	31,717	38
2005	12,485	183,566,955	14,703	31,717	38
2004	12,485	183,566,955	14,703	31,717	38

- (1) 2013 - 2010 The U.S. Bureau of Census, 2010 Federal Census of Population
2004 - 2009 The U.S. Bureau of Census, 2000 Federal Census of Population
(2) Source: Ohio Department of Education Website: "<http://www.ode.state.oh.us/data/>"
(3) Computation of per capita personal income multiplied by population
(4) The unemployment rate for the City is unavailable. County rate obtained from Ohio Labor Market Information.



Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Ashtabula County Unemployment Rate (4)	Average Sales Price of Residential Property	Total Assessed Property Value
11.2%	1,797	8.6%	\$80,000	\$186,664,810
11.2	1,838	9.0	76,000	186,327,820
11.2	2,054	11.9	52,750	160,449,260
11.2	2,269	11.9	51,661	172,598,510
9.9	2,242	14.2	54,542	172,996,045
9.9	2,316	10.4	70,800	172,326,090
9.9	2,332	6.4	75,442	173,627,630
9.9	2,462	6.6	67,929	179,267,950
9.9	2,508	7.2	72,549	185,775,740
9.9	2,547	7.3	69,336	168,637,470



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

Function/Program	2013	2012	2011	2010
General Government				
Council	7.00	7.00	7.00	7.00
Clerk of Council	1.00	1.00	1.00	1.00
City Manager	2.00	2.00	2.00	2.00
Finance	3.50	3.50	3.50	3.50
Law	2.00	2.00	2.00	2.50
Court	6.00	6.00	7.00	6.00
Public Building	0.00	0.00	0.00	0.00
Security of Persons and Property				
Police	16.00	16.00	16.00	19.00
Police - Dispatchers	4.00	4.00	4.00	4.00
Police - Jailers	0.00	0.00	0.00	0.00
Fire	10.00	10.00	10.00	10.00
Ambulance	5.00	5.00	5.00	5.00
Public Health Services				
Health	3.00	3.50	2.50	3.00
Cemetery	1.00	1.00	1.00	1.00
Leisure Time Activities				
Recreation	1.00	1.50	1.50	1.50
Community Environment				
Litter Control/Recycling	0.00	0.00	0.00	1.00
Housing/Zoning	1.00	0.50	0.50	1.00
Transportation				
Street/Public Works	12.00	12.00	15.00	17.00
Basic Utility Services				
Water	15.00	15.00	15.00	16.00
Sewer	11.00	11.00	11.00	12.00
Totals:	<u>100.50</u>	<u>101.00</u>	<u>104.00</u>	<u>112.50</u>

Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee at year end.

Source: City Financial Records

2009	2008	2007	2006	2005	2004
7.00	7.00	7.00	7.00	7.00	7.00
1.00	1.00	1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	2.00	2.00
3.50	4.00	4.00	4.00	4.00	4.00
2.50	2.50	2.50	2.50	2.50	2.50
6.00	6.00	6.00	6.00	6.00	6.00
0.00	1.00	1.00	1.00	1.00	1.00
19.00	20.00	20.00	20.00	20.00	21.00
4.00	4.00	4.00	4.00	4.00	4.00
0.00	2.00	2.00	2.00	2.00	2.00
10.00	12.00	12.00	12.00	12.00	12.00
5.00	5.00	5.00	5.00	5.00	5.00
3.00	4.00	4.00	4.00	4.00	4.00
1.00	1.00	1.00	1.00	1.00	1.00
1.50	1.50	1.50	1.50	1.50	2.50
1.00	1.00	1.00	1.00	1.00	1.50
1.00	1.00	1.00	1.00	1.00	1.00
17.00	17.00	18.00	19.00	19.00	20.00
16.00	16.00	16.00	16.00	16.00	17.00
12.00	12.00	12.00	12.00	12.00	12.00
<u>112.50</u>	<u>120.00</u>	<u>121.00</u>	<u>122.00</u>	<u>122.00</u>	<u>126.50</u>

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

Function/Program	2013	2012	2011
General Government			
<i>Council and Clerk</i>			
Number of Ordinances Passed	119	106	112
Number of Resolutions Passed	7	7	8
<i>Finance Department</i>			
Number of checks/vouchers issued	3,356	3,248	3,321
Amount of checks written	\$13,965,336	\$13,598,713	\$15,117,766
Interest earnings for fiscal year (cash basis)	\$5,002	\$3,716	\$2,935
Number of Receipts issued	667	545	541
Number of Budget Adjustments issued	8	12	6
Agency Ratings - Moody's Financial Services	Aaa	Aaa	Aaa
Health Insurance Costs vs General Fund Expenditures %	11.85%	12.12%	12.04%
General Fund Receipts (cash basis)	\$4,149,116	\$3,981,654	\$4,250,115
General Fund Expenditures (cash basis)	\$3,974,476	\$3,753,279	\$3,767,922
General Fund Cash Balances	\$1,180,709	\$1,006,069	\$833,058
<i>Income Tax Department</i>			
Number of Individual Returns	4,456	4,058	4,031
Number of Business Returns	441	392	456
Number of business withholding accounts	467	501	515
Amount of Penalties and Interest Collected	\$37,900	\$29,107	\$27,399
Annual number of Corporate withholding forms processed	2,130	2,179	2,240
Annual number of balance due statements forms processed	1,128	1,111	984
Annual number of estimated payment forms processed	1,616	1,469	1,481
Annual number of reconciliations of withholdings processed	429	501	515
<i>Engineer Contracted Services</i>			
Dollar amount of Construction overseen by Engineer	\$1,312,011	\$2,059,385	\$784,499
<i>Municipal Court</i>			
Number of Civil Cases	220	283	282
Number of Criminal cases	965	999	907
<i>Vital Statistics</i>			
Certificates Filed			
Number of Births	1	2	0
Number of Deaths	106	99	110
Certificates Issued			
Number of Births	352	392	420
Number of Deaths	549	480	595
Burial Permits Issued	147	163	143
<i>Civil Service</i>			
Number of police entry tests administered	1	0	1
Number of fire entry tests administered	1	1	0
Number of police promotional tests administered	0	1	0
Number of fire promotional tests administered	0	0	1
Number of hires of Police Officers from certified lists	0	0	0
Number of hires of Fire/Medics from certified lists	0	1	1
Number of promotions from police certified lists	0	0	0
Number of promotions from fire certified lists	0	0	1

2010	2009	2008	2007	2006	2005	2004
107	123	109	137	119	103	113
11	19	11	11	11	14	15
3,230	3,530	4,185	4,151	4,180	4,028	4,057
\$13,879,192	\$13,559,134	\$13,537,185	\$13,307,015	\$13,826,892	\$14,585,601	\$12,809,304
\$3,828	\$6,005	\$39,844	\$137,706	\$147,999	\$72,406	\$25,819
458	492	557	601	625	605	647
11	6	10	8	199	228	153
Aaa						
11.28%	11.50%	14.47%	11.69%	12.09%	27.08%	22.24%
\$4,281,343	\$4,212,709	\$4,094,106	\$4,013,767	\$4,121,658	\$4,285,854	\$4,359,963
\$4,199,979	\$4,057,218	\$4,406,869	\$4,377,923	\$4,162,789	\$4,220,797	\$4,548,212
\$326,480	\$250,054	\$108,742	\$428,286	\$634,371	\$475,564	\$410,507
4,282	4,274	4,239	4,525	4,420	4,690	4,502
436	436	406	459	442	549	527
482	458	433	498	461	402	411
\$32,550	\$31,843	\$25,959	\$28,968	\$28,833	\$13,628	\$17,483
2,130	2,024	1,914	2,201	2,036	2,188	2,214
917	838	734	537	533	560	543
1,554	1,366	1,441	1,446	134	130	126
482	451	433	498	461	402	411
\$78,518	\$808,877	\$241,089	\$231,566	\$672,773	\$3,101,284	\$216,293
333	359	413	352	245	377	323
929	1,011	915	1,143	1,051	648	638
1	0	2	1	0	2	148
111	95	144	133	140	129	109
472	542	652	754	754	641	854
525	486	857	578	673	643	662
152	127	151	146	170	163	161
0	1	0	0	0	1	0
1	0	1	1	0	0	1
0	0	0	1	0	0	0
1	0	0	0	0	0	1
1	1	0	2	0	0	0
0	0	0	0	0	0	0
0	0	0	1	2	0	0
0	0	0	0	0	0	1

(continued)

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

Function/Program	2013	2012	2011
<i>Building Department Indicators</i>			
Construction Permits			
Estimated Value of Construction	\$3,994,229	\$944,196	\$748,499
Number of permits issued	161	147	148
Amount of Revenue generated from permits	\$5,585	\$4,682	\$4,652
Security of Persons and Property			
<i>Police</i>			
Total Calls for Services	28,334	23,110	21,912
911 Calls Answered	5,478	5,277	4,429
Arrests/Citations	1,419	1,808	2,199
Community Policing Hours	8,642	8,924	8,847
DARE Graduates	0	0	0
Investigations	2,541	2,689	2,813
Jail Inmates	247	271	273
Vehicle Crashes	246	238	230
Prisoner costs	\$9,029	\$11,234	\$6,709
Gasoline costs of fleet	\$36,457	\$37,498	\$29,989
<i>Fire</i>			
EMS Calls	1,558	1,463	1,575
Fire Calls	203	204	89
Fires with Loss	82	90	80
Fires with Losses exceeding \$10K	10	8	3
Fire Losses	\$548,385	\$301,600	\$363,650
Fire Safety Inspections	99	120	79
Number of times Mutual Aid given to Fire and EMS	24	20	27
Number of times Mutual Aid received for Fire and EMS	23	22	42
Public Health Services			
Cemetery burials	57	55	54
Cemetery sale of lots	24	8	9
Cemetery receipts	\$32,900	\$30,137	\$24,565
Leisure Time Activities			
<i>Recreation</i>			
City Tax	\$24,817	\$24,325	\$21,876
Softball Fees	600	1,650	7,850
Facilities rentals	28,225	29,375	29,075
 Total Recreation Department receipts	 \$53,642	 \$55,350	 \$58,801

2010	2009	2008	2007	2006	2005	2004
\$2,198,791	\$1,605,848	\$1,470,693	\$541,353	\$4,786,353	\$5,670,500	\$12,043,897
131	121	126	171	222	174	203
\$4,172	\$4,504	\$4,523	\$8,074	\$10,395	\$12,012	\$12,572
25,026	25,400	25,976	26,233	28,480	20,700	19,542
6,706	6,982	7,093	5,784	4,700	4,000	3,315
2,049	908	2,058	223	2,539	2,558	2,525
9,455	9,258	7,100	5,950	6,042	4,872	5,875
0	0	0	0	0	250	225
2,969	2,895	3,332	3,284	3,384	3,709	3,301
256	241	337	331	339	404	459
288	322	345	329	415	343	337
\$11,332	\$9,850	\$14,191	\$13,591	\$14,314	\$12,190	\$10,631
\$31,757	\$25,690	\$50,417	\$38,313	\$34,977	\$30,705	\$23,548
1,701	1,429	1,728	1,744	1,504	2,228	1,930
95	85	78	89	130	120	136
40	36	36	33	34	22	35
3	3	3	11	9	6	5
\$162,950	\$505,200	\$613,695	\$613,695	\$338,450	\$325,300	\$167,105
34	69	35	170	190	90	105
25	54	18	32	16	5	12
12	7	12	30	30	10	10
47	50	56	69	59	50	52
12	18	14	24	16	27	22
\$27,390	\$38,115	\$31,531	\$38,278	\$29,180	\$32,552	\$32,449
\$24,300	\$24,300	\$24,282	\$25,665	\$25,375	\$26,123	\$25,065
9,475	7,000	8,010	7,200	6,538	830	900
31,000	33,450	9,985	33,525	32,600	33,300	31,175
<u>\$64,775</u>	<u>\$64,750</u>	<u>\$42,277</u>	<u>\$66,390</u>	<u>\$64,513</u>	<u>\$60,253</u>	<u>\$57,140</u>

(continued)

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

Function/Program	2013	2012	2011
Transportation			
Street Improvements - asphalt overlay (linear feet)	0	14,347	8,092
Crackseal Coating Program (Miles)	8	6	31
Street Repair (Curbs, aprons, berms, asphalt) (hours)	578	2,879	2,198
Paint Striping (hours)	274	172	231
Street Sweeper (hours)	308	553	390
Cold Patch (hours)	380	361	482
Snow and Ice Removal regular hours	1,763	1,656	1,743
Snow and Ice Removal overtime hours	529	285	492
Storm Sewer Calls for Service - Sewer Jet Regular Hours	1,467	1,397	1,280
Storm Sewer Calls for Service - Sewer Jet Overtime Hours	24	53	6
Sewer Crew (hours)	774	784	1,114
Landscaping Stump-Chipper service (hours)	0	0	0
Leaf collection (hours)	0	0	0
Holiday lights setup (hours)	28	54	16
Street/Traffic Signs (Hours)	352	547	646
Equipment repair/body shop (hours)	2,281	2,218	5,760
Number of Trees Planted per year	0	0	0
Tons of snow melting salt purchased (Nov-Mar)	937	918	899
Cost of salt purchased	\$39,565	\$39,253	\$40,522
Water Department			
Water Rates per 1st 2,000 gallons of water	\$17.76	\$17.00	\$17.24
Avg. number of water accounts billed monthly (Cubic Feet)	4,800	4,900	4,900
Total Water Collections Annually (Including Principal and Interest)	\$2,168,960	\$2,228,733	\$2,103,537
Wastewater Department			
Wastewater Rates per 1st 300 Cubic feet of water used	\$19.30	\$18.90	\$19.76
Total flow of wastewater treatment plant (Billions of Gallons)	1.162	0.972	1.212
Average daily flow (Millions of gallons per day)	3.187	2.657	3.316
Tons of dry sludge removed	292.48	270.54	186.06

Source: City Financial Records and Departments

2010	2009	2008	2007	2006	2005	2004
8,580	7,985	13,800	23,800	23,940	55,940	3,700
4	0	6	5	18	20	20
784	2,441	1,032	1,780	1,360	864	768
104	145	350	400	400	400	400
360	303	156	640	520	480	490
248	651	554	1,100	880	900	1,020
1,824	1,616	7,960	8,950	8,320	9,600	10,240
391	239	737	732	705	641	580
432	203	2,080	2,080	2,080	2,080	2,080
0	0	0	0	0	0	0
400	415	707	1,700	1,500	1,500	1,500
0	0	100	150	120	130	90
0	652	96	3,200	3,400	3,100	3,400
16	16	16	16	16	16	16
510	464	394	240	240	240	240
6,240	6,240	6,240	6,240	6,240	6,240	6,240
0	0	0	0	450	0	400
776	773	1,100	1,450	1,475	1,000	1,350
\$43,921	\$48,842	\$43,115	\$48,560	\$54,058	\$44,304	\$42,655
\$17.24	\$17.24	\$16.29	\$15.84	\$14.94	\$14.37	\$13.82
4,900	4,900	4,900	4,900	4,880	4,880	4,880
\$2,068,133	\$2,215,799	\$1,947,755	\$1,904,311	\$1,831,609	\$1,754,163	\$1,734,988
\$19.76	\$17.18	\$16.74	\$15.82	\$15.22	\$13.98	\$12.84
0.694	0.846	0.992	0.876	0.918	0.916	0.927
1.902	2.324	2.713	2.402	2.516	2.515	2.539
268.91	281.39	299.30	197.46	295.78	599.16	452.42

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

Function/Program	2013	2012	2011	2010
General Government				
Square Footage Occupied	11,580	11,580	11,580	11,580
Inspection Vehicles	1	1	1	1
Police				
Stations	1	1	1	1
Square Footage Occupied	8,944	8,944	8,944	8,944
Vehicles	20	20	20	20
Fire				
Stations	2	2	2	2
Square Footage Occupied	12,880	12,880	12,880	12,880
Vehicles	10	10	10	10
Recreation				
Number of Parks	5	5	5	5
Number of Tennis Courts	2	2	2	2
Number of Skateboarding Areas	0	1	1	1
Number of Baseball Diamonds	2	2	2	2
Square Footage Occupied	1,790	1,790	1,790	1,790
Vehicles	2	2	2	2
Other Public Works				
Streets (lane miles)	565	565	565	565
Service Vehicles	22	22	22	22
Wastewater				
Sanitary Sewers (miles)	60	60	60	60
Storm Sewers (miles)	35	35	35	35
Water Department				
Water Lines (miles)	91	91	91	91
Vehicles	9	9	9	9

Source: City Financial Records

2009	2008	2007	2006	2005	2004
11,580	11,580	11,580	11,580	11,580	11,580
1	1	1	1	1	1
1	1	1	1	1	1
8,944	8,944	8,944	8,944	8,944	8,944
20	20	20	20	20	22
2	3	3	3	3	3
12,880	14,880	14,880	14,880	14,880	14,880
10	10	10	10	10	10
5	5	5	5	5	5
2	2	2	2	2	2
1	1	1	1	1	1
2	2	2	2	2	2
1,790	1,790	1,790	1,790	1,790	1,790
2	2	2	2	2	2
565	565	565	565	565	565
22	22	22	22	22	23
60	60	60	60	60	60
35	35	35	35	35	35
91	91	91	91	91	91
9	9	9	9	9	9

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**CITY OF CONNEAUT
ASHTABULA COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2013

CITY OF CONNEAUT
Ashtabula County

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CERTIFIED PUBLIC ACCOUNTANTS

WWW.CANTERCPA.NET

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

City of Conneaut
Ashtabula County
294 Main Street
Conneaut, OH 44030

To the Members of City Council:

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Conneaut, Ashtabula County (the City), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's financial statements and have issued our report thereon dated June 27, 2014. Our report includes a reference to other auditors who audited the financial statements of the Conneaut Port Authority, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that those auditors separately reported.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



CANTER & ASSOCIATES

Poland, Ohio

June 27, 2014



Dave Yost • Auditor of State

CITY OF CONNEAUT

ASHABULA 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 16, 2014**