



**CITY OF CONNEAUT  
ASHTABULA COUNTY**

**REGULAR AUDIT**

**FOR THE YEAR ENDED DECEMBER 31, 2017**





# Dave Yost • Auditor of State

Members of 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, 2017 through December 31, 2017. 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

August 30, 2018

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**CITY OF CONNEAUT**

*Ashtabula County*

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CERTIFIED PUBLIC ACCOUNTANTS

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**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, 2017, and the related notes to the financial statements, which collectively comprise the City's financial statements and have issued our report thereon dated June 29, 2018. 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 City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



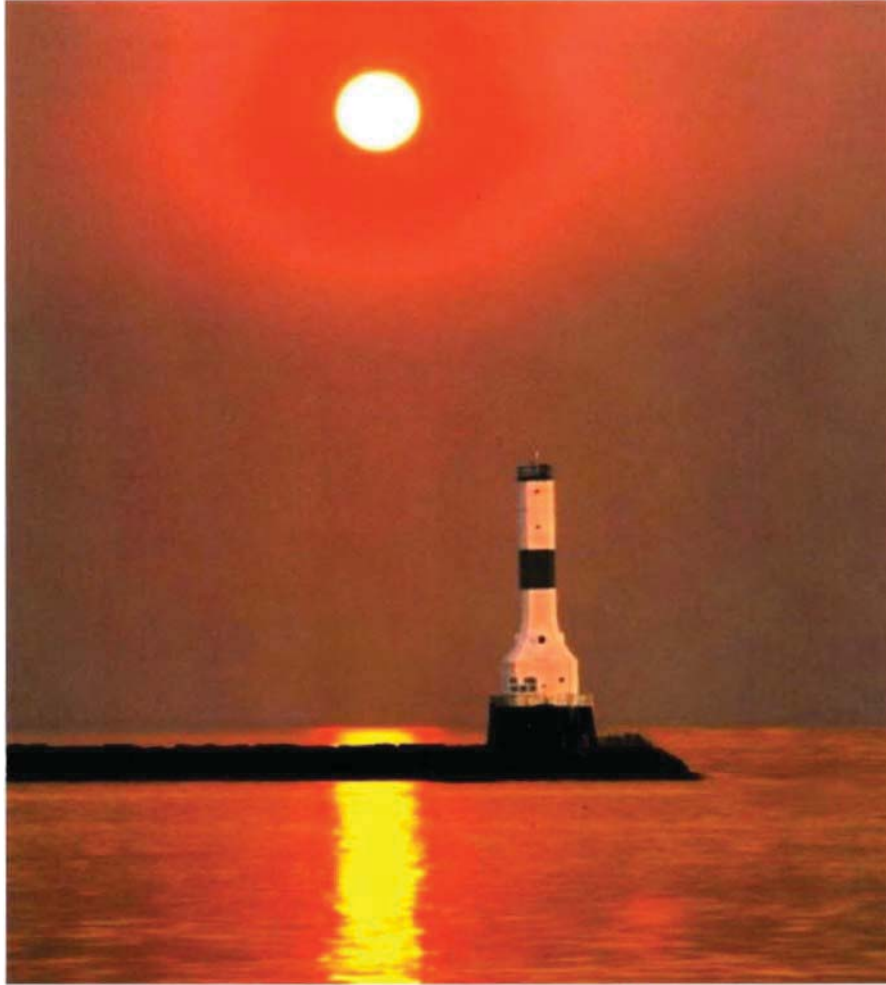
### **CANTER & ASSOCIATES**

Poland, Ohio

June 29, 2018



# CITY OF CONNEAUT, OHIO



Comprehensive Annual Financial Report  
For The Year Ended December 31, 2017

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# INTRODUCTORY SECTION

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**CITY OF CONNEAUT, OHIO**

**COMPREHENSIVE**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2017**

ISSUED BY THE DEPARTMENT OF FINANCE

John Williams, J.D., CPA,

FINANCE DIRECTOR

**City of Conneaut, Ohio**  
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*For the Year Ended December 31, 2017*  
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**CITY OF CONNEAUT**  
**FINANCE DEPARTMENT**  
**294 MAIN STREET, CONNEAUT, OHIO 44030**

**John Williams, J.D., CPA**  
**Finance Director**

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June 29, 2018

Citizens of Conneaut  
City Manager, Jim Hockaday  
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, including computerized financial accounting and reporting systems, 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, Certified Public Accountants, has issued an unmodified ("clean") opinion of the City of Conneaut's financial statements for the year ended December 31, 2017. Canter & Associates' report is located at the front of this financial report.

Management's discussion and analysis (MD&A) immediately follows the Independent Auditor's Report and provides a narrative introduction, overview, and analysis of the basic financial statements. 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 on November 15, 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**

To assist local businesses and to encourage local investment, several city programs have been developed. One such program to foster the retention and creation of jobs within the city is the Grants to Foster Economic Development program. Depending on the number of jobs created and the annual payroll, this program allows the city to provide the employer with a credit against tax on income with varying percentages and grant year terms. The maximum allowable credit is 75 percent for the creation of 100 or more new jobs and the maximum term is 15 years for an annual payroll in excess of \$3,000,000. In addition, 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.

Another benefit offered to city residents is a 100 percent income tax credit. Residents who work in other communities receive a 100 percent income tax credit up to 1.65 percent, the City's income tax rate, for income taxes paid to other taxing districts. This credit allows income tax payers who work outside the city but reside in Conneaut to avoid double taxation. The City's income tax rate, property valuation and total effective millage are lower than many other communities within and outside Ashtabula County, making Conneaut an attractive place to live.

The Conneaut Port Authority has been a vital economic development tool for the City. In effort to develop a comprehensive economic development plan for the Port of Conneaut, the Conneaut Port Authority enlisted the help of the Cleveland Urban Design Collaborative (CUDC). The CUDC prepared a power point presentation of some exciting and provocative visions for potential development at the City's lakefront. Future development and growth at the port is vital to expanding the City's economic base, especially with regard to tourism. Furthermore, the Port Authority continues to collaborate and partner with Erie Port Authority to foster development in the region. It is critical that the port authority maintain these contacts to ensure the City's economic interests are represented.

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, 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.

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. Unemployment in Ashtabula County increased from 5.3 percent in 2016 to 5.9 percent in 2017, representing an 11.3 percent increase, while the average home sold within the City increased from \$94,900 in 2016 to \$99,000 in 2017, or a 4.3 percent increase from the prior year. While the recovery has been slower than anticipated, the effects of the recession have largely dissipated, as income tax collections have markedly improved over the last five years.

The value of new construction was \$1,991,375 for 2017, which is \$219,215 less than 2016 and represents a 9.9 percent decrease from the prior year, and the number of zoning permits decreased to 147, down from 167 in 2016. A new housing development at the former Conneaut Shores Golf course continues to progress, as five new homes were added in 2017. Approximately 80 acres are being developed, with more than 90 homes expected to be built. Real estate assessed valuation increased slightly from \$185,836,650 in 2016 to \$186,848,220 in 2017, which is an overall increase of \$1,011,570 or .54 percent. While the agricultural/residential property class decreased by \$189,930, an increase of \$1,201,500 was realized in the commercial/industrial and public utility class properties.

An ambitious project has been implemented by the Board of Tourism to erect way finding signs at high traffic locations in an effort to guide visitors to some of Conneaut's landmark destinations, as well as other key locations throughout the City. 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**

Meeting the City's capital needs is critical to the successful operation of the City. The administration, with the assistance of City Council, has created a long-term capital improvement plan to address ageing 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.

The City Manager and City Council advocate sound financial practices to help ensure that adequate undesignated fund balances are maintained in all of the operating funds. Furthermore, Council's long-term goal is to generate and maintain a minimum twenty percent carryover fund balance in the general fund, which is the City's largest and most versatile operating fund. Even in this difficult economic environment, this goal was exceeded in 2014, which is much sooner than had been anticipated. To assist in achieving Council's long-term financial goals, the primary objective is to enhance revenue via economic development, with particular emphasis on growing the City's tax base to help maintain financial stability. Cost containment, with an emphasis on efficiency throughout the City departments, is another tool utilized to help accomplish financial goals.

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 on November 5, 2013 and then renewed again on November 7, 2017. The levy generates approximately \$513,000 annually, nearly double the revenue of the previous income tax levy.

Due to the reduction in local government funds and other general fund revenue sources, the City has struggled to adequately fund the police and fire departments. As a result, the City Manager and City Council approached the voters with a plan to better fund the safety forces. A 3 mill permanent police levy was passed by the voters, which generates approximately \$534,000 annually. The revenue is being used to fund 2 new police officers, 2 full-time corrections officers, and an additional part-time dispatcher. Funds have also been made available for the purchase of new police cruisers and other ancillary equipment. Voters also approved a new 5-year, 1.5 mill operating levy for the fire department, which generates approximately \$265,000 annually. The funds are being used to hire additional part-time personnel and assist with purchase of much needed equipment.

### **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 \$3,158,615 in 2017, which was the highest tax collection on record and represents \$191,431,273 in taxable wages and profits. The income tax collections were allocated as follows: General Fund: 74.79 percent or \$2,362,345 which is used to fund the fire, police, municipal court and administrative offices; Street Department: 17.80 percent or \$562,234, which is used to fund a wide variety of public works' projects, including paving, road maintenance, and storm water management; Reserve Fund: 3.94 percent or \$124,430, which is used for financial support for various programs as determined by city council; Capital Improvement: 1.58 percent or \$49,907, which is used for infrastructure repairs and the acquisition of capital assets; Street Lighting: 1.02 percent or \$32,218, which is used to pay for street lighting along state routes, the downtown district, and traffic lights throughout the city; and Recreation: .87 percent or \$27,481, 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 2.00 mills or \$325,427, the police pension fund allocation was .90 mills or \$146,230 and the fire pension fund allocation was .73 mills or \$118,609. With regard to outside millage, a permanent 3 mill police levy generated \$527,512, a five-year 2.75 mill street improvement levy generated \$483,148, a permanent 2 mill police levy generated \$310,499, and a five-year 1.5 mill fire levy generated \$263,818. The City received outstanding collections on the expired library bond levy in the amount of \$26 during 2017. Total millage levied by the City in 2017 was 12.88, generating total revenue of \$2,175,243. Inside and debt millage allocations are reviewed by the Finance Department and City Council before the annual tax budget is prepared.

### **Major Initiatives**

*For the Year* - In 2017, the City of Conneaut completed several major capital projects and embarked on a variety of new 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 planned and completed projects are:

**Parrish-Chamberlain Roadwork Development** A proposed expansion by one of the City's largest employers, General Aluminum, will generate significant new semi-truck traffic on an already sub-standard road. Major deficiencies include adequate turn radius for semi-trucks at Parrish Road and Route 20 as well as Chamberlain and Parrish. Chamberlain Road is of an insufficient width and configuration for truck docks and approaches. The pedestrian crossing which serves tow-motor and employee traffic between General Aluminum campus facilities is totally inadequate and a major safety concern where it crosses Chamberlain. Remaining portions of concrete industrial road were installed in the 1950s and have met service life. The additional traffic resulting from this expansion will make an already compromised road less safe for vehicle traffic. On-time delivery is a major component of automotive industry contracts, having adequate infrastructure to serve General Aluminum and allowing them to fulfill their contracts.

The proposed roadwork involves reconstruction of portions of two existing roads, Parrish Road and Chamberlain Boulevard and the addition of a right turn lane on Parrish Road at the US Rt. 20 intersection. The proposed roadwork also includes construction of sidewalks on the west side of Parrish Road from US Rt 20, extending approximately 600-feet north to connect to an existing sidewalk. The project also includes crosswalks at the intersection of Parrish Road and US Rt 20, and a pedestrian/commercial crosswalk on Chamberlain Boulevard. The pedestrian/commercial crosswalk on Chamberlain Boulevard connects two existing factories and includes technological upgrades to the pedestrian/commercial crosswalk on Chamberlain Boulevard, in order to improve safety. The cost of this proposed project is \$1,775,300, with \$800,000 in grant funding from Jobs Ohio 629, \$175,000 in grant funding from ODOT Jobs and \$800,300 in loan funding from the State Infrastructure Bank.

**City Hall HVAC:** The ventilation and air conditioning system for the city hall had failed in late 2016. With the authorization from City Council, funding was obtained through a general obligation bond issued in the amount of \$214,000. The scope of the project replaced the main air conditioning system and chiller unit, as well as installing separate electric units in parts of old city hall and the court. This will greatly improve the cooling of the building, as well as improve efficiency. The project was about 50 percent complete at the end of 2017.

**U.S. Route 20 Waterline Project:** Engineering for this project commenced in 2017. This project will be the first phase to replace 1,450 feet of deteriorating transit water lines underneath Rt. 20, starting at the intersection with Gore Road. The project will replace the existing water main, valves, hydrants, and appurtenances. Pavement and/or sidewalk replacement will be replaced where necessary for waterline installation. Total cost of this project is estimated to be \$360,000, with a \$130,000 grant from OPWC, a \$50,000, 0 percent loan from OPWC, and a cash match of \$180,000.

**Sewer Jet and Sewer Camera Trucks:** In an effort to replace aging equipment in the Wastewater Department, the city has purchased a new Sewer Jet Truck to clean sewers, at a cost of \$396,036 and a new Sewer Camera Truck to inspect both main sewer lines and sewer laterals. This sewer inspection truck cost \$301,375. Both trucks are used extensively throughout the city. Before any paving projects are authorized, each road undergoes an inspection of the underlying infrastructure by the sewer camera truck to ensure there are no preexisting issues.

**Wastewater Treatment Plant Headworks Project:** This project was 75 percent complete at the end of 2017. When fully completed, this extensive improvement project will replace the entire grit removal system, sludge pumps, and chemical feed controls, all of which are original to the 1955 construction of the Conneaut Wastewater Treatment Plant. Although the WWTP capacity will remain 3 million gallons per day, the new system will be automated and much more efficient. The total contract amount is estimated to cost \$2,462,000, which will be funded by a \$349,999 OPWC grant, a \$150,000 OPWC 0 percent loan and the balance of \$1,962,001 will be funded by a 20-year, OWDA loan, of which \$1,902,567 was received during 2017.

**Orange Street Water Line Replacement:** This project was completed in 2017. It replaced 1,050 linear feet of water line, fire hydrants, water valves and service connections, as well as repairs to curbs, asphalt, sidewalks, and driveway aprons. This project cost \$238,000 with funding a \$75,000 grant from OPWC, a \$55,000, 0 percent loan from OPWC, of which \$35,706 was received during 2017, \$50,000 provided by CDBG funding and \$58,000 in cash contributions by the City's water fund.

**Road Paving Improvements:** This project consisted of pavement replacement and overlays for ten streets and roads, totaling 15,375 linear feet of roadway. An outside contractor was hired to perform the work, with a total cost of \$412,170. All of the paving and road maintenance has been paid for with tax dollars provided by the 2.75 mill street improvement levy.

### **Awards and Acknowledgements**

The City received the Auditor of State Award (AOS) with Distinction, the highest award the AOS can give for the fiscal year ended December 31, 2016. This is the twelfth consecutive year that the City of Conneaut received this prestigious award. To be eligible for the award, the following requirements must be met:

- 1) The entity must file timely financial reports with the Auditor of State's office in the form of a CAFR (Comprehensive Annual Financial Report);
- 2) The audit report does not contain any findings for recovery, material citations, material weaknesses, significant deficiencies, Single Audit findings or questioned costs;
- 3) The entity's management letter contains no comments related to:
  - \* Ethics referrals
  - \* Questioned Costs less than \$10,000
  - \* Lack of timely report submission
  - \* Reconciliation
  - \* Failure to obtain a timely Single Audit
  - \* Findings for recovery less than \$100
  - \* Public meetings or public records

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, 2016. This was the twelfth consecutive 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 Jim Hockaday 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.

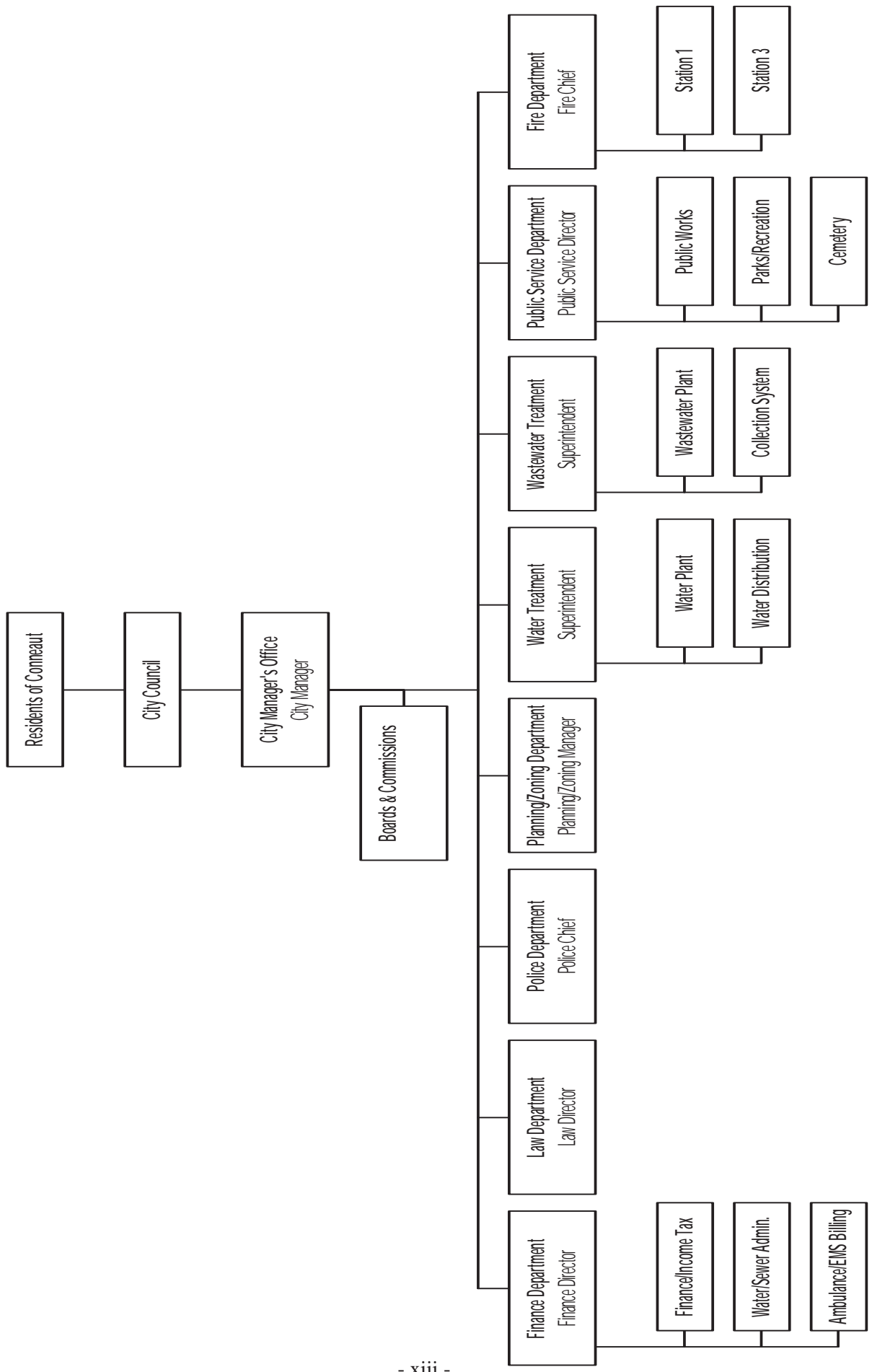
Respectfully submitted,

A handwritten signature in black ink, appearing to read "John P. Williams". The signature is fluid and cursive, written in a professional style.

John Williams, J.D., CPA  
Finance Director



# CITY ORGANIZATIONAL CHART - ESTABLISHED BY CITY CHARTER



**CITY OF CONNEAUT**  
**ELECTED AND APPOINTED CITY OFFICIALS**

**CITY COUNCIL**

Deborah Newcomb, President

Nicholas Perkoski, At Large

Angel Wassie, At Large

Stephen Gerics, Ward 1

Phil Garcia, Ward 2

Joseph Emery, Ward 3

Tom Kozesky, Ward 4

**CITY MANAGER**

Jim Hockaday

**APPOINTED OFFICIALS**

John Williams, Director of Finance

Kyle Smith, Director of Law

Michael Colby, Chief of Police

Steve Lee, Chief of Fire

Richard Neubauer, Water Superintendent

Brian Bidwell, Wastewater Superintendent

Joe Dibell, Public Service Director

Janet Brown, 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, 2016**

*Christopher P. Morill*

Executive Director/CEO

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# **FINANCIAL SECTION**

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6400 OLDE STONE CROSSING  
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FAX: 888.516.1186

CERTIFIED PUBLIC ACCOUNTANTS

[WWW.CANTERCPA.NET](http://WWW.CANTERCPA.NET)

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## 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, 2017, 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 express opinions on these financial statements based on our audit. We did not audit the financial statements of the Conneaut Port Authority, a discretely presented component unit, which represents 100 percent, of the assets, net position, and revenues of the discretely presented component unit. 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 conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe 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, 2017, 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* and Schedules of Net Pension Liabilities and Pension Contributions, listed in the table of contents, to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary and Other Information***

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

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



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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2018, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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 29, 2018

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**City of Conneaut, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2017*  
*Unaudited*

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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, 2017. 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 2017 are as follows:

- In governmental activities, total revenues increased by \$1,018,642 or 14.29 percent, primarily due to an increase in program revenues and income taxes.
- Total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources for 2017 by \$38,626,219, of which (\$1,769,309) was unrestricted. The net position decreased by \$918,078 from 2016.
- On a GAAP basis, the City's general fund had a balance of \$1,495,612, which is an increase of \$30,886 from the prior year. The unassigned fund balance was \$790,303 or 52.84 percent of the total, which is an increase of \$238,962 from the prior year.
- In governmental activities, long term liabilities of \$10,732,635 decreased by \$203,842 from the prior year, while in business-type activities long term liabilities increased by \$2,980,652 for a total of \$9,980,528.

### **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 2017 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.

**City of Conneaut, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2017*  
*Unaudited*

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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 11. 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 four major funds, the general fund, the street construction, maintenance and repair special revenue 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 2017 as compared to 2016.

**City of Conneaut, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2017*  
*Unaudited*

(Table 1)  
 Net Position

|  | Governmental Activities |                     | Business-Type Activities |                     | Total               |                     |
|--|-------------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|
|  | 2017                    | 2016                | 2017                     | 2016                | 2017                | 2016                |
| <b>Assets</b>                                  |                         |                     |                          |                     |                     |                     |
| Current and Other Assets                       | \$7,084,249             | \$7,066,662         | \$4,212,969              | \$3,170,262         | \$11,297,218        | \$10,236,924        |
| Capital Assets, Net                            | 25,809,641              | 26,799,900          | 22,302,385               | 20,466,751          | 48,112,026          | 47,266,651          |
| <i>Total Assets</i>                            | <u>32,893,890</u>       | <u>33,866,562</u>   | <u>26,515,354</u>        | <u>23,637,013</u>   | <u>59,409,244</u>   | <u>57,503,575</u>   |
| <b>Deferred Outflows of Resources</b>          |                         |                     |                          |                     |                     |                     |
| Pension  | 2,054,169               | 2,278,420           | 965,005                  | 486,871             | 2,829,587           | 2,765,291           |
| <b>Liabilities</b>                             |                         |                     |                          |                     |                     |                     |
| Current and Other Liabilities                  | 433,447                 | 413,180             | 239,877                  | 210,482             | 673,324             | 623,662             |
| Long-Term Liabilities:                         |                         |                     |                          |                     |                     |                     |
| Due Within One Year                            | 696,846                 | 748,325             | 614,923                  | 605,738             | 1,311,769           | 1,354,063           |
| Due in More than One Year:                     |                         |                     |                          |                     |                     |                     |
| Net Pension Liability                          | 7,850,593               | 7,741,277           | 1,929,066                | 1,094,146           | 9,779,659           | 8,835,423           |
| Other Amounts Due in<br>More than One Year     | 2,185,196               | 2,446,875           | 7,436,539                | 5,299,992           | 9,621,735           | 7,746,867           |
| <i>Total Liabilities</i>                       | <u>11,166,082</u>       | <u>11,349,657</u>   | <u>10,220,405</u>        | <u>7,210,358</u>    | <u>21,386,487</u>   | <u>18,560,015</u>   |
| <b>Deferred Inflows of Resources</b>           |                         |                     |                          |                     |                     |                     |
| Property Taxes                                 | 2,077,754               | 2,068,897           | 0                        | 0                   | 2,077,754           | 2,068,897           |
| Pension  | 326,477                 | 74,516              | 11,481                   | 21,141              | 148,371             | 95,657              |
| <i>Total Deferred Inflows of Resources</i>     | <u>2,404,231</u>        | <u>2,143,413</u>    | <u>11,481</u>            | <u>21,141</u>       | <u>2,226,125</u>    | <u>2,164,554</u>    |
| <b>Net Position</b>                            |                         |                     |                          |                     |                     |                     |
| Net Investment in Capital Assets               | 24,342,868              | 25,201,005          | 14,549,006               | 14,833,885          | 38,891,874          | 40,034,890          |
| Restricted:                                    |                         |                     |                          |                     |                     |                     |
| Capital Projects                               | 167,262                 | 148,285             | 0                        | 0                   | 167,262             | 148,285             |
| Debt Service                                   | 0                       | 9,204               | 0                        | 0                   | 0                   | 9,204               |
| Street Construction,<br>Maintenance and Repair | 413,941                 | 494,648             | 0                        | 0                   | 413,941             | 494,648             |
| Police and Fire Operations                     | 736,057                 | 520,364             | 0                        | 0                   | 736,057             | 520,364             |
| Drug and Alcohol<br>Enforcement                | 69,761                  | 64,271              | 0                        | 0                   | 69,761              | 64,271              |
| Cemetery Operations                            | 52,271                  | 52,507              | 0                        | 0                   | 52,271              | 52,507              |
| Economic Development                           | 10,436                  | 46,956              | 0                        | 0                   | 10,436              | 46,956              |
| Other Purposes                                 | 53,926                  | 47,501              | 0                        | 0                   | 53,926              | 47,501              |
| Unrestricted (Deficit)                         | (4,468,776)             | (3,932,829)         | 2,699,467                | 2,058,500           | (1,769,309)         | (1,874,329)         |
| <i>Total Net Position</i>                      | <u>\$21,377,746</u>     | <u>\$22,651,912</u> | <u>\$17,248,473</u>      | <u>\$16,892,385</u> | <u>\$38,626,219</u> | <u>\$39,544,297</u> |

The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2017 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—An Amendment of GASB Statement 27." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

**City of Conneaut, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2017*  
*Unaudited*

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

GASB 68 requires the net pension liability to equal the City's proportionate share of each plan's collective:

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

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system as against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

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

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

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

**City of Conneaut, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2017*  
*Unaudited*

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.

Governmental activities saw a change in net position going from \$22,651,912 in 2016 to \$21,377,746 in 2017, which was a decrease of \$1,274,166. Business-type activities saw an increase in net position from \$16,892,385 in 2016 to \$17,248,473 in 2017, which is an increase of \$356,088. Assets in the business-type activities had an increase of \$2,878,341 when compared with 2016, primarily due to an increase in non-depreciable capital assets related to construction in progress. Operating revenues increased by \$118,851, less than three percent from 2016. Operating expenses increased \$899,280 or 23.88 percent, and have remained well below the operating revenues. 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               |                     |
|--------------------------------------|-------------------------|--------------------|--------------------------|--------------------|---------------------|---------------------|
|                                      | 2017                    | 2016               | 2017                     | 2016               | 2017                | 2016                |
| <b>Revenues</b>                      |                         |                    |                          |                    |                     |                     |
| <b>Program Revenues</b>              |                         |                    |                          |                    |                     |                     |
| Charges for Services and Assessments | \$1,114,551             | \$682,223          | \$4,756,267              | \$4,672,950        | \$5,870,818         | \$5,355,173         |
| Operating Grants and Contributions   | 773,712                 | 701,285            | 0                        | 0                  | 773,712             | 701,285             |
| Capital Grants                       | 20,293                  | 10,071             | 451,417                  | 76,997             | 471,710             | 87,068              |
| <b>Total Program Revenues</b>        | <b>1,908,556</b>        | <b>1,393,579</b>   | <b>5,207,684</b>         | <b>4,749,947</b>   | <b>7,116,240</b>    | <b>6,143,526</b>    |
| <b>General Revenues</b>              |                         |                    |                          |                    |                     |                     |
| Property Taxes                       | 2,204,007               | 2,211,743          | 0                        | 0                  | 2,204,007           | 2,211,743           |
| Municipal Income Taxes               | 3,211,379               | 2,696,136          | 0                        | 0                  | 3,211,379           | 2,696,136           |
| Hotel Taxes                          | 22,877                  | 24,138             | 0                        | 0                  | 22,877              | 24,138              |
| Grants and Entitlements not          |                         |                    |                          |                    |                     |                     |
| Restricted to Specific Programs      | 418,681                 | 416,296            | 0                        | 0                  | 418,681             | 416,296             |
| Franchise Taxes                      | 145,056                 | 164,729            | 0                        | 0                  | 145,056             | 164,729             |
| Unrestricted Contributions           | 24,650                  | 17,873             | 0                        | 0                  | 24,650              | 17,873              |
| Investment Earnings                  | 49,920                  | 24,033             | 0                        | 0                  | 49,920              | 24,033              |
| Gain on Sale of Capital Assets       | 0                       | 0                  | 120,470                  | 0                  | 120,470             | 0                   |
| Miscellaneous                        | 162,255                 | 180,212            | 48,574                   | 13,040             | 210,829             | 193,252             |
| <b>Total General Revenues</b>        | <b>6,238,825</b>        | <b>5,735,160</b>   | <b>169,044</b>           | <b>13,040</b>      | <b>6,407,869</b>    | <b>5,748,200</b>    |
| <b>Total Revenues</b>                | <b>\$8,147,381</b>      | <b>\$7,128,739</b> | <b>\$5,376,728</b>       | <b>\$4,762,987</b> | <b>\$13,524,109</b> | <b>\$11,891,726</b> |

(continued)

**City of Conneaut, Ohio**  
*Management's Discussion and Analysis*  
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*Unaudited*

(Table 2)  
Change in Net Position

|  | Governmental Activities |                     | Business-Type Activities |                     | Total               |                     |
|--|-------------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|
|  | 2017                    | 2016                | 2017                     | 2016                | 2017                | 2016                |
| <b>Program Expenses</b>                    |                         |                     |                          |                     |                     |                     |
| General Government                         | \$1,623,407             | \$1,574,431         | \$0                      | \$0                 | (\$1,623,407)       | (\$1,574,431)       |
| Security of Persons and Property           | 4,219,555               | 4,386,740           | 0                        | 0                   | (4,219,555)         | (4,386,740)         |
| Public Health Services                     | 218,089                 | 202,382             | 0                        | 0                   | (218,089)           | (202,382)           |
| Leisure Time Activities                    | 145,635                 | 114,558             | 0                        | 0                   | (145,635)           | (114,558)           |
| Community Development                      | 261,048                 | 139,890             | 0                        | 0                   | (261,048)           | (139,890)           |
| Basic Utility Services                     | 200,724                 | 162,842             | 0                        | 0                   | (200,724)           | (162,842)           |
| Transportation                             | 2,680,196               | 2,391,079           | 0                        | 0                   | (2,680,196)         | (2,391,079)         |
| Interest and Fiscal Charges                | 70,393                  | 78,960              | 0                        | 0                   | (70,393)            | (78,960)            |
| Water                                      | 0                       | 0                   | 2,564,360                | 2,009,333           | (2,564,360)         | (2,009,333)         |
| Sewer                                      | 0                       | 0                   | 2,458,780                | 1,920,961           | (2,458,780)         | (1,920,961)         |
| <i>Total Program Expenses</i>              | <u>9,419,047</u>        | <u>9,050,882</u>    | <u>5,023,140</u>         | <u>3,930,294</u>    | <u>(14,442,187)</u> | <u>(12,981,176)</u> |
| <i>Increase (Decrease) in Net Position</i> | (1,271,666)             | (1,922,143)         | 353,588                  | 832,693             | (918,078)           | (1,089,450)         |
| Transfers                                  | (2,500)                 | (2,500)             | 2,500                    | 2,500               | 0                   | 0                   |
| <i>Change in Net Position</i>              | <u>(1,274,166)</u>      | <u>(1,924,643)</u>  | <u>356,088</u>           | <u>835,193</u>      | <u>(918,078)</u>    | <u>(1,089,450)</u>  |
| <i>Net Position Beginning of Year</i>      | <u>22,651,912</u>       | <u>24,576,555</u>   | <u>16,892,385</u>        | <u>16,057,192</u>   | <u>39,544,297</u>   | <u>40,633,747</u>   |
| <i>Net Position End of Year</i>            | <u>\$21,377,746</u>     | <u>\$22,651,912</u> | <u>\$17,248,473</u>      | <u>\$16,892,385</u> | <u>\$38,626,219</u> | <u>\$39,544,297</u> |

**Governmental Activities**

The City's net position in governmental activities decreased by \$1,274,166 for a net position total of \$21,377,746 in 2017. Total revenues increased by \$1,018,642 or 14.29 percent, with expenses increasing \$368,165 or 4.07 percent. Funding for governmental activities is derived from many sources, the largest of which is the City's municipal income tax, representing more than half of the general fund revenue budget. The City's income tax rate is 1.65 percent. Total income tax collections were \$3,211,379 for 2017, an increase of \$515,243 from 2016. 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 next largest revenue source of the City is property taxes. Property tax collections remained consistent with 2016 collections.

The largest program function for the City is security of persons and property, which includes expenses of the police and fire departments. In 2017, the City spent \$4,219,555 on police and fire protection. The police department employs eighteen officers and four full-time dispatchers. The fire department has ten full-time positions and one permanent part-time position. There are two fire stations within the City, one staffed by the full-time and permanent part-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 2017, there was a decrease in expenses of \$167,185 for the police and fire departments or a 3.81 percent decrease from 2016. The decrease was attributable to a reduction in capital expenditures, police overtime, and severance pay.



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The City's Public Works Department (transportation) has 12 employees, including one mechanic, ten equipment operators, and one full-time administrative assistant. In 2017, they spent \$2,680,196 in transportation activities. The public works department is responsible for maintaining 565 lane miles of roads, including the paving of local streets, snow plowing, storm sewer and ditch maintenance, tree trimming/removal, park and cemetery maintenance, litter pick up, and various other duties.

***Business-Type Activities***

The City operates two business-type activities: the water and sewer treatment facilities. Net position increased in business-type activities by \$356,088 to \$17,248,473. Total revenues increased by \$613,741 or 12.89 percent, and total program expenses increased by \$1,092,846 or 27.81 percent. The major revenue sources for these activities are charges for services. There was an increase in capital grants due to more projects being funded by Ohio Public Water Commission (OPWC). The water plant provides water to approximately 4,900 customers. Approximately forty-one million gallons of water and seventy-three 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 20. These funds are accounted for using the modified accrual method of accounting.

The City's major governmental funds are the general fund and the street construction, maintenance and repair special revenue fund. All governmental funds had total revenues of \$8,102,873 and total expenditures of \$8,372,363, resulting in expenditures exceeding revenues by \$269,490. The most significant change in revenues was an increase in income tax revenue of \$271,919, while the most significant change in expenditures was a decrease of \$179,311 in security of persons and property. During 2017, there was an increase in general fund revenues of \$200,165, with expenditures exceeding revenues by \$87,114. Expenditures exceeded revenues in the street construction, maintenance and repair fund due to increased paving projects completed and equipment acquisitions 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 26. These funds are accounted for on an accrual basis.

Business type funds had GAAP operating revenues of \$4,804,841 and operating expenses of \$4,665,194, generating an operating income of \$139,647. Operating revenues increased by \$118,851 or 2.54 percent due to increases in charges for water and sewer services. Operating expenses increased by \$899,280 due to increases in personal services and contractual services costs. 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

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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.

In 2017, the general fund's original revenue budget was at 4,055,261 and the final revenue budget remained the same during 2017. Actual revenues were higher at \$4,317,313 or a \$262,052 positive variance. A large part of the difference was made from more than anticipated municipal income tax, fines and forfeitures and interest revenues. The general fund's original appropriation budget was \$5,084,572, and the final appropriation budget was \$5,231,815. Actual expenditures were substantially less than final budgeted appropriations with a positive variance of \$526,884. This difference is made from the City becoming more conservative in spending due to the current economic conditions that entities are facing State-wide. On a cash basis, the actual net change in fund balance decreased by \$199,705, for an ending fund balance of \$1,006,401.

**Capital Assets and Debt Administration**

*Capital Assets*

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

|                            | Governmental Activities |                     | Business-Type Activities |                     | Total               |                     |
|----------------------------|-------------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|
|                            | 2017                    | 2016                | 2017                     | 2016                | 2017                | 2016                |
| Land                       | \$554,972               | \$554,972           | \$6,880                  | \$6,880             | \$561,852           | \$561,852           |
| Construction in Progress   | 143,012                 | 0                   | 1,858,944                | 225,335             | 2,001,956           | 225,335             |
| Buildings and Improvements | 221,218                 | 238,871             | 491,085                  | 493,962             | 712,303             | 732,833             |
| Equipment                  | 1,225,936               | 1,285,970           | 2,578,934                | 2,694,822           | 3,804,870           | 3,980,792           |
| Vehicles                   | 800,033                 | 895,370             | 808,009                  | 288,386             | 1,608,042           | 1,183,756           |
| Infrastructure             |                         |                     |                          |                     |                     |                     |
| Traffic Signals            | 183,379                 | 190,265             | 0                        | 0                   | 183,379             | 190,265             |
| Roads                      | 10,005,326              | 10,646,798          | 0                        | 0                   | 10,005,326          | 10,646,798          |
| Bridges                    | 11,172,002              | 11,442,973          | 0                        | 0                   | 11,172,002          | 11,442,973          |
| Storm Sewers               | 1,503,763               | 1,544,681           | 0                        | 0                   | 1,503,763           | 1,544,681           |
| Water and Sewer Lines      | 0                       | 0                   | 16,558,533               | 16,757,366          | 16,558,533          | 16,757,366          |
| <b>Total</b>               | <b>\$25,809,641</b>     | <b>\$26,799,900</b> | <b>\$22,302,385</b>      | <b>\$20,466,751</b> | <b>\$48,112,026</b> | <b>\$47,266,651</b> |

Capital assets of governmental activities saw a decrease in 2017 due to annual depreciation exceeding additions for the year. Additions include work started on the city hall HVAC system, new equipment for the fire department, new air conditioning units and various road improvements made throughout the City.

The largest increase in business-type capital assets was continued work done on the sewer headworks project in the amount of \$1,661,468 which is part of construction in progress. The Orange Street waterline replacement was completed in 2017 at a cost of \$191,858. Two new sewer department trucks were purchased as well as a new front loader for the water department at a cost of \$728,283.

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

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*Management's Discussion and Analysis*  
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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, compensated absences and net pension liability.

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

|                          | Governmental Activities |                     | Business-Type Activities |                    | Total               |                     |
|--------------------------|-------------------------|---------------------|--------------------------|--------------------|---------------------|---------------------|
|                          | 2017                    | 2016                | 2017                     | 2016               | 2016                | 2015                |
| General Obligation Bonds | \$1,225,744             | \$1,239,337         | \$807,947                | \$218,995          | \$2,033,691         | \$1,458,332         |
| OWDA Loans               | 144,035                 | 196,523             | 6,366,372                | 4,796,560          | 6,510,407           | 4,993,083           |
| Loans Payable            | 369,181                 | 512,959             | 61,331                   | 116,289            | 430,512             | 629,248             |
| OPWC Loans               | 22,899                  | 25,192              | 517,729                  | 501,022            | 540,628             | 526,214             |
| Notes Payable            | 90,000                  | 120,000             | 0                        | 0                  | 90,000              | 120,000             |
| Capital Leases           | 126,956                 | 215,222             | 0                        | 0                  | 126,956             | 215,222             |
| Compensated Absences     | 903,227                 | 885,967             | 298,083                  | 272,864            | 1,201,310           | 1,158,831           |
| Net Pension Liability    | 7,850,593               | 7,741,277           | 1,929,066                | 1,094,146          | 9,779,659           | 8,835,423           |
| <b>Total</b>             | <b>\$10,732,635</b>     | <b>\$10,936,477</b> | <b>\$9,980,528</b>       | <b>\$6,999,876</b> | <b>\$20,713,163</b> | <b>\$17,936,353</b> |

Total debt in governmental activities decreased by \$203,842, and business-type activities saw an increase of \$2,980,652. During 2017, various improvement bonds were issued to fund HVAC work done at city hall as well as funding for the purchase of a new sewer jet and camera trucks. All of the debt service for these new issues are being paid with income and property tax revenues and sewer user fees. In total, there are fifteen OPWC and twelve OWDA loans, the majority of which are being funded by special assessments and water and sewer user fees.

The seven general obligation bonds outstanding at the end of the year were the Library Refunding, Energy Conservation Improvement, Vehicle Acquisition, 2014 and 2017 Various Improvements, Fire Truck and the Water Refunding. The Library and Water Refunding 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 Refunding bond is paid from the debt retirement fund, with funding provided by real estate taxes. The Water Refunding bond is paid from water user fees but the Energy Conservation Bond is paid from various funds. The Fire Truck will be paid from the general fund.

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.

For more information about the City's long-term obligations, see Note 17 to the basic financial statements.

**City of Conneaut, Ohio**  
*Management's Discussion and Analysis*  
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*Unaudited*

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## **Current Financial Issues**

In 2017, the general fund ended the year with a fund balance of \$1,495,612 on a GAAP basis and of this amount, \$790,303 was unassigned. Overall, this represents an increase in the general fund balance of \$30,886 or a 2.11 percent increase from 2016. This increase was due in part to an increase in income tax collections. 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.

All four of the City's unions negotiated three-year contracts effective on January 1, 2016 and will expire on December 31, 2018. Each union received a 2 percent annual increase. The estimated incremental annual cost from the prior base year, with benefits, was \$90,342 in 2016, \$92,148 in 2017 and will be \$93,991 in 2018, for a total incremental cost of \$276,481 over a three year period. The total cumulative cost for this 3 year contract will be \$466,471. Of this three year cumulative total, \$214,066 will be paid from the General Fund, \$79,306 from safety levies, \$76,541 from the Sewer Fund, and \$96,558 from the Water Fund. The City's ability to fund these and future increases, without layoffs, will depend upon the strength of our local economic tax base and our ability to contain other costs.

The Public Works Division includes the Street, Parks, and Cemetery departments. These three departments are the least well funded departments in the City. The Street Department is by far the largest component of the Public Works Division, with an overall budget of nearly \$2.2 million dollars. It is funded primarily by income tax, gas tax, auto permissive fees and vehicle license fees. It also includes a five-year, 2.75 mill road levy that is used for paving and maintaining 560 lane miles of road throughout the 27 square mile city. Despite having such a large revenue source, the division still barely breaks even on an annual basis. Staffing in the division has experienced a decline from 23 in the year 2000 to 13 today, which is almost a 50 percent reduction. This division is also very capital intensive and requires very large and expensive pieces of equipment to operate. About thirty pieces of heavy equipment and trucks are an integral part of the division, including tandem dump trucks that cost approximately \$200,000 per vehicle, trackhoes that cost about \$250,000 a piece, and backhoes that cost nearly \$100,000 a piece. These vehicles and equipment are used intensively and need to be replaced every 5-10 years. Furthermore, aging storm sewers throughout the City are another large outstanding infrastructure liability for the Street Department. Therefore, the City continues to struggle to adequately fund the Public Works Division.

Funding the City's health insurance plan continues to be a financial challenge, as the rate at which medical coverage continues to grow faster than both the rate of inflation and the City's revenue growth. There was no increase in 2018. However, cost variability may occur when existing employees move from a single plan to the much more expensive family plan. A single health care plan costs \$8,189 annually versus a family health care plan which costs \$25,453 annually, thus the family plan costs \$17,264 more than the single plan on an annual basis. The total cost of the City's health insurance plan for the seventy full-time employees who utilize the health insurance plan is approximately \$1,361,500 per year. About fifteen of the City's full-time employees who are eligible for health insurance choose to take the health insurance stipend or buyout of \$400 per month, costing about \$72,000 annually. All four of the City's unions have agreed that each of their members will pay 10 percent of the health insurance premium to help offset the increased cost to the City. Health care contributions by employees total approximately \$125,000 annually.

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- \$760,000 annually in years 2000 through 2011. As a result, the City

**City of Conneaut, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2017*  
*Unaudited*

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experienced a decrease in local government revenue of \$377,590 annually from years 2008 to 2017. After all of the reductions were implemented, the City's local government revenue was reduced from a high of \$760,973 in 2001 to \$328,273 in 2017, resulting in an annual reduction of \$432,700 from the peak collection year. This figure does not factor in any inflation. The City collected \$0.00 in inheritance taxes in 2017 due to the State of Ohio eliminating this revenue source as well. This has reduced general fund revenue by approximately \$100,000 - \$150,000 annually from its average collections. Taken together, these reductions in local government funds and inheritance tax have reduced general fund revenue by approximately twelve percent or about \$520,000 per year in comparison with peak collection years. As a result, the City has had to ask the taxpayers of Conneaut to approve additional police, fire, and street improvement levies to help offset the cuts in State revenue sharing.

Income tax is the largest revenue source in the general fund and is a critical funding source for many departments, including the City's safety forces. Delinquent income tax accounts represent a very large source of potential revenue that needs to be collected in order to adequately fund critical operations. Although 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, 2017, there were over 893 delinquent income tax accounts, and 517 accounts were in collection. This represents \$848,029 in delinquent income tax outstanding, including interest and penalties, and due to 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 517 in 2017, an increase of 318. Due to more intensive collection efforts, the City was able to collect \$79,196 in delinquent income tax, including \$48,537 in penalties and interest.

### **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](mailto:connfinance@suite224.net).

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## Basic Financial Statements

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**City of Conneaut, Ohio**  
*Statement of Net Position*  
December 31, 2017

|   | Primary Government      |                          |                     | Component Unit          |
|---|-------------------------|--------------------------|---------------------|-------------------------|
|   | Governmental Activities | Business-Type Activities | Total*              | Conneaut Port Authority |
| <b>Assets</b>                               |                         |                          |                     |                         |
| Equity in Pooled Cash and                   |                         |                          |                     |                         |
| Cash Equivalents                            | \$2,647,690             | \$3,277,182              | \$5,924,872         | \$83,617                |
| Accounts Receivable                         | 247,193                 | 634,527                  | 881,720             | 0                       |
| Internal Balances                           | (72,907)                | 72,907                   | 0                   | 0                       |
| Intergovernmental Receivable                | 593,170                 | 0                        | 593,170             | 0                       |
| Prepaid Items                               | 0                       | 0                        | 0                   | 10,589                  |
| Materials and Supplies Inventory            | 87,088                  | 205,385                  | 292,473             | 5,211                   |
| Property Taxes Receivable                   | 2,374,008               | 0                        | 2,374,008           | 0                       |
| Municipal Income Taxes Receivable           | 767,302                 | 0                        | 767,302             | 0                       |
| Special Assessments Receivable              | 320,705                 | 22,968                   | 343,673             | 0                       |
| Loans Receivable from Component Unit        | 120,000                 | 0                        | 120,000             | 0                       |
| Nondepreciable Capital Assets               | 697,984                 | 1,865,824                | 2,563,808           | 160,746                 |
| Depreciable Capital Assets, Net             | 25,111,657              | 20,436,561               | 45,548,218          | 1,148,874               |
| <i>Total Assets</i>                         | <u>32,893,890</u>       | <u>26,515,354</u>        | <u>59,409,244</u>   | <u>1,409,037</u>        |
| <b>Deferred Outflows of Resources</b>       |                         |                          |                     |                         |
| Pension                                     | 2,054,169               | 965,005                  | 2,829,587           | 118,897                 |
| <b>Liabilities</b>                          |                         |                          |                     |                         |
| Accounts Payable                            | 65,377                  | 37,205                   | 102,582             | 8,518                   |
| Contracts Payable                           | 48,742                  | 72,891                   | 121,633             | 0                       |
| Accrued Wages                               | 88,867                  | 36,663                   | 125,530             | 3,906                   |
| Intergovernmental Payable                   | 67,913                  | 20,733                   | 88,646              | 0                       |
| Accrued Interest Payable                    | 12,548                  | 72,385                   | 84,933              | 344                     |
| Notes Payable                               | 150,000                 | 0                        | 150,000             | 0                       |
| Due to Primary Government                   | 0                       | 0                        | 0                   | 120,000                 |
| Unearned Revenue                            | 0                       | 0                        | 0                   | 111,280                 |
| Deposits on Future Revenue                  | 0                       | 0                        | 0                   | 4,280                   |
| Long-Term Liabilities:                      |                         |                          |                     |                         |
| Due Within One Year                         | 696,846                 | 614,923                  | 1,311,769           | 0                       |
| Due In More Than One Year:                  |                         |                          |                     |                         |
| Net Pension Liability (See Note 19)         | 7,850,593               | 1,929,066                | 9,779,659           | 270,520                 |
| Other Amounts Due In More Than One Year     | 2,185,196               | 7,436,539                | 9,621,735           | 0                       |
| <i>Total Liabilities</i>                    | <u>11,166,082</u>       | <u>10,220,405</u>        | <u>21,386,487</u>   | <u>518,848</u>          |
| <b>Deferred Inflows of Resources</b>        |                         |                          |                     |                         |
| Property Taxes                              | 2,077,754               | 0                        | 2,077,754           | 0                       |
| Pension                                     | 326,477                 | 11,481                   | 148,371             | 2,047                   |
| <i>Total Deferred Inflows of Resources</i>  | <u>2,404,231</u>        | <u>11,481</u>            | <u>2,226,125</u>    | <u>2,047</u>            |
| <b>Net Position</b>                         |                         |                          |                     |                         |
| Net Investment in Capital Assets            | 24,342,868              | 14,549,006               | 38,891,874          | 1,189,620               |
| Restricted for:                             |                         |                          |                     |                         |
| Capital Projects                            | 167,262                 | 0                        | 167,262             | 0                       |
| Street Construction, Maintenance and Repair | 413,941                 | 0                        | 413,941             | 0                       |
| Police and Fire Operations                  | 736,057                 | 0                        | 736,057             | 0                       |
| Drug and Alcohol Enforcement                | 69,761                  | 0                        | 69,761              | 0                       |
| Cemetery Operations                         | 52,271                  | 0                        | 52,271              | 0                       |
| Economic Development                        | 10,436                  | 0                        | 10,436              | 0                       |
| Other Purposes                              | 53,926                  | 0                        | 53,926              | 0                       |
| Unrestricted (Deficit)                      | (4,468,776)             | 2,699,467                | (1,769,309)         | (182,581)               |
| <i>Total Net Position</i>                   | <u>\$21,377,746</u>     | <u>\$17,248,473</u>      | <u>\$38,626,219</u> | <u>\$1,007,039</u>      |

\* After deferred outflows of resources and deferred inflows of resources related to the change in internal proportionate share of pension-related items have been eliminated.  
See accompanying notes to the basic financial statements

**City of Conneaut, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2017

|                                       | Program Revenues    |  |  |                  |
|---------------------------------------|---------------------|--|--|------------------|
|                                       | Expenses            | Charges for<br>Services and<br>Assessments | Operating<br>Grants and<br>Contributions | Capital Grants   |
| <b>Governmental Activities:</b>       |                     |  |  |                  |
| General Government                    | \$1,623,407         | \$332,884                                  | \$0                                      | \$0              |
| Security of Persons and Property      | 4,219,555           | 399,930                                    | 184,347                                  | 2,093            |
| Public Health Services                | 218,089             | 36,581                                     | 6,124                                    | 0                |
| Leisure Time Activities               | 145,635             | 13,906                                     | 43,598                                   | 18,200           |
| Community Development                 | 261,048             | 62,113                                     | 27,400                                   | 0                |
| Basic Utility Services                | 200,724             | 157,202                                    | 0  | 0                |
| Transportation                        | 2,680,196           | 111,935                                    | 512,243                                  | 0                |
| Interest and Fiscal Charges           | 70,393              | 0  | 0  | 0                |
| <i>Total Governmental Activities</i>  | <u>9,419,047</u>    | <u>1,114,551</u>                           | <u>773,712</u>                           | <u>20,293</u>    |
| <b>Business-Type Activities:</b>      |                     |  |  |                  |
| Water                                 | 2,564,360           | 2,333,830                                  | 0  | 125,000          |
| Sewer                                 | 2,458,780           | 2,422,437                                  | 0  | 326,417          |
| <i>Total Business-Type Activities</i> | <u>5,023,140</u>    | <u>4,756,267</u>                           | <u>0</u>                                 | <u>451,417</u>   |
| <i>Total - Primary Government</i>     | <u>\$14,442,187</u> | <u>\$5,870,818</u>                         | <u>\$773,712</u>                         | <u>\$471,710</u> |
| <b>Component Unit</b>                 |                     |  |  |                  |
| Conneaut Port Authority*              | <u>\$454,126</u>    | <u>\$440,499</u>                           | <u>\$2,100</u>                           | <u>\$0</u>       |

**General Revenues**

Property Taxes Levied for:

- General Purposes
- Debt Service
- Capital Projects
- 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<br>Changes in Net Position |                             |                     |                    |
|--|-----------------------------|---------------------|--------------------|
| Primary Government                                   |                             |                     |                    |
| Governmental<br>Activities                           | Business-Type<br>Activities | Total               | Component<br>Unit  |
| (\$1,290,523)  | \$0                         | (\$1,290,523)       | \$0                |
| (3,633,185)  | 0                           | (3,633,185)         | 0                  |
| (175,384)  | 0                           | (175,384)           | 0                  |
| (69,931)   | 0                           | (69,931)            | 0                  |
| (171,535)  | 0                           | (171,535)           | 0                  |
| (43,522)   | 0                           | (43,522)            | 0                  |
| (2,056,018)  | 0                           | (2,056,018)         | 0                  |
| (70,393)   | 0                           | (70,393)            | 0                  |
| (7,510,491)  | 0                           | (7,510,491)         | 0                  |
| 0  | (105,530)                   | (105,530)           | 0                  |
| 0  | 290,074                     | 290,074             | 0                  |
| 0  | 184,544                     | 184,544             | 0                  |
| (7,510,491)  | 184,544                     | (7,325,947)         | 0                  |
| 0  | 0                           | 0                   | (11,527)           |
| 319,487  | 0                           | 319,487             | 0                  |
| 26   | 0                           | 26                  | 0                  |
| 492,228  | 0                           | 492,228             | 0                  |
| 1,392,266  | 0                           | 1,392,266           | 0                  |
| 2,528,319  | 0                           | 2,528,319           | 0                  |
| 50,738   | 0                           | 50,738              | 0                  |
| 571,624  | 0                           | 571,624             | 0                  |
| 60,698   | 0                           | 60,698              | 0                  |
| 22,877   | 0                           | 22,877              | 0                  |
| 418,681  | 0                           | 418,681             | 0                  |
| 145,056  | 0                           | 145,056             | 0                  |
| 24,650   | 0                           | 24,650              | 0                  |
| 49,920   | 0                           | 49,920              | 0                  |
| 0  | 120,470                     | 120,470             | 0                  |
| 162,255  | 48,574                      | 210,829             | 450                |
| 6,238,825  | 169,044                     | 6,407,869           | 450                |
| (2,500)  | 2,500                       | 0                   | 0                  |
| 6,236,325  | 171,544                     | 6,407,869           | 450                |
| (1,274,166)  | 356,088                     | (918,078)           | (11,077)           |
| 22,651,912   | 16,892,385                  | 39,544,297          | 1,018,116          |
| <u>\$21,377,746</u>                                  | <u>\$17,248,473</u>         | <u>\$38,626,219</u> | <u>\$1,007,039</u> |

**City of Conneaut, Ohio**

*Balance Sheet*

*Governmental Funds*

*December 31, 2017*

|   | General            | Street Construction,<br>Maintenance<br>and Repair | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|--------------------|---|--------------------------------|--------------------------------|
| <b>Assets</b>   |                    |   |                                |                                |
| Equity in Pooled Cash and   |                    |   |                                |                                |
| Cash Equivalents  | \$1,219,099        | \$53,416  | \$1,362,214                    | \$2,634,729                    |
| Materials and Supplies Inventory  | 30,860             | 56,228  | 0                              | 87,088                         |
| Accounts Receivable   | 240,200            | 0   | 6,993                          | 247,193                        |
| Intergovernmental Receivable  | 186,220            | 206,462   | 200,488                        | 593,170                        |
| Municipal Income Taxes Receivable   | 604,150            | 136,552   | 26,600                         | 767,302                        |
| Property Taxes Receivable   | 354,345            | 0   | 2,019,663                      | 2,374,008                      |
| Loans Receivable from Component Unit  | 0                  | 0   | 120,000                        | 120,000                        |
| Interfund Receivable  | 50,087             | 0   | 0                              | 50,087                         |
| Special Assessments Receivable  | 5,309              | 108,713   | 206,683                        | 320,705                        |
| Restricted Assets:  |                    |   |                                |                                |
| Equity in Pooled Cash and   |                    |   |                                |                                |
| Cash Equivalents  | 12,961             | 0   | 0                              | 12,961                         |
| <i>Total Assets</i>   | <u>\$2,703,231</u> | <u>\$561,371</u>                                  | <u>\$3,942,641</u>             | <u>\$7,207,243</u>             |
| <b>Liabilities</b>  |                    |   |                                |                                |
| Accounts Payable  | \$15,796           | \$8,844   | \$40,737                       | \$65,377                       |
| Contracts Payable   | 12,903             | 16,172  | 19,667                         | 48,742                         |
| Accrued Wages   | 66,517             | 16,597  | 5,753                          | 88,867                         |
| Intergovernmental Payable   | 20,246             | 8,803   | 38,864                         | 67,913                         |
| Interfund Payable   | 0                  | 0   | 122,994                        | 122,994                        |
| Accrued Interest Payable  | 369                | 0   | 351                            | 720                            |
| Notes Payable   | 30,000             | 0   | 120,000                        | 150,000                        |
| <i>Total Liabilities</i>  | <u>145,831</u>     | <u>50,416</u>                                     | <u>348,366</u>                 | <u>544,613</u>                 |
| <b>Deferred Inflows of Resources</b>  |                    |   |                                |                                |
| Property Taxes  | 310,032            | 0   | 1,767,722                      | 2,077,754                      |
| Unavailable Revenue   | 751,756            | 325,559   | 626,264                        | 1,703,579                      |
| <i>Total Deferred Inflows of Resources</i>                                    | <u>1,061,788</u>   | <u>325,559</u>                                    | <u>2,393,986</u>               | <u>3,781,333</u>               |
| <b>Fund Balances</b>  |                    |   |                                |                                |
| Nonspendable  | 43,821             | 56,228  | 0                              | 100,049                        |
| Restricted  | 0                  | 129,168   | 1,195,536                      | 1,324,704                      |
| Committed   | 0                  | 0   | 143,904                        | 143,904                        |
| Assigned  | 661,488            | 0   | 0                              | 661,488                        |
| Unassigned (Deficit)  | 790,303            | 0   | (139,151)                      | 651,152                        |
| <i>Total Fund Balances</i>  | <u>1,495,612</u>   | <u>185,396</u>                                    | <u>1,200,289</u>               | <u>2,881,297</u>               |
| <i>Total Liabilities, Deferred Inflows of<br/>Resources and Fund Balances</i> | <u>\$2,703,231</u> | <u>\$561,371</u>                                  | <u>\$3,942,641</u>             | <u>\$7,207,243</u>             |

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, 2017*

|  |                  |
|--|------------------|
| <b>Total Governmental Funds Balances</b>   | \$2,881,297      |
| <br><i>Amounts reported for governmental activities in the<br/>statement of net position are different because</i>   |                  |
| Capital assets used in governmental activities are not<br>financial resources and therefore are not reported in the<br>funds.  | 25,809,641       |
| Other long-term assets are not available to pay for current period<br>expenditures and therefore are reported as unavailable in the funds:   |                  |
| Delinquent Property Taxes  | 296,254          |
| Municipal Income Taxes   | 442,315          |
| Intergovernmental  | 416,143          |
| Special Assessments  | 320,705          |
| Charges for Services   | 177,294          |
| Franchise Tax  | 50,868           |
| Total  | 1,703,579        |
| In the statement of activities, interest is accrued on outstanding<br>bonds, whereas in governmental funds, an interest expenditure<br>is reported when due.                             | (11,828)         |
| Long-term liabilities are not due and payable in the current<br>period and therefore are not reported in the funds:  |                  |
| General Obligation Bonds   | (1,225,744)      |
| OWDA Loans Payable   | (144,035)        |
| Loans Payable  | (369,181)        |
| OPWC Loans Payable   | (22,899)         |
| Long-term Notes Payable  | (90,000)         |
| Capital Leases Payable   | (126,956)        |
| Compensated Absences   | (903,227)        |
| Total  | (2,882,042)      |
| The net pension liability is not due and payable in the current period;<br>therefore, the liability and related deferred inflows/outflows are<br>not reported in the governmental funds: |                  |
| Deferred Outflows - Pension  | 2,054,169        |
| Net Pension Liability  | (7,850,593)      |
| Deferred Inflows - Pension   | (326,477)        |
| Total  | (6,122,901)      |
| <br><i>Net Position of Governmental Activities</i>   | <br>\$21,377,746 |

See accompanying notes to the basic financial statements

**City of Conneaut, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2017*

|   | General            | Street<br>Construction,<br>Maintenance<br>and Repair | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|--------------------|--|--------------------------------|--------------------------------|
| <b>Revenues</b>   |                    |  |                                |                                |
| Property Taxes  | \$325,427          | \$0  | \$1,849,842                    | \$2,175,269                    |
| Municipal Income Taxes                                  | 2,449,823          | 553,882  | 107,980                        | 3,111,685                      |
| Hotel Taxes   | 22,877             | 0  | 0                              | 22,877                         |
| Special Assessments                                     | 0                  | 6,992  | 81,444                         | 88,436                         |
| Intergovernmental                                       | 422,380            | 351,846  | 390,673                        | 1,164,899                      |
| Fees, Licenses and Permits                              | 112,682            | 87,950   | 202,311                        | 402,943                        |
| Fines and Forfeitures                                   | 210,564            | 0  | 107,801                        | 318,365                        |
| Rentals   | 20,000             | 0  | 5,500                          | 25,500                         |
| Charges for Services                                    | 378,815            | 0  | 5,240                          | 384,055                        |
| Contributions and Donations                             | 24,650             | 0  | 40,605                         | 65,255                         |
| Interest  | 47,716             | 61   | 2,143                          | 49,920                         |
| Franchise Taxes   | 131,414            | 0  | 0                              | 131,414                        |
| Other   | 116,060            | 40,373   | 5,822                          | 162,255                        |
| <i>Total Revenues</i>                                   | <u>4,262,408</u>   | <u>1,041,104</u>                                     | <u>2,799,361</u>               | <u>8,102,873</u>               |
| <b>Expenditures</b>                                     |                    |  |                                |                                |
| Current:  |                    |  |                                |                                |
| General Government                                      | 1,404,569          | 0  | 2,898                          | 1,407,467                      |
| Security of Persons and Property                        | 2,426,585          | 0  | 1,259,791                      | 3,686,376                      |
| Public Health Services                                  | 190,285            | 0  | 0                              | 190,285                        |
| Leisure Time Activities                                 | 42,036             | 0  | 72,232                         | 114,268                        |
| Community Development                                   | 72,873             | 0  | 170,522                        | 243,395                        |
| Basic Utility Services                                  | 0                  | 0  | 200,724                        | 200,724                        |
| Transportation  | 0                  | 1,057,970  | 172,383                        | 1,230,353                      |
| Capital Outlay  | 0                  | 0  | 682,739                        | 682,739                        |
| Debt Service:   |                    |  |                                |                                |
| Principal Retirement                                    | 145,435            | 129,542  | 239,441                        | 514,418                        |
| Interest and Fiscal Charges                             | 37,739             | 12,590   | 22,009                         | 72,338                         |
| Principal Retirement - Current Refunding                | 30,000             | 0  | 0                              | 30,000                         |
| <i>Total Expenditures</i>                               | <u>4,349,522</u>   | <u>1,200,102</u>                                     | <u>2,822,739</u>               | <u>8,372,363</u>               |
| <i>Excess of Revenues Over<br/>(Under) Expenditures</i> | <u>(87,114)</u>    | <u>(158,998)</u>                                     | <u>(23,378)</u>                | <u>(269,490)</u>               |
| <b>Other Financing Sources (Uses)</b>                   |                    |  |                                |                                |
| General Obligation Bonds Issued                         | 214,000            | 0  | 0                              | 214,000                        |
| General Obligation Notes Issued                         | 90,000             | 0  | 0                              | 90,000                         |
| Current Refunding                                       | (90,000)           | 0  | 0                              | (90,000)                       |
| Transfers In  | 0                  | 60,000   | 36,000                         | 96,000                         |
| Transfers Out   | (96,000)           | (2,500)  | 0                              | (98,500)                       |
| <i>Total Other Financing Sources (Uses)</i>             | <u>118,000</u>     | <u>57,500</u>  | <u>36,000</u>                  | <u>211,500</u>                 |
| <i>Net Change in Fund Balances</i>                      | 30,886             | (101,498)  | 12,622                         | (57,990)                       |
| <i>Fund Balances Beginning of Year</i>                  | <u>1,464,726</u>   | <u>286,894</u>                                       | <u>1,187,667</u>               | <u>2,939,287</u>               |
| <i>Fund Balance End of Year</i>                         | <u>\$1,495,612</u> | <u>\$185,396</u>                                     | <u>\$1,200,289</u>             | <u>\$2,881,297</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, 2017*

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**Net Change in Fund Balances - Total Governmental Funds** (\$57,990)

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

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

|                |             |           |
|----------------|-------------|-----------|
| Capital Outlay | 809,043     |           |
| Depreciation   | (1,799,302) |           |
| Total          |             | (990,259) |

Revenue in the statement of activities that do not provide current financial resources are not reported as revenue in the funds:

|                           |           |        |
|---------------------------|-----------|--------|
| Delinquent Property Taxes | 28,738    |        |
| Municipal Income Taxes    | 99,694    |        |
| Intergovernmental         | 7,182     |        |
| Special Assessments       | (128,226) |        |
| Franchise Taxes           | 13,642    |        |
| Charges for Services      | 23,478    |        |
| Total                     |           | 44,508 |

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position:

|                                  |         |         |
|----------------------------------|---------|---------|
| General Obligation Bonds Payable | 227,593 |         |
| OWDA Loans Payable               | 52,488  |         |
| Loans Payable                    | 143,778 |         |
| OPWC Loans Payable               | 2,293   |         |
| Notes Payable                    | 120,000 |         |
| Capital Leases Payable           | 88,266  |         |
| Total                            |         | 634,418 |

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. 1,945

Compensated absences reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (17,260)

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:

|                                 |           |           |
|---------------------------------|-----------|-----------|
| General Obligation Bonds Issued | (214,000) |           |
| General Obligation Notes Issued | (90,000)  |           |
| Total                           |           | (304,000) |

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 585,798

Except for amounts reported as deferred inflows/outflows, changes in net pension liability are reported as pension expense in the statement of activities. (1,171,326)

*Change in Net Position of Governmental Activities* (\$1,274,166)

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*  
*General Fund*  
*For the Year Ended December 31, 2017*

|  | Budgeted Amounts |             | Actual      | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|-------------|-------------|---|
|  | Original         | Final       |             |   |
| <b>Revenues</b>                              |                  |             |             |   |
| Property Taxes                               | \$319,800        | \$319,800   | \$325,427   | \$5,627   |
| Municipal Income Taxes                       | 2,381,767        | 2,381,767   | 2,486,775   | 105,008   |
| Hotel Taxes                                  | 19,000           | 19,000      | 22,877      | 3,877   |
| Intergovernmental                            | 426,102          | 426,102     | 418,476     | (7,626)   |
| Fees, Licenses and Permits                   | 98,822           | 98,822      | 112,682     | 13,860  |
| Fines and Forfeitures                        | 186,650          | 186,650     | 232,421     | 45,771  |
| Rentals                                      | 20,000           | 20,000      | 20,000      | 0   |
| Charges for Services                         | 405,000          | 405,000     | 378,815     | (26,185)  |
| Contributions and Donations                  | 17,600           | 17,600      | 24,650      | 7,050   |
| Interest                                     | 4,500            | 4,500       | 47,716      | 43,216  |
| Franchise Taxes                              | 143,500          | 143,500     | 131,414     | (12,086)  |
| Other  | 32,520           | 32,520      | 116,060     | 83,540  |
| <i>Total Revenues</i>                        | 4,055,261        | 4,055,261   | 4,317,313   | 262,052   |
| <b>Expenditures</b>                          |                  |             |             |   |
| Current:                                     |                  |             |             |   |
| General Government                           | 1,681,808        | 1,790,160   | 1,578,201   | 211,959   |
| Security of Persons and Property             | 2,721,218        | 2,751,728   | 2,484,097   | 267,631   |
| Public Health Services                       | 216,568          | 218,168     | 192,525     | 25,643  |
| Leisure Time Activities                      | 55,077           | 55,077      | 44,507      | 10,570  |
| Community Development                        | 80,193           | 83,781      | 72,796      | 10,985  |
| Debt Service:                                |                  |             |             |   |
| Principal Retirement                         | 295,440          | 295,440     | 295,435     | 5   |
| Interest and Fiscal Charges                  | 34,268           | 37,461      | 37,370      | 91  |
| <i>Total Expenditures</i>                    | 5,084,572        | 5,231,815   | 4,704,931   | 526,884   |
| <i>Excess of Revenues Under Expenditures</i> | (1,029,311)      | (1,176,554) | (387,618)   | 788,936   |
| <b>Other Financing Sources (Uses)</b>        |                  |             |             |   |
| General Obligation Bonds Issued              | 200,000          | 200,000     | 214,000     | 14,000  |
| General Obligation Notes Issued              | 0                | 0           | 120,000     | 120,000   |
| Capital Lease Issued                         | 135,000          | 135,000     | 0           | (135,000)   |
| Advances Out                                 | 0                | (50,087)    | (50,087)    | 0   |
| Transfers Out                                | (215,750)        | (215,750)   | (96,000)    | 119,750   |
| <i>Total Other Financing Sources (Uses)</i>  | 119,250          | 69,163      | 187,913     | 118,750   |
| <i>Net Change in Fund Balance</i>            | (910,061)        | (1,107,391) | (199,705)   | 907,686   |
| <i>Fund Balance Beginning of Year</i>        | 1,156,690        | 1,156,690   | 1,156,690   | 0   |
| Prior Year Encumbrances Appropriated         | 49,416           | 49,416      | 49,416      | 0   |
| <i>Fund Balances End of Year</i>             | \$296,045        | \$98,715    | \$1,006,401 | \$907,686   |

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, 2017*

|  | Budgeted Amounts |           | Actual    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|-----------|-----------|---|
|  | Original         | Final     |           |   |
| <b>Revenues</b>                              |                  |           |           |   |
| Municipal Income Taxes                       | \$538,331        | \$538,331 | \$562,234 | \$23,903  |
| Special Assessments                          | 8,500            | 8,500     | 6,992     | (1,508)   |
| Intergovernmental                            | 356,000          | 356,000   | 352,688   | (3,312)   |
| Fees, Licenses and Permits                   | 106,000          | 106,000   | 87,950    | (18,050)  |
| Interest                                     | 100              | 100       | 61        | (39)  |
| Other  | 25,000           | 25,000    | 40,373    | 15,373  |
| <i>Total Revenues</i>                        | 1,033,931        | 1,033,931 | 1,050,298 | 16,367  |
| <b>Expenditures</b>                          |                  |           |           |   |
| Current:                                     |                  |           |           |   |
| Transportation                               | 1,215,490        | 1,254,093 | 1,079,171 | 174,922   |
| Debt Service:                                |                  |           |           |   |
| Principal Retirement                         | 133,125          | 133,126   | 132,042   | 1,084   |
| Interest and Fiscal Charges                  | 12,681           | 12,681    | 12,590    | 91  |
| <i>Total Expenditures</i>                    | 1,361,296        | 1,399,900 | 1,223,803 | 176,097   |
| <i>Excess of Revenues Under Expenditures</i> | (327,365)        | (365,969) | (173,505) | 192,464   |
| <b>Other Financing Sources</b>               |                  |           |           |   |
| Proceeds of OPWC Loans                       | 95,000           | 95,000    | 0         | (95,000)  |
| Transfers In                                 | 135,000          | 135,000   | 60,000    | (75,000)  |
| <i>Total Other Financing Sources</i>         | 230,000          | 230,000   | 60,000    | (170,000)   |
| <i>Net Change in Fund Balance</i>            | (97,365)         | (135,969) | (113,505) | 22,464  |
| <i>Fund Balance Beginning of Year</i>        | 116,364          | 116,364   | 116,364   | 0   |
| Prior Year Encumbrances Appropriated         | 21,215           | 21,215    | 21,215    | 0   |
| <i>Fund Balance End of Year</i>              | \$40,214         | \$1,610   | \$24,074  | \$22,464  |

See accompanying notes to the basic financial statements

**City of Conneaut, Ohio**  
*Statement of Fund Net Position*  
*Proprietary Funds*  
*December 31, 2017*

|  | Business-Type Activities |                    |                     |
|--|--------------------------|--------------------|---------------------|
|  | Water                    | Sewer              | Total               |
| <b>Assets</b>  |                          |                    |                     |
| <i>Current Assets:</i>                                 |                          |                    |                     |
| Equity in Pooled Cash and Cash Equivalents             | \$755,958                | \$2,521,224        | \$3,277,182         |
| Materials and Supplies Inventory                       | 143,992                  | 61,393             | 205,385             |
| <i>Receivables:</i>                                    |                          |                    |                     |
| Accounts   | 307,990                  | 326,537            | 634,527             |
| Special Assessments                                    | 1,255                    | 419                | 1,674               |
| Interfund Receivable                                   | 0                        | 72,907             | 72,907              |
| <i>Total Current Assets</i>                            | <u>1,209,195</u>         | <u>2,982,480</u>   | <u>4,191,675</u>    |
| <i>Noncurrent Assets:</i>                              |                          |                    |                     |
| Special Assessment Receivable                          | 14,059                   | 7,235              | 21,294              |
| <i>Capital Assets:</i>                                 |                          |                    |                     |
| Nondepreciable Capital Assets                          | 6,880                    | 1,858,944          | 1,865,824           |
| Depreciable Capital Assets, Net                        | 9,174,093                | 11,262,468         | 20,436,561          |
| <i>Total Noncurrent Assets</i>                         | <u>9,195,032</u>         | <u>13,128,647</u>  | <u>22,323,679</u>   |
| <i>Total Assets</i>                                    | <u>10,404,227</u>        | <u>16,111,127</u>  | <u>26,515,354</u>   |
| <b>Deferred Outflows of Resources</b>                  |                          |                    |                     |
| Pension  | 516,237                  | 448,768            | 965,005             |
| <b>Liabilities</b>                                     |                          |                    |                     |
| <i>Current Liabilities:</i>                            |                          |                    |                     |
| Accounts Payable                                       | 19,871                   | 17,334             | 37,205              |
| Contracts Payable                                      | 60,495                   | 12,396             | 72,891              |
| Accrued Wages  | 20,408                   | 16,255             | 36,663              |
| Intergovernmental Payable                              | 12,128                   | 8,605              | 20,733              |
| Compensated Absences Payable                           | 26,308                   | 21,850             | 48,158              |
| Accrued Interest Payable                               | 27,855                   | 44,530             | 72,385              |
| General Obligation Bonds Payable                       | 75,708                   | 75,721             | 151,429             |
| OPWC Loans Payable                                     | 37,024                   | 11,295             | 48,319              |
| OWDA Loans Payable                                     | 88,883                   | 247,467            | 336,350             |
| Loans Payable  | 15,333                   | 15,334             | 30,667              |
| <i>Total Current Liabilities</i>                       | <u>384,013</u>           | <u>470,787</u>     | <u>854,800</u>      |
| <i>Long-Term Liabilities (net of current portion):</i> |                          |                    |                     |
| Compensated Absences Payable                           | 131,997                  | 117,928            | 249,925             |
| General Obligation Bonds Payable                       | 16,767                   | 639,751            | 656,518             |
| OPWC Loans Payable                                     | 288,927                  | 180,483            | 469,410             |
| OWDA Loans Payable                                     | 1,630,038                | 4,399,984          | 6,030,022           |
| Loans Payable  | 15,331                   | 15,333             | 30,664              |
| Net Pension Liability                                  | 1,038,728                | 890,338            | 1,929,066           |
| <i>Total Long-Term Liabilities</i>                     | <u>3,121,788</u>         | <u>6,243,817</u>   | <u>9,365,605</u>    |
| <i>Total Liabilities</i>                               | <u>3,505,801</u>         | <u>6,714,604</u>   | <u>10,220,405</u>   |
| <b>Deferred Inflows of Resources</b>                   |                          |                    |                     |
| Pension  | 6,182                    | 5,299              | 11,481              |
| <b>Net Position</b>                                    |                          |                    |                     |
| Net Investment in Capital Assets                       | 7,012,962                | 7,536,044          | 14,549,006          |
| Unrestricted   | 395,519                  | 2,303,948          | 2,699,467           |
| <i>Total Net Position</i>                              | <u>\$7,408,481</u>       | <u>\$9,839,992</u> | <u>\$17,248,473</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, 2017*

|   | Business-Type Activities  |                           |                            |
|---|---------------------------|---------------------------|----------------------------|
|   | Water                     | Sewer                     | Total                      |
| <b>Operating Revenues</b>   |                           |                           |                            |
| Charges for Services  | \$2,322,245               | \$2,414,746               | \$4,736,991                |
| Tap-In Fees   | 3,878                     | 5,700                     | 9,578                      |
| Special Assessments   | 3,075                     | 1,991                     | 5,066                      |
| Rentals   | 4,632                     | 0                         | 4,632                      |
| Other   | 28,870                    | 19,704                    | 48,574                     |
| <i>Total Operating Revenues</i>                                     | <u>2,362,700</u>          | <u>2,442,141</u>          | <u>4,804,841</u>           |
| <b>Operating Expenses</b>   |                           |                           |                            |
| Personal Services   | 1,334,765                 | 1,127,032                 | 2,461,797                  |
| Purchased Services  | 238,305                   | 327,412                   | 565,717                    |
| Contractual Services  | 349,689                   | 175,083                   | 524,772                    |
| Materials and Supplies  | 149,225                   | 145,871                   | 295,096                    |
| Depreciation  | 395,248                   | 417,818                   | 813,066                    |
| Other   | 1,611                     | 3,135                     | 4,746                      |
| <i>Total Operating Expenses</i>                                     | <u>2,468,843</u>          | <u>2,196,351</u>          | <u>4,665,194</u>           |
| <i>Operating Income (Loss)</i>                                      | <u>(106,143)</u>          | <u>245,790</u>            | <u>139,647</u>             |
| <b>Non-Operating Expenses</b>                                       |                           |                           |                            |
| Gain on Sale of Capital Assets                                      | 270                       | 120,200                   | 120,470                    |
| Interest and Fiscal Charges   | (92,644)                  | (103,097)                 | (195,741)                  |
| (Loss) on Disposal of Capital Assets                                | (2,873)                   | (159,332)                 | (162,205)                  |
| <i>Total Non-Operating Income (Expenses)</i>                        | <u>(95,247)</u>           | <u>(142,229)</u>          | <u>(237,476)</u>           |
| <i>Income (Loss) before Capital Contributions<br/>and Transfers</i> | (201,390)                 | 103,561                   | (97,829)                   |
| Capital Contributions   | 125,000                   | 326,417                   | 451,417                    |
| Transfers In  | 0                         | 2,500                     | 2,500                      |
| <i>Change in Net Position</i>                                       | (76,390)                  | 432,478                   | 356,088                    |
| <i>Net Position Beginning of Year</i>                               | <u>7,484,871</u>          | <u>9,407,514</u>          | <u>16,892,385</u>          |
| <i>Net Position End of Year</i>                                     | <u><u>\$7,408,481</u></u> | <u><u>\$9,839,992</u></u> | <u><u>\$17,248,473</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, 2017

|  | Business-Type Activities |                    |                    |
|--|--------------------------|--------------------|--------------------|
|  | Water                    | Sewer              | Total              |
| <b>Increase (Decrease) in Cash and Cash Equivalents</b>                                  |                          |                    |                    |
| <b>Cash Flows from Operating Activities</b>  |                          |                    |                    |
| Cash Received from Customers   | \$2,323,664              | \$2,407,199        | \$4,730,863        |
| Cash Received from Tap-In Fees   | 3,878                    | 5,700              | 9,578              |
| Cash Received from Rentals   | 4,632                    | 0                  | 4,632              |
| Other Cash Receipts  | 28,870                   | 19,704             | 48,574             |
| Cash Payments to Employees for Services  | (1,134,069)              | (948,260)          | (2,082,329)        |
| Cash Payments for Goods and Services   | (705,267)                | (677,212)          | (1,382,479)        |
| Other Cash Payments  | (1,611)                  | (3,135)            | (4,746)            |
| <i>Net Cash Provided by Operating Activities</i>   | <u>520,097</u>           | <u>803,996</u>     | <u>1,324,093</u>   |
| <b>Cash Flows from Noncapital Financing Activities</b>                                   |                          |                    |                    |
| Transfers In   | <u>0</u>                 | <u>2,500</u>       | <u>2,500</u>       |
| <b>Cash Flows from Capital and Related Financing Activities</b>                          |                          |                    |                    |
| Capital Contributions  | 125,000                  | 326,417            | 451,417            |
| Proceeds from Sale of Capital Assets   | 270                      | 120,200            | 120,470            |
| General Obligation Bonds Issued  | 0                        | 671,000            | 671,000            |
| OWDA Loans Issued  | 0                        | 1,902,457          | 1,902,457          |
| OPWC Loans Issued  | 35,706                   | 29,320             | 65,026             |
| Principal Paid on OWDA Loans   | (101,200)                | (231,445)          | (332,645)          |
| Interest Paid on OWDA Loans  | (77,861)                 | (98,706)           | (176,567)          |
| Principal Paid on OPWC Loans   | (37,024)                 | (11,295)           | (48,319)           |
| Principal Paid on General Obligation Bond  | (73,560)                 | (8,488)            | (82,048)           |
| Interest Paid on General Obligation Bond   | (7,032)                  | (1,642)            | (8,674)            |
| Principal Paid on Loans  | (39,624)                 | (15,334)           | (54,958)           |
| Interest Paid on Loans   | (10,520)                 | (1,738)            | (12,258)           |
| Payments for Capital Acquisitions  | (279,802)                | (2,531,103)        | (2,810,905)        |
| <i>Net Cash Provided by (Used in)</i><br><i>Capital and Related Financing Activities</i> | <u>(465,647)</u>         | <u>149,643</u>     | <u>(316,004)</u>   |
| <i>Net Increase in Cash and Cash Equivalents</i>   | 54,450                   | 956,139            | 1,010,589          |
| <i>Cash and Cash Equivalents Beginning of Year</i>                                       | <u>701,508</u>           | <u>1,565,085</u>   | <u>2,266,593</u>   |
| <i>Cash and Cash Equivalents End of Year</i>   | <u>\$755,958</u>         | <u>\$2,521,224</u> | <u>\$3,277,182</u> |

(continued)

**City of Conneaut, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds (continued)*  
For the Year Ended December 31, 2017

|   | Business-Type Activities |           |             |
|---|--------------------------|-----------|-------------|
|   | Water                    | Sewer     | Total       |
| <b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</b> |                          |           |             |
| Operating Income (Loss)   | (\$106,143)              | \$245,790 | \$139,647   |
| Adjustments:  |                          |           |             |
| Depreciation  | 395,248                  | 417,818   | 813,066     |
| (Increase) Decrease in Assets:  |                          |           |             |
| Accounts Receivable   | (2,630)                  | (9,815)   | (12,445)    |
| Special Assessments Receivable  | 974                      | 277       | 1,251       |
| Materials and Supplies Inventory  | (13,217)                 | (7,707)   | (20,924)    |
| Decrease in Deferred Outflows of Resources - Pension  | 168,054                  | 161,260   | 329,314     |
| Increase (Decrease) in Liabilities:   |                          |           |             |
| Accounts Payable  | 2,388                    | (4,021)   | (1,633)     |
| Contracts Payable   | 47,981                   | (17,118)  | 30,863      |
| Accrued Wages   | 6,234                    | 598       | 6,832       |
| Compensated Absences Payable  | 13,986                   | 11,233    | 25,219      |
| Intergovernmental Payable   | (2,369)                  | (2,540)   | (4,909)     |
| Net Pension Liability   | 23,252                   | 19,931    | 43,183      |
| Decrease in Deferred Inflows of Resources - Pension   | (13,661)                 | (11,710)  | (25,371)    |
| <i>Total Adjustments</i>  | 626,240                  | 558,206   | 1,184,446   |
| <i>Net Cash Provided by Operating Activities</i>  | \$520,097                | \$803,996 | \$1,324,093 |

See accompanying notes to the basic financial statements

**City Of Conneaut, Ohio**  
*Statement of Fiduciary Assets and Liabilities*  
*Agency Fund*  
*December 31, 2017*

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|  |                        |
|--|------------------------|
| <b>Assets</b>                                    |                        |
| Equity in Pooled Cash and Cash Equivalents       | \$73,954               |
| Cash and Cash Equivalents in Segregated Accounts | <u>21,416</u>          |
| <i>Total Assets</i>                              | <u><u>\$95,370</u></u> |
| <br><b>Liabilities</b>                           |                        |
| Deposits Held and Due to Others                  | <u><u>\$95,370</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, 2017*

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**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 26. 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 Retrospective Rating Program, 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 13, 14 and 21 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, 2017*

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**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 as follows.

***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, 2017*

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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.

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 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

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2017*

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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 outflows/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 8). 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. For the City, deferred outflows of resources are reported on the government-wide statement of net position for pension. The deferred outflows of resources related to pension are explained in Note 19.

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2017*

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In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the City, deferred inflows of resources include property taxes, unavailable revenue and pension. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2017, but which were levied to finance year 2018 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, franchise taxes and ambulance charges. These amounts are deferred and recognized as an inflow of resources in the period the amounts became available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities found on page 21. Deferred inflows of resources related to pension are reported on the government-wide statement of net position (See Note 19).

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

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

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

***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.

During 2017, the City invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2017*

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For 2017, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

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 2017 amounted to \$47,716 which includes \$37,335 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.

***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 acquisition 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:

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2017*

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| <u>Description</u>                | <u>Estimated Lives</u> |
|-----------------------------------|------------------------|
| Buildings and Improvements        | 15 - 45 years          |
| Furniture, Fixtures and Equipment | 3 - 10 years           |
| Vehicles                          | 5 - 20 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.

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

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences and net pension liability 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 a 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, unless the use of the proceeds from the collection of those receivables is restricted, committed, or assigned.

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2017*

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**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 legally 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) 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.

**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 2018'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 marina improvements.

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2017*

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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 outside contributions of resources restricted to capital acquisition and construction.

***Interfund Balances***

On the fund financial statements, outstanding interfund loans and unpaid amounts for the interfund services are reported as “interfund receivables/payables”. Interfund balance amounts are eliminated in the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

***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.

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.

***Internal Eliminations***

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

***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.

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2017*

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***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 – Changes in Accounting Principles**

For 2017, the City implemented the Governmental Accounting Standards Board's (GASB) *Implementation Guide No. 2016-1*. These changes were incorporated in the City's 2017 financial statements; however, there was no effect on beginning net position/fund balance.

**Note 4 - 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).
3. Unreported cash represents amounts received but not included as revenue on the budgetary statements, but reported on the operating statements prepared using GAAP.



**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
For The Year Ended December 31, 2017

4. Advances Out are operating transactions (budget) as opposed to balance sheet transactions (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).
6. Encumbrances are treated as expenditures (budget) rather than as restricted, committed or assigned fund balance (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<br>Construction,<br>Maintenance<br>and Repair |
| GAAP Basis                               | \$30,886                    | (\$101,498)  |
| Net Adjustment for Revenue Accruals      | 54,079                      | 9,194  |
| Net Adjustment for Expenditures Accruals | (13,260)                    | 8,141  |
| Beginning Unrecorded Cash                | 4,336                       | 0  |
| Ending Unrecorded Cash                   | (3,510)                     | 0  |
| Advances Out                             | (50,087)                    | 0  |
| Proceeds of Notes                        | 30,000                      | 0  |
| Principal Retirement                     | (30,000)                    | 0  |
| Encumbrances                             | (222,149)                   | (29,342)   |
| Budget Basis                             | <u>(\$199,705)</u>          | <u>(\$113,505)</u>                                   |

**Note 5 - Fund Balances**

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

| Fund Balances                    | General         | Street<br>Construction,<br>Maintenance<br>and Repair | Other<br>Governmental<br>Funds | Total            |
|----------------------------------|-----------------|--|--------------------------------|------------------|
| <i><b>Nonspendable</b></i>       |                 |  |                                |                  |
| Unclaimed Monies                 | \$12,961        | \$0  | \$0                            | \$12,961         |
| Inventory                        | 30,860          | 56,228   | 0                              | 87,088           |
| <i><b>Total Nonspendable</b></i> | <u>\$43,821</u> | <u>\$56,228</u>                                      | <u>\$0</u>                     | <u>\$100,049</u> |

*(continued)*

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
For The Year Ended December 31, 2017

| Fund Balances                      | General            | Street<br>Construction,<br>Maintenance<br>and Repair | Other<br>Governmental<br>Funds | Total              |
|------------------------------------|--------------------|--|--------------------------------|--------------------|
| <b><i>Restricted for</i></b>       |                    |  |                                |                    |
| Road Improvements                  | \$0                | \$129,168  | \$51,418                       | \$180,586          |
| Drug and Alcohol                   |                    |  |                                |                    |
| Alcohol Enforcement                | 0                  | 0  | 92,739                         | 92,739             |
| Police and Fire                    |                    |  |                                |                    |
| Departments                        | 0                  | 0  | 523,095                        | 523,095            |
| Municipal Probation                |                    |  |                                |                    |
| Services                           | 0                  | 0  | 7,155                          | 7,155              |
| Economic Development               | 0                  | 0  | 687                            | 687                |
| Restaurant Inspection              | 0                  | 0  | 1,116                          | 1,116              |
| Marina Improvements                | 0                  | 0  | 8,633                          | 8,633              |
| Cemetery                           | 0                  | 0  | 52,271                         | 52,271             |
| Debt Service Payments              | 0                  | 0  | 96,605                         | 96,605             |
| Municipal Court                    |                    |  |                                |                    |
| Improvements                       | 0                  | 0  | 361,066                        | 361,066            |
| Industrial Park Improvements       | 0                  | 0  | 751                            | 751                |
| <b><i>Total Restricted</i></b>     | <b>0</b>           | <b>129,168</b>                                       | <b>1,195,536</b>               | <b>1,324,704</b>   |
| <b><i>Committed to</i></b>         |                    |  |                                |                    |
| Recreation                         | 0                  | 0  | 97,642                         | 97,642             |
| Capital Improvements               | 0                  | 0  | 46,262                         | 46,262             |
| <b><i>Total Committed</i></b>      | <b>0</b>           | <b>0</b>   | <b>143,904</b>                 | <b>143,904</b>     |
| <b><i>Assigned to</i></b>          |                    |  |                                |                    |
| Purchases on Order:                |                    |  |                                |                    |
| General Government                 | 172,806            | 0  | 0                              | 172,806            |
| Security of Persons and Property   | 36,759             | 0  | 0                              | 36,759             |
| Public Health                      | 300                | 0  | 0                              | 300                |
| Leisure Time Activities            | 656                | 0  | 0                              | 656                |
| Community Development              | 161                | 0  | 0                              | 161                |
| Year 2018 Appropriations           | 450,806            | 0  | 0                              | 450,806            |
| <b><i>Total Assigned</i></b>       | <b>661,488</b>     | <b>0</b>   | <b>0</b>                       | <b>661,488</b>     |
| <b><i>Unassigned (Deficit)</i></b> | <b>790,303</b>     | <b>0</b>   | <b>(139,151)</b>               | <b>651,152</b>     |
| <b><i>Total Fund Balances</i></b>  | <b>\$1,495,612</b> | <b>\$185,396</b>                                     | <b>\$1,200,289</b>             | <b>\$2,881,297</b> |

**Note 6 - Fund Deficits**

Fund balance at December 31, 2017, included the following individual fund deficits:

| Fund                                    | Amount   |
|---|----------|
| <i>Nonmajor Funds:</i>                  |          |
| Street Lighting Fund                    | \$23,017 |
| ODNR Planning Fund                      | 12,600   |
| Local Innovation Grant Fund             | 2,235    |
| Police Pension Fund                     | 13,626   |
| Fire Pension Fund                       | 10,400   |
| Special Assessment Bond Retirement Fund | 52,354   |
| ODNR Natureworks Grant                  | 24,919   |

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2017*

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

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

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

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

1. United States Treasury bills, bonds notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and with certain limitations bonds and other obligations of political subdivisions 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 40 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, 2017*

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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 the 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 bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$1,336,188 of the City's bank balance of \$1,635,058 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. Although 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 Federal Deposit Insurance Corporation.

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

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

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

The City's financial institution is in the process of joining OPCS; however, at December 31, 2017, the financial institution still maintained its own 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 105 percent of the deposits being secured.

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2017*

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**Investments**

At December 31, 2017, the City had \$4,514,178 invested in STAR Ohio with an average maturity of 52.1 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.

**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 8 - Receivables**

Receivables at December 31, 2017, 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 \$151,788 in the special assessment bond retirement fund, \$14,059 in the water enterprise fund and \$7,235 in the sewer enterprise fund. At December 31, 2017, the amount of delinquent special assessments was \$173,082.

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, 2017, the City has a loan receivable in the amount of \$120,000 in the marina special revenue fund. See Note 26 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 2017 for real and public utility property taxes represents collections of 2016 taxes.

2017 real property taxes are levied after October 1, 2017 on the assessed value as of January 1, 2017 the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2017 real property taxes are collected in and intended to finance 2018.

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. 2017 public utility property taxes which became a lien December 31, 2016, are levied after October 1, 2017, and are collected in 2018 with real property taxes.

**City of Conneaut, Ohio**  
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The full tax rate for all City operations for the year ended December 31, 2017, was \$12.88 per \$1,000 of assessed value. The assessed values of real property and public utility property upon which 2017 property tax receipts were based are as follows:

| Category                 | Assessed Value |
|--------------------------|----------------|
| Real Estate              |                |
| Residential/Agricultural | \$123,541,940  |
| Other Real Estate        | 54,806,950     |
| Public Utility Property  | 8,499,330      |
| Total Assessed Values    | \$186,848,220  |

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, 2017 and for which there is an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2017 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            | \$185,027 |
| Local Government        | 162,644   |
| Homestead and Rollback  | 98,183    |
| Permissive Tax          | 67,540    |
| Auto License Tax        | 38,176    |
| Local Innovation Grant  | 23,400    |
| ODNR Natureworks Grant  | 18,200    |
| Total                   | \$593,170 |

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2017*

**Note 9 – Tax Abatements**

As of December 31, 2017, the City provides tax abatements through a Community Reinvestment Area (CRA) Tax Abatement.

Pursuant to Ohio Revised Code Chapter 5709, the City established a Community Reinvestment Area to provide property tax abatements to encourage revitalization of existing buildings and the construction of new structures. Abatements are obtained through application by the property owner, including proof that the improvements have been made, and equal 35 percent of the additional property tax resulting from the increase in assessed value as a result of the improvement. The amount of the abatement is deducted from the recipient's tax bill. The value of the taxes being abated amounted to \$6,224 at December 31, 2017.

**Note 10 - Capital Assets**

Capital asset activity for the year ended December 31, 2017, was as follows:

|   | Balance<br>12/31/2016 | Additions            | Deductions       | Balance<br>12/31/2017 |
|---|-----------------------|----------------------|------------------|-----------------------|
| <b>Governmental Activities</b>                    |                       |                      |                  |                       |
| <i>Capital Assets not being Depreciated:</i>      |                       |                      |                  |                       |
| Land  | \$554,972             | \$0                  | \$0              | \$554,972             |
| Construction in Progress                          | 0                     | 143,012              | 0                | 143,012               |
| <i>Total Capital Assets not being Depreciated</i> | <u>554,972</u>        | <u>143,012</u>       | <u>0</u>         | <u>697,984</u>        |
| <i>Capital Assets being Depreciated:</i>          |                       |                      |                  |                       |
| Buildings and Improvements                        | 1,916,490             | 43,503               | 0                | 1,959,993             |
| Furniture, Fixtures and Equipment                 | 3,297,271             | 133,260              | 0                | 3,430,531             |
| Vehicles  | 4,274,038             | 77,099               | (337,372)        | 4,013,765             |
| Infrastructure:                                   |                       |                      |                  |                       |
| Traffic Lights                                    | 293,738               | 0                    | 0                | 293,738               |
| Roads   | 24,631,714            | 412,169              | 0                | 25,043,883            |
| Bridges   | 13,548,533            | 0                    | 0                | 13,548,533            |
| Storm Sewers                                      | 2,765,823             | 0                    | 0                | 2,765,823             |
| <i>Total Capital Assets being Depreciated</i>     | <u>50,727,607</u>     | <u>666,031</u>       | <u>(337,372)</u> | <u>51,056,266</u>     |
| <i>Less Accumulated Depreciation:</i>             |                       |                      |                  |                       |
| Buildings and Improvements                        | (1,677,619)           | (61,156)             | 0                | (1,738,775)           |
| Furniture, Fixtures and Equipment                 | (2,011,301)           | (193,294)            | 0                | (2,204,595)           |
| Vehicles  | (3,378,668)           | (172,436)            | 337,372          | (3,213,732)           |
| Infrastructure:                                   |                       |                      |                  |                       |
| Traffic Lights                                    | (103,473)             | (6,886)              | 0                | (110,359)             |
| Roads   | (13,984,916)          | (1,053,641)          | 0                | (15,038,557)          |
| Bridges   | (2,105,560)           | (270,971)            | 0                | (2,376,531)           |
| Storm Sewers                                      | (1,221,142)           | (40,918)             | 0                | (1,262,060)           |
| <i>Total Accumulated Depreciation</i>             | <u>(24,482,679)</u>   | <u>(1,799,302) *</u> | <u>337,372</u>   | <u>(25,944,609)</u>   |
| Total Capital Assets being Depreciated, Net       | <u>26,244,928</u>     | <u>(1,133,271)</u>   | <u>0</u>         | <u>25,111,657</u>     |
| Governmental Activities Capital Assets, Net       | <u>\$26,799,900</u>   | <u>(\$990,259)</u>   | <u>\$0</u>       | <u>\$25,809,641</u>   |

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
For The Year Ended December 31, 2017

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

|                                  |                           |
|----------------------------------|---------------------------|
| General Government               | \$88,984                  |
| Security of Persons and Property | 201,389                   |
| Leisure Time Activities          | 31,024                    |
| Transportation                   | <u>1,477,905</u>          |
| Total Depreciation Expense       | <u><u>\$1,799,302</u></u> |

|   | Balance<br>12/31/2016      | Additions                 | Deductions                | Balance<br>12/31/2017      |
|---|----------------------------|---------------------------|---------------------------|----------------------------|
| <b>Business-Type Activities:</b>                  |                            |                           |                           |                            |
| <i>Capital Assets not being Depreciated:</i>      |                            |                           |                           |                            |
| Land  | \$6,880                    | \$0                       | \$0                       | \$6,880                    |
| Construction in Progress                          | 225,335                    | 1,825,467                 | (191,858)                 | 1,858,944                  |
| <i>Total Capital Assets not being Depreciated</i> | <u>232,215</u>             | <u>1,825,467</u>          | <u>(191,858)</u>          | <u>1,865,824</u>           |
| <i>Capital Assets being Depreciated:</i>          |                            |                           |                           |                            |
| Buildings and Improvements                        | 1,202,358                  | 25,595                    | 0                         | 1,227,953                  |
| Equipment   | 6,784,561                  | 201,669                   | 0                         | 6,986,230                  |
| Vehicles  | 913,200                    | 728,283                   | (499,826)                 | 1,141,657                  |
| Infrastructure:                                   |                            |                           |                           |                            |
| Water and Sewer Lines                             | 23,641,929                 | 221,749                   | 0                         | 23,863,678                 |
| <i>Total Capital Assets being Depreciated</i>     | <u>32,542,048</u>          | <u>1,177,296</u>          | <u>(499,826)</u>          | <u>33,219,518</u>          |
| <i>Less Accumulated Depreciation:</i>             |                            |                           |                           |                            |
| Buildings and Improvements                        | (708,396)                  | (28,472)                  | 0                         | (736,868)                  |
| Equipment   | (4,089,739)                | (317,557)                 | 0                         | (4,407,296)                |
| Vehicles  | (624,814)                  | (46,455)                  | 337,621                   | (333,648)                  |
| Infrastructure:                                   |                            |                           |                           |                            |
| Water and Sewer Lines                             | (6,884,563)                | (420,582)                 | 0                         | (7,305,145)                |
| <i>Total Accumulated Depreciation</i>             | <u>(12,307,512)</u>        | <u>(813,066)</u>          | <u>337,621</u>            | <u>(12,782,957)</u>        |
| Total Capital Assets being Depreciated, Net       | <u>20,234,536</u>          | <u>364,230</u>            | <u>(162,205)</u>          | <u>20,436,561</u>          |
| Business-Type Activities Capital Assets, Net      | <u><u>\$20,466,751</u></u> | <u><u>\$2,189,697</u></u> | <u><u>(\$354,063)</u></u> | <u><u>\$22,302,385</u></u> |

**Note 11 – Interfund Transactions**

***Internal Balances***

The general fund made advances to the local innovation grant special revenue fund and the ODNR natureworks grant capital projects fund in the amounts of \$25,168 and \$24,919, respectively, to cover expenses in the funds pending the receipt of grant monies. The sewer fund made advances to the special assessment bond retirement fund during 2013, 2014, 2015 and 2016 amounting to \$72,907 to cover debt requirements pending the receipt of delinquent special assessments. These loans are expected to be repaid in one year. At December 31, 2017, the special assessment bond retirement fund is not able to repay these advances.



**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2017*

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***Interfund Transfers***

The general fund transferred \$60,000 to the street construction, maintenance and repair special revenue fund and \$36,000 to other governmental funds to provide additional resources for current operations. The street construction, maintenance and repair special revenue fund transferred \$2,500 to the sewer enterprise fund for debt payments.

**Note 12 - Compensated Absences**

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Vacation leave is accrued based on negotiated agreements. Sick leave is 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 13 – Insurance Purchasing Pool**

The City participates in the Ohio Municipal League Workers' Compensation Group Retrospective 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.

**Note 14 – 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 15 - 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 2017, the City contracted with USI Insurance Services for various types of insurance as follows:

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2017*

| Type of Coverage               | Coverage     |
|--------------------------------|--------------|
| Property/Boilers and Machinery | \$26,271,938 |
| Inland Marine                  | 1,565,098    |
| Vehicles Comprehensive         | 3,000,000    |
| Valuable Papers and Records    | 250,000      |
| Police                         | 3,000,000    |
| Public Officials               | 3,000,000    |
| Business Electronics Equipment | 188,022      |
| Fire Vehicles and Ambulances   | 2,121,591    |

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 2017, the City participated in the Ohio Municipal League Workers' Compensation Group Rating Retrospective Plan (GRP), an insurance purchasing pool (Note 13). 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 16 - Notes Payable**

Changes in the City's note activity for the year ended December 31, 2017, were as follows:

|                                      | Outstanding<br>12/31/2016 | Additions | Reductions  | Outstanding<br>12/31/2017 |
|--------------------------------------|---------------------------|-----------|-------------|---------------------------|
| <i>General Fund:</i>                 |                           |           |             |                           |
| Center Road Bridge 2.25 %            | \$30,000                  | \$30,000  | (\$30,000)  | \$30,000                  |
| <i>Special Revenue Fund:</i>         |                           |           |             |                           |
| Port Authority 2.38%                 | 150,000                   | 120,000   | (150,000)   | 120,000                   |
| <i>Total Governmental Activities</i> | \$180,000                 | \$150,000 | (\$180,000) | \$150,000                 |

In 2017, the City issued \$30,000 in bond anticipation notes to help finance the Center Road bridge improvement project with an interest rate of 2.25 percent. At December 31, 2017, the project has been completed and the notes mature on June 15, 2018.

In 2017, the City issued a \$120,000 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 2.38 percent maturing on November 16, 2018. As of December 31, 2017 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, 2017

**Note 17 - 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<br>Issue Date | Interest Rate | Original<br>Issue Amount | Year of<br>Maturity |
|---|------------------------|---------------|--------------------------|---------------------|
| <b>Governmental Activities</b>            |                        |               |                          |                     |
| <i>General Obligation Bonds:</i>          |                        |               |                          |                     |
| Library Refunding                         | 2011                   | 3.00%         | \$735,000                | 2018                |
| Energy Conservation                       | 2012                   | 3.10          | 544,352                  | 2022                |
| Vehicle Acquisition                       | 2014                   | 5.35          | 55,000                   | 2024                |
| Various Purpose Improvements              | 2014                   | 3.48          | 305,000                  | 2024                |
| Fire Truck Acquisition                    | 2015                   | 2.50          | 450,000                  | 2025                |
| Various Purpose Improvements              | 2017                   | 3.30          | 214,000                  | 2027                |
| <i>Special Assessment Loans:</i>          |                        |               |                          |                     |
| 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 - Parrish Road  | 2010                   | 3.00          | 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>                             |                        |               |                          |                     |
| Center Road Bridge                        | 2017                   | 2.25          | 120,000                  | 2018                |
| <b>Business-Type Activities</b>           |                        |               |                          |                     |
| <i>Special Assessment Loans:</i>          |                        |               |                          |                     |
| 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                  | 2032                |
| Creek Road Elevated Storage Tank          | 2013                   | 3.24          | 1,640,127                | 2034                |
| Harbor Street Infrastructure              | 2015                   | 3.16          | 604,001                  | 2035                |
| Wastewater Improvements Loan              | 2017                   | 1.55          | 1,902,457                | 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                |
| Harbor Street Infrastructure              | 2014                   | 0.00          | 50,000                   | 2035                |
| Water Treatment Plant Improvements        | 2014                   | 0.00          | 35,123                   | 2034                |
| Orange Street Water Line                  | 2017                   | 0.00          | 35,706                   | N/A                 |
| Headworks Sewer Project                   | 2017                   | 0.00          | 29,320                   | N/A                 |

(continued)

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
For The Year Ended December 31, 2017

| Debt Issue                                  | Original Issue Date | Interest Rate | Original Issue Amount | Year of Maturity |
|---|---------------------|---------------|-----------------------|------------------|
| <b>Business-Type Activities</b> (continued) |                     |               |                       |                  |
| <i>General Obligation Bonds:</i>            |                     |               |                       |                  |
| Water Refunding                             | 2011                | 3.00%         | \$530,000             | 2018             |
| Energy Conservation                         | 2012                | 3.10          | 125,648               | 2022             |
| Various Purpose Improvement Bonds           | 2017                | 3.30          | 671,000               | 2027             |
| <i>Loans:</i>                               |                     |               |                       |                  |
| Road Equipment Acquisition                  | 2009                | 4.125         | 306,666               | 2019             |
| Water Meters                                | 2010                | 4.31          | 1,134,867             | 2017             |

A schedule of changes in bonds and other long-term obligations of the City during 2017 follows:

|  | Outstanding<br>12/31/2016 | Additions        | Reductions         | Outstanding<br>12/31/2017 | Amount Due<br>In one Year |
|--|---------------------------|------------------|--------------------|---------------------------|---------------------------|
| <b>Governmental Activities:</b>            |                           |                  |                    |                           |                           |
| <i>General Obligation Bonds</i>            |                           |                  |                    |                           |                           |
| Library Refunding                          | \$198,094                 | \$0              | \$97,584           | \$100,510                 | \$100,510                 |
| Energy Conservation                        | 336,659                   | 0                | 53,965             | 282,694                   | 54,807                    |
| Vehicle Acquisition                        | 45,130                    | 0                | 5,134              | 39,996                    | 5,271                     |
| Various Purpose Improvements 2014          | 252,454                   | 0                | 27,910             | 224,544                   | 28,881                    |
| Fire Truck Acquisition                     | 407,000                   | 0                | 43,000             | 364,000                   | 44,000                    |
| Various Purpose Improvements 2017          | 0                         | 214,000          | 0                  | 214,000                   | 21,400                    |
| <b>Total General Obligation Bonds</b>      | <b>1,239,337</b>          | <b>214,000</b>   | <b>227,593</b>     | <b>1,225,744</b>          | <b>254,869</b>            |
| <i>Special Assessment OWDA Loans</i>       |                           |                  |                    |                           |                           |
| <i>with Governmental Commitment:</i>       |                           |                  |                    |                           |                           |
| I-90 Sewer                                 | 23,256                    | 0                | 11,399             | 11,857                    | 11,857                    |
| East Conneaut Sewer Phase III              | 173,267                   | 0                | 41,089             | 132,178                   | 42,540                    |
| <b>Total Special Assessment OWDA Loans</b> | <b>196,523</b>            | <b>0</b>         | <b>52,488</b>      | <b>144,035</b>            | <b>54,397</b>             |
| <i>Loans:</i>                              |                           |                  |                    |                           |                           |
| Industrial Park                            | 345,721                   | 0                | 48,224             | 297,497                   | 49,691                    |
| Road Equipment Acquisition                 | 46,002                    | 0                | 15,333             | 30,669                    | 15,333                    |
| State Infrastructure Loan - Parrish Road   | 121,236                   | 0                | 80,221             | 41,015                    | 41,015                    |
| <b>Total Loans:</b>                        | <b>512,959</b>            | <b>0</b>         | <b>143,778</b>     | <b>369,181</b>            | <b>106,039</b>            |
| <i>OPWC Loan:</i>                          |                           |                  |                    |                           |                           |
| Under Ridge Road Culvert                   | 13,444                    | 0                | 1,581              | 11,863                    | 1,581                     |
| Roadway Safety                             | 11,748                    | 0                | 712                | 11,036                    | 712                       |
| <b>Total OPWC Loans</b>                    | <b>25,192</b>             | <b>0</b>         | <b>2,293</b>       | <b>22,899</b>             | <b>2,293</b>              |
| <i>Long - Term Notes Payable:</i>          |                           |                  |                    |                           |                           |
| Center Road Bridge                         | 120,000                   | 90,000           | 120,000            | 90,000                    | 0                         |
| <i>Other Long-Term Liabilities:</i>        |                           |                  |                    |                           |                           |
| Capital Leases                             | 215,222                   | 0                | 88,266             | 126,956                   | 95,754                    |
| Compensated Absences                       | 885,967                   | 251,167          | 233,907            | 903,227                   | 183,494                   |
| <b>Total Other Long-Term Liabilities</b>   | <b>1,101,189</b>          | <b>251,167</b>   | <b>322,173</b>     | <b>1,030,183</b>          | <b>279,248</b>            |
| <i>Net Pension Liability:</i>              |                           |                  |                    |                           |                           |
| OPERS                                      | 2,678,772                 | 338,485          | 0                  | 3,017,257                 | 0                         |
| OPF  | 5,062,505                 | 0                | 229,169            | 4,833,336                 | 0                         |
| <b>Total Net Pension Liability</b>         | <b>7,741,277</b>          | <b>338,485</b>   | <b>229,169</b>     | <b>7,850,593</b>          | <b>0</b>                  |
| <b>Total Governmental Activities</b>       |                           |                  |                    |                           |                           |
| <b>Long-Term Obligations</b>               | <b>\$10,936,477</b>       | <b>\$893,652</b> | <b>\$1,097,494</b> | <b>\$10,732,635</b>       | <b>\$696,846</b>          |

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
For The Year Ended December 31, 2017

|  | Outstanding<br>12/31/2016 | Additions          | Reductions       | Outstanding<br>12/31/2017 | Amount Due<br>In one Year |
|--|---------------------------|--------------------|------------------|---------------------------|---------------------------|
| <b>Business-Type Activities</b> (continued): |                           |                    |                  |                           |                           |
| <i>Special Assessment OWDA Loans</i>         |                           |                    |                  |                           |                           |
| <i>with Governmental Commitment:</i>         |                           |                    |                  |                           |                           |
| I-90 Sewer                                   | \$13,082                  | \$0                | \$6,412          | \$6,670                   | \$6,670                   |
| East Conneaut Sewer Phase III                | 38,035                    | 0                  | 9,020            | 29,015                    | 9,338                     |
| <i>Total Special Assessment OWDA Loans</i>   | <u>51,117</u>             | <u>0</u>           | <u>15,432</u>    | <u>35,685</u>             | <u>16,008</u>             |
| <i>OWDA Loans</i>                            |                           |                    |                  |                           |                           |
| Water III                                    | 19,867                    | 0                  | 19,867           | 0                         | 0                         |
| Dechlorination Project                       | 3,075                     | 0                  | 3,075            | 0                         | 0                         |
| Wastewater Improvement Loan                  | 1,926,206                 | 0                  | 165,897          | 1,760,309                 | 171,332                   |
| Industrial Park                              | 173,365                   | 0                  | 29,446           | 143,919                   | 30,336                    |
| Wastewater Aeration Repairs                  | 206,734                   | 0                  | 10,403           | 196,331                   | 10,696                    |
| Lake Erie Street Sanitary Sewer              | 209,022                   | 0                  | 9,696            | 199,326                   | 10,020                    |
| Aerial Sewer Repairs                         | 173,433                   | 0                  | 749              | 172,684                   | 10,792                    |
| Creek Road Elevated Storage Tank             | 1,500,126                 | 0                  | 58,964           | 1,441,162                 | 64,748                    |
| Harbor Street Infrastructure                 | 533,615                   | 0                  | 19,116           | 514,499                   | 22,418                    |
| Wastewater Improvement Loan                  | 0                         | 1,902,457          | 0                | 1,902,457                 | 0                         |
| <i>Total OWDA Loans</i>                      | <u>4,745,443</u>          | <u>1,902,457</u>   | <u>317,213</u>   | <u>6,330,687</u>          | <u>320,342</u>            |
| <i>Total OWDA Obligations</i>                | <u>4,796,560</u>          | <u>1,902,457</u>   | <u>332,645</u>   | <u>6,366,372</u>          | <u>336,350</u>            |
| <i>OPWC Loans:</i>                           |                           |                    |                  |                           |                           |
| South Conneaut Water Tank                    | 86,625                    | 0                  | 19,250           | 67,375                    | 19,250                    |
| Liberty Water Line                           | 41,471                    | 0                  | 5,924            | 35,547                    | 5,924                     |
| Madison Sanitary Sewer                       | 15,129                    | 0                  | 1,892            | 13,237                    | 1,892                     |
| Finished Water and Booster Pump              | 28,611                    | 0                  | 2,044            | 26,567                    | 2,044                     |
| Water and Booster Pump Station               | 7,701                     | 0                  | 550              | 7,151                     | 550                       |
| Sandusky Sanitary Sewer                      | 19,724                    | 0                  | 1,409            | 18,315                    | 1,409                     |
| Sanitary Sewer Repairs                       | 7,788                     | 0                  | 503              | 7,285                     | 503                       |
| Roadway Safety                               | 26,153                    | 0                  | 1,585            | 24,568                    | 1,585                     |
| Wastewater Aeration Improvement              | 14,959                    | 0                  | 906              | 14,053                    | 906                       |
| Creek Road Water Tank                        | 131,250                   | 0                  | 7,500            | 123,750                   | 7,500                     |
| Aerial Sewer                                 | 43,750                    | 0                  | 2,500            | 41,250                    | 2,500                     |
| Harbor Street Infrastructure                 | 46,250                    | 0                  | 2,500            | 43,750                    | 2,500                     |
| Water Treatment Plant Improvements           | 31,611                    | 0                  | 1,756            | 29,855                    | 1,756                     |
| Orange Street Water Line                     | 0                         | 35,706             | 0                | 35,706                    | 0                         |
| Headworks Sewer Project                      | 0                         | 29,320             | 0                | 29,320                    | 0                         |
| <i>Total OPWC Loans</i>                      | <u>501,022</u>            | <u>65,026</u>      | <u>48,319</u>    | <u>517,729</u>            | <u>48,319</u>             |
| <i>General Obligation Bonds:</i>             |                           |                    |                  |                           |                           |
| Water Refunding                              | 141,276                   | 0                  | 69,595           | 71,681                    | 71,681                    |
| Energy Conservation                          | 77,719                    | 0                  | 12,453           | 65,266                    | 12,648                    |
| Various Purpose Improvement                  | 0                         | 671,000            | 0                | 671,000                   | 67,100                    |
| <i>Total Bonds</i>                           | <u>218,995</u>            | <u>671,000</u>     | <u>82,048</u>    | <u>807,947</u>            | <u>151,429</u>            |
| <i>Loans:</i>                                |                           |                    |                  |                           |                           |
| Road Equipment Acquisition                   | 91,998                    | 0                  | 30,667           | 61,331                    | 30,667                    |
| Water Meters                                 | 24,291                    | 0                  | 24,291           | 0                         | 0                         |
| <i>Total Loans</i>                           | <u>116,289</u>            | <u>0</u>           | <u>54,958</u>    | <u>61,331</u>             | <u>30,667</u>             |
| <i>Other Long-Term Liabilities:</i>          |                           |                    |                  |                           |                           |
| Compensated Absences                         | 272,864                   | 104,047            | 78,828           | 298,083                   | 48,158                    |
| <i>Net Pension Liability:</i>                |                           |                    |                  |                           |                           |
| OPERS  | 1,094,146                 | 834,920            | 0                | 1,929,066                 | 0                         |
| <i>Total Business-Type Activities</i>        | <u>1,094,146</u>          | <u>834,920</u>     | <u>0</u>         | <u>1,929,066</u>          | <u>0</u>                  |
| <i>Long-Term Obligations</i>                 | <u>\$6,999,876</u>        | <u>\$3,577,450</u> | <u>\$596,798</u> | <u>\$9,980,528</u>        | <u>\$614,923</u>          |

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2017*

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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. Compensated absences will be paid from the general fund, street construction, maintenance and repair special revenue fund and the water and sewer enterprise funds. Capital leases will be paid from police levy II, police levy and street construction, maintenance and repair special revenue funds. There is no repayment schedule for the net pension liability. However, employer pension contributions are made from the following funds: general, street construction, maintenance and repair, cemetery, police levy II, recreation, police pension and fire pension special revenue funds and the sewer and water enterprise funds. For additional information related to the net pension liability see Note 19.

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.

A line of credit has been established with the Ohio Water Development Authority in the amount of \$2,295,539 for wastewater treatment plant improvements in the sewer enterprise fund. 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 City is paying based on estimates. The balance of this loan at December 31, 2017 is \$1,902,457.

Lines of credit have been established with the Ohio Public Works Commission. \$55,000 has been established for the Orange Street waterline project in the water enterprise fund. \$150,000 has been established for the headworks sewer project in the sewer enterprise fund. Since the loans repayment schedules have not been finalized, repayment schedules are not included in the schedule of debt service requirements. Until final repayment schedules are available, the City is paying based on estimates. The balances of the loans at December 31, 2017 are \$35,706 and \$29,320 in the respective water and sewer enterprise funds.

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 2035. Annual principal and interest payments on the debt issues are expected to require 74.74 percent of net revenues. The total principal and interest remaining to be paid on the debt is \$2,562,344. Principal and interest paid for the current year and total net revenues were \$216,085 and \$289,105 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 51.45 percent of net revenues. The total principal and interest remaining to be paid on the debt is \$3,809,265. Principal and interest paid for the current year and total net revenues were \$341,446 and \$663,608 respectively.

**City of Conneaut, Ohio**  
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The City's overall legal debt margin was \$17,011,465 with an unvoted debt margin of \$7,669,054 at December 31, 2017. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2017, are as follows:

|              | <i>Governmental Activities</i> |                  |                             |                |                  |                 |                 |
|--------------|--------------------------------|------------------|-----------------------------|----------------|------------------|-----------------|-----------------|
|              | General Obligation<br>Bonds    |                  | Special Assessment<br>Loans |                | Loans<br>Payable |                 | OPWC<br>Loans   |
|              | Principal                      | Interest         | Principal                   | Interest       | Principal        | Interest        | Principal       |
| 2018         | \$254,869                      | \$36,982         | \$54,397                    | \$4,612        | \$106,039        | \$9,982         | \$2,293         |
| 2019         | 156,360                        | 29,177           | 44,042                      | 2,755          | 66,539           | 7,215           | 2,293           |
| 2020         | 159,414                        | 24,304           | 45,596                      | 1,200          | 52,760           | 5,177           | 2,294           |
| 2021         | 161,520                        | 19,345           | 0                           | 0              | 54,365           | 3,572           | 2,294           |
| 2022         | 164,660                        | 14,307           | 0                           | 0              | 56,018           | 1,918           | 2,294           |
| 2023-2027    | 328,921                        | 18,733           | 0                           | 0              | 33,460           | 335             | 7,515           |
| 2028-2032    | 0                              | 0                | 0                           | 0              | 0                | 0               | 3,560           |
| 2033         | 0                              | 0                | 0                           | 0              | 0                | 0               | 356             |
| <b>Total</b> | <b>\$1,225,744</b>             | <b>\$142,848</b> | <b>\$144,035</b>            | <b>\$8,567</b> | <b>\$369,181</b> | <b>\$28,199</b> | <b>\$22,899</b> |

|              | <i>Business-Type Activities</i>  |                |                    |                  |                  |                             |                  |
|--------------|----------------------------------|----------------|--------------------|------------------|------------------|-----------------------------|------------------|
|              | Special Assessment<br>OWDA Loans |                | OWDA<br>Loans      |                  | OPWC<br>Loans    | General Obligation<br>Bonds |                  |
|              | Principal                        | Interest       | Principal          | Interest         | Principal        | Principal                   | Interest         |
| 2018         | \$16,008                         | \$1,134        | \$320,342          | \$131,249        | \$48,319         | \$151,429                   | \$25,176         |
| 2019         | 9,668                            | 605            | 331,384            | 121,614          | 48,319           | 79,946                      | 20,423           |
| 2020         | 10,009                           | 264            | 341,737            | 111,667          | 48,319           | 80,146                      | 17,814           |
| 2021         | 0                                | 0              | 352,424            | 101,401          | 38,695           | 80,359                      | 15,199           |
| 2022         | 0                                | 0              | 346,247            | 90,801           | 29,070           | 80,567                      | 12,577           |
| 2023-2027    | 0                                | 0              | 1,579,676          | 300,223          | 115,965          | 335,500                     | 27,635           |
| 2028-2032    | 0                                | 0              | 850,574            | 123,186          | 97,995           | 0                           | 0                |
| 2033-2035    | 0                                | 0              | 305,846            | 13,122           | 26,021           | 0                           | 0                |
| <b>Total</b> | <b>\$35,685</b>                  | <b>\$2,003</b> | <b>\$4,428,230</b> | <b>\$993,263</b> | <b>\$452,703</b> | <b>\$807,947</b>            | <b>\$118,824</b> |

|              | <i>Business-Type Activities</i> |                |
|--------------|---------------------------------|----------------|
|              | Loans<br>Payable                |                |
|              | Principal                       | Interest       |
| 2018         | \$30,667                        | \$3,526        |
| 2019         | 30,664                          | 2,244          |
| <b>Total</b> | <b>\$61,331</b>                 | <b>\$5,770</b> |

**City of Conneaut, Ohio**  
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**Note 18 – Capital Lease**

In the prior year, the City entered into a capitalized lease for police vehicles and a Kubota tractor. 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, 2017 for governmental activities follows:

|                                | Governmental<br>Activities |
|--------------------------------|----------------------------|
| Asset:                         |                            |
| Kubota Tractor                 | \$ 43,505                  |
| Police Vehicles                | 233,535                    |
| Less: Accumulated depreciation | (131,069)                  |
| Current Book Value             | \$145,971                  |

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<br>Activities |
|---|----------------------------|
| 2018  | \$98,762                   |
| 2019  | 31,662                     |
| Total                                       | 130,424                    |
| Less: Amount Representing Interest          | (3,468)                    |
| Present Value of Net Minimum Lease Payments | \$126,956                  |

**Note 19 - Defined Benefit Pension Plans**

***Net Pension Liability***

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

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

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



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GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan’s unfunded benefits is presented as a long-term net pension liability on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting.

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

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

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

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

**City of Conneaut, Ohio**  
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Final average salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

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

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

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

|  | State<br>and Local |
|--|--------------------|
| <b>2017 Statutory Maximum Contribution Rates</b> |                    |
| Employer   | 14.0 %             |
| Employee   | 10.0 %             |
| <br><b>2017 Actual Contribution Rates</b>        |                    |
| Employer:  |                    |
| Pension  | 13.0 %             |
| Post-employment Health Care Benefits             | 1.0                |
| Total Employer                                   | 14.0 %             |
| <br>Employee                                     | <br>10.0 %         |

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$379,275 for 2017. Of this amount, \$46,131 is reported as an intergovernmental payable.

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

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

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

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

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

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

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

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

|  | Police  | Firefighters |
|--|---------|--------------|
| <b>2017 Statutory Maximum Contribution Rates</b> |         |              |
| Employer   | 19.50 % | 24.00 %      |
| Employee   | 12.25 % | 12.25 %      |
| <br><b>2017 Actual Contribution Rates</b>        |         |              |
| Employer:  |         |              |
| Pension  | 19.00 % | 23.50 %      |
| Post-employment Health Care Benefits             | 0.50    | 0.50         |
| Total Employer                                   | 19.50 % | 24.00 %      |
| <br>Employee                                     | 12.25 % | 12.25 %      |

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$354,441 for 2017. Of this amount, \$33,234 is reported as an intergovernmental payable.

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

The net pension liability for OPERS was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2016, and was determined by rolling forward the total pension liability as of January 1, 2016, to December 31, 2016. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

**City of Conneaut, Ohio**  
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|  | OPERS             | OP&F               |              |
|--|-------------------|--------------------|--------------|
| Proportion of the Net Pension Liability:         |                   |                    |              |
| Current Measurement Date                         | 0.0217820%        | 0.0763090%         |              |
| Prior Measurement Date                           | 0.0217820%        | 0.0786950%         |              |
| Change in Proportionate Share                    | <u>0.0000000%</u> | <u>-0.0023860%</u> |              |
|  |                   |                    | <u>Total</u> |
| Proportionate Share of the Net Pension Liability | \$4,946,323       | \$4,833,336        | \$9,779,659  |
| Pension Expense                                  | \$1,076,069       | \$590,301          | \$1,666,370  |

At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | OPERS              | OP&F             | Total              |
|---|--------------------|------------------|--------------------|
| <b>Deferred Outflows of Resources</b>   |                    |                  |                    |
| Differences between expected and actual experience  | \$6,704            | \$1,367          | \$8,071            |
| Changes of assumptions  | 784,547            | 0                | 784,547            |
| Net difference between projected and actual earnings on pension plan investments                          | 736,622            | 470,021          | 1,206,643          |
| Changes in proportion and differences between City contributions and proportionate share of contributions | 31,630             | 64,980           | 96,610             |
| City contributions subsequent to the measurement date   | <u>379,275</u>     | <u>354,441</u>   | <u>733,716</u>     |
| Total Deferred Outflows of Resources  | <u>\$1,938,778</u> | <u>\$890,809</u> | <u>\$2,829,587</u> |
| <b>Deferred Inflows of Resources</b>  |                    |                  |                    |
| Differences between expected and actual experience  | \$29,438           | \$11,128         | \$40,566           |
| Changes in proportion and differences between City contributions and proportionate share of contributions | <u>0</u>           | <u>107,805</u>   | <u>107,805</u>     |
| Total Deferred Inflows of Resources   | <u>\$29,438</u>    | <u>\$118,933</u> | <u>\$148,371</u>   |

\$733,716 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

| Year Ending December 31: | OPERS              | OP&F             | Total              |
|--------------------------|--------------------|------------------|--------------------|
| 2018                     | \$645,175          | \$172,736        | \$817,911          |
| 2019                     | 644,629            | 172,736          | 817,365            |
| 2020                     | 261,854            | 130,142          | 391,996            |
| 2021                     | (21,593)           | (37,662)         | (59,255)           |
| 2022                     | 0                  | (18,430)         | (18,430)           |
| Thereafter               | <u>0</u>           | <u>(2,087)</u>   | <u>(2,087)</u>     |
| Total                    | <u>\$1,530,065</u> | <u>\$417,435</u> | <u>\$1,947,500</u> |

**City of Conneaut, Ohio**  
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**Actuarial Assumptions - OPERS**

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2016, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. In 2016, the OPERS' actuarial consultants conducted an experience study for the period 2011 through 2015, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 8.0 percent down to 7.5 percent, for the defined benefit investments. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2016, compared with December 31, 2015, are presented below.

|   | December 31, 2016  | December 31, 2015   |
|---|--|---|
| Wage Inflation                                  | 3.25 percent   | 3.75 percent  |
| Future Salary Increases,<br>including inflation | 3.25 to 10.05 percent<br>including wage inflation            | 4.25 to 10.05 percent<br>including wage inflation           |
| COLA or Ad Hoc COLA:                            |  |   |
| Pre-January 7, 2013 Retirees                    | 3 percent, simple  | 3 percent, simple   |
| Post-January 7, 2013 Retirees                   | 3 percent, simple through 2018,<br>then 2.15 percent, simple | 3 percent, simple through 2018,<br>then 2.8 percent, simple |
| Investment Rate of Return                       | 7.5 percent  | 8 percent   |
| Actuarial Cost Method                           | Individual Entry Age   | Individual Entry Age  |

For 2016, mortality rates are based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

For 2015, mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2015. The prior experience study was completed for the five year period ended December 31, 2010.

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

During 2016, OPERS managed investments in four investment portfolios: the Defined Benefit portfolio, the 401(h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The 401(h) Health Care Trust portfolio was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. The Defined Benefit portfolio historically included the assets of the Member-Directed retiree medical accounts funded through the VEBA Trust. However, the VEBA Trust was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio is 8.3 percent for 2016.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2016 and the long-term expected real rates of return:

| <u>Asset Class</u>     | <u>Target<br/>Allocation</u> | <u>Weighted Average<br/>Long-Term Expected<br/>Real Rate of Return<br/>(Arithmetic)</u> |
|------------------------|------------------------------|---|
| Fixed Income           | 23.00 %                      | 2.75 %  |
| Domestic Equities      | 20.70                        | 6.34  |
| Real Estate            | 10.00                        | 4.75  |
| Private Equity         | 10.00                        | 8.97  |
| International Equities | 18.30                        | 7.95  |
| Other investments      | 18.00                        | 4.92  |
| Total                  | <u>100.00 %</u>              | <u>5.66 %</u>   |

**Discount Rate** The discount rate used to measure the total pension liability for 2016 was 7.5 percent. The discount rate for 2015 was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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|  | 1% Decrease<br>(6.50%) | Current<br>Discount Rate<br>(7.50%) | 1% Increase<br>(8.50%) |
|--|------------------------|-------------------------------------|------------------------|
| County's proportionate share<br>of the net pension liability | \$7,556,611            | \$4,946,323                         | \$2,771,106            |

**Actuarial Assumptions – OP&F**

OP&F's total pension liability as of December 31, 2016, is based on the results of an actuarial valuation date of January 1, 2016, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2016, are presented below:

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

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

The most recent experience study was completed January 1, 2012.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2016, are summarized below:

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

Note: Assumptions are geometric.

\* levered 2x

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

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

**Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25 percent), or one percentage point higher (9.25 percent) than the current rate.

|  | 1% Decrease<br>(7.25%) | Current<br>Discount Rate<br>(8.25%) | 1% Increase<br>(9.25%) |
|--|------------------------|-------------------------------------|------------------------|
| City's proportionate share<br>of the net pension liability | \$6,437,430            | \$4,833,336                         | \$3,473,843            |

**Changes between Measurement Date and Report Date**

In October 2017, the OP&F Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of January 1, 2017. The most significant change is a reduction in the discount rate from 8.25 percent to 8 percent. Although the exact amount of these changes is not known, it has the potential to impact to the City's net pension liability.



## **Note 20 - Postemployment Benefits**

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

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

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. See OPERS' CAFR referenced below for additional information.

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2017, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

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

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Substantially all of the City's contribution allocated to fund postemployment health care benefits relates to the cost-sharing, multiple employer trusts. The corresponding contribution for the years ended December 31, 2017, 2016, and 2015 was \$29,175, \$56,316 and \$54,218, respectively. For 2017, 87.84 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2016 and 2015.

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

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

OP&F provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 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. The report may be obtained by visiting the OP&F website at [www.op-f.org](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy - The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units. 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 administered 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 2017, the portion of employer contributions allocated to health care was 0.5 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 is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

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The City's contribution to OPF for the years ended December 31, 2017, 2016, and 2015 for police and firefighters were \$212,556 and \$150,470, \$212,377 and \$142,692, and \$196,025 and \$147,974, respectively, of which \$5,450 and \$3,135, \$5,446 and \$2,973, and \$5,026 and \$3,083, respectively, was allocated to the healthcare plan. For 2017, 91.47 percent for police and 89.43 percent for firefighters has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2016 and 2015.

**Note 21 – 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 2017. Financial information can be obtained by contacting Ronald McVoy, Chairman, 31320 Solon Road, Suite 20, Solon, Ohio 11120.

**Note 22 – Related Party Transactions**

The Conneaut Port Authority, a component unit of the City of Conneaut, owes the City \$120,000 as of December 31, 2017 for a marina improvement note issued by the City. During 2017, The Port Authority paid the City \$152,993, the amount of the principal and interest on the note. The financial statements reflect \$120,000 in 'Loans Receivable from Component Unit'.

**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, 2017.

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***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 – 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  | \$222,149               | Water                   | \$116,684               |
| Street Construction,<br>Maintenance and Repair | 29,342                  | Sewer                   | <u>106,506</u>          |
| Other Governmental Funds                       | <u>2,476</u>            | Total Proprietary Funds | <u><u>\$223,190</u></u> |
| Total  | <u><u>\$253,967</u></u> |                         |                         |

**Note 25 – Subsequent Events**

On June 15, 2018, the City retired \$120,000 in general obligation bond anticipation notes and issued \$90,000 in new notes. The new notes have a maturity date of June 15, 2019 and an interest rate of 1.92 percent.

**Note 26 – 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.

**City of Conneaut, Ohio**  
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***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.

***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.

***Unearned Revenue*** Unearned 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.

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

**City of Conneaut, Ohio**  
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In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the Port Authority, deferred inflows of resources were reported for pension.

***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 2017, 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 acquisition 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          |
| Dock Improvements          | 10 - 40 years          |
| Vehicles                   | 5 - 20 years           |
| Machinery and Equipment    | 3 - 10 years           |

***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.

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***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.

***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.

***Change in Accounting Principles***

For 2017, the Port Authority implemented the Governmental Accounting Standards Board's (GASB) Implementation Guide No. 2016-1. These changes were incorporated in the Port Authority's 2017 financial statements; however, there was no effect on beginning net position/fund balance.

***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 \$83,617 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, 2016 was as follows (latest information available):

|  | Balance<br>12/31/2016 | Additions     | Deductions     | Balance<br>12/31/2017 |
|--|-----------------------|---------------|----------------|-----------------------|
| <b><i>Capital Assets not being Depreciated:</i></b>  |                       |               |                |                       |
| Land   | \$74,713              | \$0           | \$0            | \$74,713              |
| Land Improvements                                    | 31,021                | 0             | 0              | 31,021                |
| Construction in Progress                             | 60,012                | 0             | (5,000)        | 55,012                |
| <b><i>Capital Assets not being Depreciated</i></b>   | <b>165,746</b>        | <b>0</b>      | <b>(5,000)</b> | <b>160,746</b>        |
| <b><i>Capital Assets being Depreciated:</i></b>      |                       |               |                |                       |
| Buildings and Improvements                           | 2,584,471             | 44,154        | 0              | 2,628,625             |
| Dock Improvements                                    | 1,231,104             | 0             | 0              | 1,231,104             |
| Vehicles   | 16,823                | 0             | 0              | 16,823                |
| Machinery and Equipment                              | 137,361               | 14,289        | 0              | 151,650               |
| <b><i>Total Capital Assets being Depreciated</i></b> | <b>3,969,759</b>      | <b>58,443</b> | <b>0</b>       | <b>4,028,202</b>      |

(continued)

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
For The Year Ended December 31, 2017

|   | Balance<br>12/31/2016 | Additions        | Deductions       | Balance<br>12/31/2017 |
|---|-----------------------|------------------|------------------|-----------------------|
| <i>Less Accumulated Depreciation:</i>       |                       |                  |                  |                       |
| Buildings and Improvements                  | (\$2,319,194)         | (\$7,809)        | \$0              | (\$2,327,003)         |
| Dock Improvements                           | (353,509)             | (52,511)         | 0                | (406,020)             |
| Vehicles                                    | (15,657)              | (1,166)          | 0                | (16,823)              |
| Machinery and Equipment                     | (122,742)             | (6,740)          | 0                | (129,482)             |
| <i>Total Accumulated Depreciation</i>       | <u>(2,811,102)</u>    | <u>(68,226)</u>  | <u>0</u>         | <u>(2,879,328)</u>    |
| Total Capital Assets being Depreciated, Net | <u>1,158,657</u>      | <u>(9,783)</u>   | <u>0</u>         | <u>1,148,874</u>      |
| Governmental Activities Capital Assets, Net | <u>\$1,324,403</u>    | <u>(\$9,783)</u> | <u>(\$5,000)</u> | <u>\$1,309,620</u>    |

***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.

***Long-Term Obligations***

The Port Authority is liable for a note payable to the City of Conneaut. A \$120,000 note was issued on November 17, 2017 with an interest rate of 2.38 percent.

***Line of Credit***

The Port Authority also has a line of credit established with Conneaut Savings Bank in the amount of \$350,000, with a variable interest rate; currently 3 percent. At December 31, 2017, there is no balance due on this line of credit. (latest information available)

***Net Pension Liability***

The Conneaut Port Authority participates in the Ohio Public Employee Retirement System (OPERS). See Note 19. The Conneaut Port Authority required contributions to OPERS in the amount of \$19,071 for 2017. Of this amount, \$782 is reported as an intergovernmental payable.

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

The net pension liability for OPERS was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Port Authority's proportion of the net pension liability was based on the Port Authority's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:



**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2017*

|   | OPERS      |
|---|------------|
| Current Measurement Date                          | 0.0030580% |
| Prior Measurement Date                            | 0.0030090% |
| Change in Proportionate Share                     | 0.0000490% |
| <br>  |            |
| Proportionate Share of the Net Pension Liability: | \$270,520  |
| <br>  |            |
| Pension Expense                                   | \$58,223   |

At December 31, 2017, the Port Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | OPERS     |
|---|-----------|
| <b>Deferred Outflows of Resources</b>   |           |
| Differences between expected and actual experience  | \$367     |
| Changes of assumptions  | \$43,250  |
| Net difference between projected and actual earnings on pension plan investments                                    | \$40,619  |
| Changes in proportion and differences between Port Authority contributions and proportionate share of contributions | 15,590    |
| Port Authority contributions subsequent to the measurement date   | 19,071    |
| Total Deferred Outflows of Resources  | \$118,897 |
| <br>  |           |
| <b>Deferred Inflows of Resources</b>  |           |
| Differences between expected and actual experience  | \$2,047   |

\$19,071 reported as deferred outflows of resources related to pension resulting from Port Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

|                          | OPERS    |
|--------------------------|----------|
| Year Ending December 31: |          |
| 2018                     | \$19,555 |
| 2019                     | 19,555   |
| 2020                     | 19,555   |
| 2021                     | 19,555   |
| 2022 & Thereafter        | 19,559   |
| Total                    | \$97,779 |

***Sensitivity of the Port Authority Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*** Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2017*

|  | 1% Decrease<br>(6.50%) | Current<br>Discount Rate<br>(7.50%) | 1% Increase<br>(8.50%) |
|--|------------------------|-------------------------------------|------------------------|
| Port Authority proportionate share<br>of the net pension liability | \$414,634              | \$270,520                           | \$150,478              |

***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, 2017, 2016 and 2015 were \$1,588, \$3,243 and \$2,835, respectively. The full amount has been contributed for 2016 and 2015, 96 percent has been contributed for 2017 with the remainder being reported as an intergovernmental payable.

***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 York. 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, 2017, PEP retained \$350,000 for casualty claims and \$100,000 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, 2017:

|              |              |
|--------------|--------------|
|              | 2017         |
| Assets       | \$44,452,326 |
| Liabilities  | (13,004,011) |
| Net Position | \$31,448,315 |

At December 31, 2017, the liabilities above include approximately \$11.8 million of estimated incurred claims payable. The assets above also include approximately \$11.2 million of unpaid claims to be billed to approximately 527 member governments in the future, as of December 31, 2017. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2017, the Port Authority's share of these unpaid claims collectible in future years is approximately \$12,000.

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2017*

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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 as follows. 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 2017, member contributions amounted to \$19,286.

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.

***Grants***

Amounts grantor agencies pay to the Port Authority are subject to audit and adjustment by the grantor, principally the Federal government. Grantors may require refunding any disallowed cost or excess reserve balances. Management cannot presently determine amounts grantors may disallow or recapture. However, based on prior experience, management believes any such disallowed claims or recapture amounts would not have a material adverse effect on the overall financial position at December 31, 2017.

***Litigation and Claims***

In the normal course of operations, the Port Authority may be subject to litigation and claims. At December 31, 2017, the Port Authority was not aware of any such matters that would have a material effect on the financial statements.

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## **Required Supplementary Information**

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

|  | 2017        | 2016        | 2015        | 2014        |
|--|-------------|-------------|-------------|-------------|
| City's Proportion of the Net Pension Liability   | 0.02178200% | 0.02178200% | 0.02104400% | 0.02104400% |
| City's Proportionate Share of the Net Pension Liability  | \$4,946,323 | \$3,772,918 | \$2,538,142 | \$2,480,813 |
| City's Covered Payroll   | \$2,815,825 | \$2,710,885 | \$2,580,033 | \$2,356,597 |
| City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 175.66%     | 139.18%     | 98.38%      | 105.27%     |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                     | 77.25%      | 81.08%      | 86.45%      | 86.36%      |

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

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

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

|  | 2017        | 2016        | 2015        | 2014        |
|--|-------------|-------------|-------------|-------------|
| City's Proportion of the Net Pension Liability   | 0.07630900% | 0.07869500% | 0.07675840% | 0.07675840% |
| City's Proportionate Share of the Net Pension Liability  | \$4,833,336 | \$5,062,505 | \$3,976,405 | \$3,738,375 |
| City's Covered Payroll   | \$1,683,660 | \$1,621,815 | \$1,552,383 | \$1,524,286 |
| City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 287.07%     | 312.15%     | 256.15%     | 245.25%     |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                     | 68.36%      | 66.77%      | 71.71%      | 73.00%      |

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

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



**City of Conneaut, Ohio**  
*Required Supplementary Information*  
*Schedule of City Contributions*  
*Ohio Public Employees Retirement System - Traditional Plan*  
*Last Five Years (1)*

|   | <u>2017</u>      | <u>2016</u>      | <u>2015</u>      | <u>2014</u>      | <u>2013</u>      |
|---|------------------|------------------|------------------|------------------|------------------|
| Contractually Required Contribution                                     | \$379,275        | \$337,899        | \$325,306        | \$309,604        | \$306,358        |
| Contributions in Relation to the<br>Contractually Required Contribution | <u>(379,275)</u> | <u>(337,899)</u> | <u>(325,306)</u> | <u>(309,604)</u> | <u>(306,358)</u> |
| Contribution Deficiency (Excess)  | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       |
| City Covered Payroll  | \$2,917,500      | \$2,815,825      | \$2,710,885      | \$2,580,033      | \$2,356,597      |
| Contributions as a Percentage of<br>Covered Payroll                     | 13.00%           | 12.00%           | 12.00%           | 12.00%           | 13.00%           |

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

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

|   | <u>2017</u>      | <u>2016</u>      | <u>2015</u>      | <u>2014</u>      |
|---|------------------|------------------|------------------|------------------|
| Contractually Required Contribution                                     | \$354,441        | \$346,650        | \$335,890        | \$321,229        |
| Contributions in Relation to the<br>Contractually Required Contribution | <u>(354,441)</u> | <u>(346,650)</u> | <u>(335,890)</u> | <u>(321,229)</u> |
| Contribution Deficiency (Excess)  | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       |
| City Covered Payroll  | \$1,716,989      | \$1,683,660      | \$1,621,815      | \$1,552,383      |
| Contributions as a Percentage of<br>Covered Payroll:                    | 20.64%           | 20.59%           | 20.71%           | 20.69%           |

| <u>2013</u>      | <u>2012</u>      | <u>2011</u>      | <u>2010</u>      | <u>2009</u>      | <u>2008</u>      |
|------------------|------------------|------------------|------------------|------------------|------------------|
| \$267,948        | \$208,758        | \$200,873        | \$210,141        | \$207,441        | \$214,083        |
| <u>(267,948)</u> | <u>(208,758)</u> | <u>(200,873)</u> | <u>(210,141)</u> | <u>(207,441)</u> | <u>(214,083)</u> |
| <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       |
| \$1,524,286      | \$1,440,692      | \$1,394,499      | \$1,467,373      | \$1,431,072      | \$1,464,770      |
| 17.58%           | 14.49%           | 14.40%           | 14.32%           | 14.50%           | 14.62%           |

**City of Conneaut, Ohio**  
*Notes to the Required Supplementary Information*  
*For the year ended December 31, 2017*

**Changes in Assumptions - OPERS**

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

|   | December 31, 2017  | December 31, 2016<br>and Prior                              |
|---|--|---|
| Wage Inflation                                  | 3.25 percent   | 3.75 percent  |
| Future Salary Increases,<br>including inflation | 3.25 to 10.05 percent<br>including wage inflation            | 4.25 to 10.05 percent<br>including wage inflation           |
| COLA or Ad Hoc COLA:                            |  |   |
| Pre-January 7, 2013 Retirees                    | 3 percent, simple  | 3 percent, simple   |
| Post-January 7, 2013 Retirees                   | 3 percent, simple through 2018,<br>then 2.15 percent, simple | 3 percent, simple through 2018,<br>then 2.8 percent, simple |
| Investment Rate of Return                       | 7.5 percent  | 8 percent   |
| Actuarial Cost Method                           | Individual Entry Age   | Individual Entry Age  |

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

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

# 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.

***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.

***Police Levy II Fund*** – The Police Levy II Fund accounts for and reports a restricted property tax levy restricted for police officer wages.

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

## Fund Descriptions – Nonmajor Governmental Funds (continued)

### *Nonmajor Special Revenue Funds (continued)*

***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.

***Drug Task Force Fund*** The Drug Task Force Fund accounts for and reports restricted grant monies received to address the national heroin and opioid threat in the City.

***Ohio Department of Natural Resources (ODNR) Planning Grant Fund*** The ODNR Planning Grant fund accounts for and reports restricted grant monies for the purpose of updating the City's comprehensive plan and assisting with the development of an economic revitalization strategy.

***Local Innovation Grant Fund*** The Local Innovation Grant Fund accounts for and reports restricted grant monies received to evaluate multiple operations as well as consolidating facilities in an effort to become more efficient.

***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 Funds*

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.

***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.

(continued)

## Fund Descriptions – Nonmajor Governmental Funds (continued)

### *Nonmajor Capital Projects Funds*

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

***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 Grant 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.

***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.

***Ohio Department of Natural Resources (ODNR) Natureworks Grant Fund*** The ODNR Natureworks Grant Fund accounts for and reports grant monies for the purpose of replacing the roof at the Malek Park storage building and rehabilitating the Malek Park Recreational walking trail.

***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, 2017*

|   | Nonmajor<br>Special<br>Revenue<br>Funds | Nonmajor<br>Debt<br>Service<br>Funds | Nonmajor<br>Capital<br>Projects<br>Funds | Total<br>Nonmajor<br>Governmental<br>Funds |
|---|---|--------------------------------------|--|--|
| <b>Assets</b>   |   |                                      |  |  |
| Equity in Pooled Cash and   |   |                                      |  |  |
| Cash Equivalents  | \$823,770                               | \$117,158                            | \$421,286                                | \$1,362,214                                |
| Accounts Receivable   | 488                                     | 0                                    | 6,505                                    | 6,993                                      |
| Intergovernmental Receivable  | 169,566                                 | 0                                    | 30,922                                   | 200,488                                    |
| Municipal Income Taxes Receivable   | 14,509                                  | 0                                    | 12,091                                   | 26,600                                     |
| Property Taxes Receivable   | 1,491,311                               | 0                                    | 528,352                                  | 2,019,663                                  |
| Loans Receivable from Component Unit  | 120,000                                 | 0                                    | 0  | 120,000                                    |
| Special Assessments Receivable  | 0                                       | 206,683                              | 0  | 206,683                                    |
| <i>Total Assets</i>   | <u>\$2,619,644</u>                      | <u>\$323,841</u>                     | <u>\$999,156</u>                         | <u>\$3,942,641</u>                         |
| <b>Liabilities</b>  |   |                                      |  |  |
| Accounts Payable  | \$40,737                                | \$0                                  | \$0                                      | \$40,737                                   |
| Contracts Payable   | 19,264                                  | 0                                    | 403                                      | 19,667                                     |
| Accrued Wages   | 5,753                                   | 0                                    | 0  | 5,753                                      |
| Intergovernmental Payable   | 38,864                                  | 0                                    | 0  | 38,864                                     |
| Interfund Payable   | 25,168                                  | 72,907                               | 24,919                                   | 122,994                                    |
| Accrued Interest Payable  | 351                                     | 0                                    | 0  | 351  |
| Notes Payable   | 120,000                                 | 0                                    | 0  | 120,000                                    |
| <i>Total Liabilities</i>  | <u>250,137</u>                          | <u>72,907</u>                        | <u>25,322</u>                            | <u>348,366</u>                             |
| <b>Deferred Inflows of Resources</b>  |   |                                      |  |  |
| Property Taxes  | 1,305,160                               | 0                                    | 462,562                                  | 1,767,722                                  |
| Unavailable Revenue   | 315,899                                 | 206,683                              | 103,682                                  | 626,264                                    |
| <i>Total Deferred Inflows of Resources</i>                                    | <u>1,621,059</u>                        | <u>206,683</u>                       | <u>566,244</u>                           | <u>2,393,986</u>                           |
| <b>Fund Balances</b>  |   |                                      |  |  |
| Restricted  | 712,684                                 | 96,605                               | 386,247                                  | 1,195,536                                  |
| Committed   | 97,642                                  | 0                                    | 46,262                                   | 143,904                                    |
| Unassigned (Deficit)  | (61,878)                                | (52,354)                             | (24,919)                                 | (139,151)                                  |
| <i>Total Fund Balances</i>  | <u>748,448</u>                          | <u>44,251</u>                        | <u>407,590</u>                           | <u>1,200,289</u>                           |
| <i>Total Liabilities, Deferred Inflows of<br/>Resources and Fund Balances</i> | <u>\$2,619,644</u>                      | <u>\$323,841</u>                     | <u>\$999,156</u>                         | <u>\$3,942,641</u>                         |



**City of Conneaut, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Year Ended December 31, 2017*

|   | Nonmajor<br>Special<br>Revenue<br>Funds | Nonmajor<br>Debt<br>Service<br>Funds | Nonmajor<br>Capital<br>Projects<br>Funds | Total<br>Nonmajor<br>Governmental<br>Funds |
|---|---|--------------------------------------|--|--|
| <b>Revenues</b>   |   |                                      |  |  |
| Property Taxes  | \$1,366,668                             | \$26                                 | \$483,148                                | \$1,849,842                                |
| Municipal Income Taxes                                  | 58,813                                  | 0                                    | 49,167                                   | 107,980                                    |
| Special Assessments                                     | 0                                       | 81,444                               | 0  | 81,444                                     |
| Intergovernmental                                       | 363,221                                 | 0                                    | 27,452                                   | 390,673                                    |
| Fees, Licenses and Permits                              | 202,311                                 | 0                                    | 0  | 202,311                                    |
| Fines and Forfeitures                                   | 9,502                                   | 0                                    | 98,299                                   | 107,801                                    |
| Rentals   | 5,500                                   | 0                                    | 0  | 5,500                                      |
| Charges for Services                                    | 5,240                                   | 0                                    | 0  | 5,240                                      |
| Contributions and Donations                             | 40,605                                  | 0                                    | 0  | 40,605                                     |
| Interest  | 2,143                                   | 0                                    | 0  | 2,143                                      |
| Other   | 5,822                                   | 0                                    | 0  | 5,822                                      |
| <i>Total Revenues</i>                                   | <u>2,059,825</u>                        | <u>81,470</u>                        | <u>658,066</u>                           | <u>2,799,361</u>                           |
| <b>Expenditures</b>                                     |   |                                      |  |  |
| Current:  |   |                                      |  |  |
| General Government                                      | 0                                       | 2,898                                | 0  | 2,898                                      |
| Security of Persons and Property                        | 1,259,791                               | 0                                    | 0  | 1,259,791                                  |
| Leisure Time Activities                                 | 72,232                                  | 0                                    | 0  | 72,232                                     |
| Community Development                                   | 170,522                                 | 0                                    | 0  | 170,522                                    |
| Basic Utility Services                                  | 200,724                                 | 0                                    | 0  | 200,724                                    |
| Transportation  | 172,383                                 | 0                                    | 0  | 172,383                                    |
| Capital Outlay  | 0                                       | 0                                    | 682,739                                  | 682,739                                    |
| Debt Service:   |   |                                      |  |  |
| Principal Retirement                                    | 74,036                                  | 150,072                              | 15,333                                   | 239,441                                    |
| Interest and Fiscal Charges                             | 8,871                                   | 11,400                               | 1,738                                    | 22,009                                     |
| <i>Total Expenditures</i>                               | <u>1,958,559</u>                        | <u>164,370</u>                       | <u>699,810</u>                           | <u>2,822,739</u>                           |
| <i>Excess of Revenues Over<br/>(Under) Expenditures</i> | 101,266                                 | (82,900)                             | (41,744)                                 | (23,378)                                   |
| <b>Other Financing Sources</b>                          |   |                                      |  |  |
| Transfers In  | 36,000                                  | 0                                    | 0  | 36,000                                     |
| <i>Net Change in Fund Balances</i>                      | 137,266                                 | (82,900)                             | (41,744)                                 | 12,622                                     |
| <i>Fund Balances Beginning of Year</i>                  | <u>611,182</u>                          | <u>127,151</u>                       | <u>449,334</u>                           | <u>1,187,667</u>                           |
| <i>Fund Balances End of Year</i>                        | <u>\$748,448</u>                        | <u>\$44,251</u>                      | <u>\$407,590</u>                         | <u>\$1,200,289</u>                         |

**City of Conneaut, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2017*

|   | Auto<br>Permissive<br>Tax | State<br>Highway | Restaurant<br>Vending | Marina           | Enforcement<br>and<br>Education |
|---|---------------------------|------------------|-----------------------|------------------|---------------------------------|
| <b>Assets</b>   |                           |                  |                       |                  |                                 |
| Equity in Pooled Cash and   |                           |                  |                       |                  |                                 |
| Cash Equivalents  | \$1,823                   | \$600            | \$1,125               | \$8,984          | \$11,261                        |
| Accounts Receivable   | 0                         | 0                | 0                     | 0                | 60                              |
| Intergovernmental Receivable  | 67,540                    | 16,741           | 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                     | 120,000          | 0                               |
| <i>Total Assets</i>   | <u>\$69,363</u>           | <u>\$17,341</u>  | <u>\$1,125</u>        | <u>\$128,984</u> | <u>\$11,321</u>                 |
| <b>Liabilities</b>  |                           |                  |                       |                  |                                 |
| Accounts Payable  | \$0                       | \$0              | \$0                   | \$0              | \$0                             |
| Contracts Payable   | 0                         | 0                | 0                     | 0                | 0                               |
| Accrued Wages   | 0                         | 0                | 0                     | 0                | 0                               |
| Intergovernmental Payable   | 0                         | 0                | 9                     | 0                | 0                               |
| Interfund Payable   | 0                         | 0                | 0                     | 0                | 0                               |
| Accrued Interest Payable  | 0                         | 0                | 0                     | 351              | 0                               |
| Notes Payable   | 0                         | 0                | 0                     | 120,000          | 0                               |
| <i>Total Liabilities</i>  | <u>0</u>                  | <u>0</u>         | <u>9</u>              | <u>120,351</u>   | <u>0</u>                        |
| <b>Deferred Inflows of Resources</b>  |                           |                  |                       |                  |                                 |
| Property Taxes  | 0                         | 0                | 0                     | 0                | 0                               |
| Unavailable Revenue   | 48,300                    | 11,200           | 0                     | 0                | 0                               |
| <i>Total Deferred Inflows of Resources</i>                                    | <u>48,300</u>             | <u>11,200</u>    | <u>0</u>              | <u>0</u>         | <u>0</u>                        |
| <b>Fund Balances</b>  |                           |                  |                       |                  |                                 |
| Restricted  | 21,063                    | 6,141            | 1,116                 | 8,633            | 11,321                          |
| Committed   | 0                         | 0                | 0                     | 0                | 0                               |
| Unassigned (Deficit)  | 0                         | 0                | 0                     | 0                | 0                               |
| <i>Total Fund Balances (Deficit)</i>  | <u>21,063</u>             | <u>6,141</u>     | <u>1,116</u>          | <u>8,633</u>     | <u>11,321</u>                   |
| <i>Total Liabilities, Deferred Inflows of<br/>Resources and Fund Balances</i> | <u>\$69,363</u>           | <u>\$17,341</u>  | <u>\$1,125</u>        | <u>\$128,984</u> | <u>\$11,321</u>                 |

| Indigent Drivers | Cemetery        | Police Levy      | Fire Levy        | Indigent Monitoring | Law Enforcement Trust | Municipal Probation Services |
|------------------|-----------------|------------------|------------------|---------------------|-----------------------|------------------------------|
| \$58,207         | \$53,855        | \$54,503         | \$37,348         | \$22,883            | \$10,832              | \$7,055                      |
| 233              | 0               | 0                | 0                | 95                  | 0                     | 100                          |
| 0                | 0               | 21,817           | 6,951            | 0                   | 0                     | 0                            |
| 0                | 0               | 0                | 0                | 0                   | 0                     | 0                            |
| 0                | 0               | 337,830          | 288,231          | 0                   | 0                     | 0                            |
| 0                | 0               | 0                | 0                | 0                   | 0                     | 0                            |
| <u>\$58,440</u>  | <u>\$53,855</u> | <u>\$414,150</u> | <u>\$332,530</u> | <u>\$22,978</u>     | <u>\$10,832</u>       | <u>\$7,155</u>               |
| \$0              | \$0             | \$0              | \$0              | \$0                 | \$0                   | \$0                          |
| 0                | 0               | 0                | 0                | 0                   | 0                     | 0                            |
| 0                | 849             | 0                | 0                | 0                   | 0                     | 0                            |
| 0                | 735             | 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                            |
| <u>0</u>         | <u>1,584</u>    | <u>0</u>         | <u>0</u>         | <u>0</u>            | <u>0</u>              | <u>0</u>                     |
| 0                | 0               | 295,565          | 252,307          | 0                   | 0                     | 0                            |
| 0                | 0               | 64,082           | 42,875           | 0                   | 0                     | 0                            |
| <u>0</u>         | <u>0</u>        | <u>359,647</u>   | <u>295,182</u>   | <u>0</u>            | <u>0</u>              | <u>0</u>                     |
| 58,440           | 52,271          | 54,503           | 37,348           | 22,978              | 10,832                | 7,155                        |
| 0                | 0               | 0                | 0                | 0                   | 0                     | 0                            |
| 0                | 0               | 0                | 0                | 0                   | 0                     | 0                            |
| <u>58,440</u>    | <u>52,271</u>   | <u>54,503</u>    | <u>37,348</u>    | <u>22,978</u>       | <u>10,832</u>         | <u>7,155</u>                 |
| <u>\$58,440</u>  | <u>\$53,855</u> | <u>\$414,150</u> | <u>\$332,530</u> | <u>\$22,978</u>     | <u>\$10,832</u>       | <u>\$7,155</u>               |

(continued)

**City of Conneaut, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (continued)*  
*December 31, 2017*

|   | Police<br>Levy II  | Street<br>Lighting | Community<br>Housing | ODNR<br>Planning<br>Grant | Local<br>Innovation<br>Grant |
|---|--------------------|--------------------|----------------------|---------------------------|------------------------------|
| <b>Assets</b>   |                    |                    |                      |                           |                              |
| Equity in Pooled Cash and   |                    |                    |                      |                           |                              |
| Cash Equivalents  | \$429,152          | \$13,187           | \$6,871              | \$0                       | \$0                          |
| Accounts Receivable   | 0                  | 0                  | 0                    | 0                         | 0                            |
| Intergovernmental Receivable  | 13,902             | 0                  | 0                    | 0                         | 23,400                       |
| Municipal Income Taxes Receivable   | 0                  | 7,859              | 0                    | 0                         | 0                            |
| Property Taxes Receivable   | 576,460            | 0                  | 0                    | 0                         | 0                            |
| Loans Receivable from Component Unit  | 0                  | 0                  | 0                    | 0                         | 0                            |
| <i>Total Assets</i>   | <u>\$1,019,514</u> | <u>\$21,046</u>    | <u>\$6,871</u>       | <u>\$0</u>                | <u>\$23,400</u>              |
| <b>Liabilities</b>  |                    |                    |                      |                           |                              |
| Accounts Payable  | \$0                | \$39,533           | \$0                  | \$0                       | \$0                          |
| Contracts Payable   | 0                  | 0                  | 6,184                | 12,600                    | 467                          |
| Accrued Wages   | 4,904              | 0                  | 0                    | 0                         | 0                            |
| Intergovernmental Payable   | 4,052              | 0                  | 0                    | 0                         | 0                            |
| Interfund Payable   | 0                  | 0                  | 0                    | 0                         | 25,168                       |
| Accrued Interest Payable  | 0                  | 0                  | 0                    | 0                         | 0                            |
| Notes Payable   | 0                  | 0                  | 0                    | 0                         | 0                            |
| <i>Total Liabilities</i>  | <u>8,956</u>       | <u>39,533</u>      | <u>6,184</u>         | <u>12,600</u>             | <u>25,635</u>                |
| <b>Deferred Inflows of Resources</b>  |                    |                    |                      |                           |                              |
| Property Taxes  | 504,613            | 0                  | 0                    | 0                         | 0                            |
| Unavailable Revenue   | 85,749             | 4,530              | 0                    | 0                         | 0                            |
| <i>Total Deferred Inflows of Resources</i>                                    | <u>590,362</u>     | <u>4,530</u>       | <u>0</u>             | <u>0</u>                  | <u>0</u>                     |
| <b>Fund Balances</b>  |                    |                    |                      |                           |                              |
| Restricted  | 420,196            | 0                  | 687                  | 0                         | 0                            |
| Committed   | 0                  | 0                  | 0                    | 0                         | 0                            |
| Unassigned (Deficit)  | 0                  | (23,017)           | 0                    | (12,600)                  | (2,235)                      |
| <i>Total Fund Balances (Deficit)</i>  | <u>420,196</u>     | <u>(23,017)</u>    | <u>687</u>           | <u>(12,600)</u>           | <u>(2,235)</u>               |
| <i>Total Liabilities, Deferred Inflows of<br/>Resources and Fund Balances</i> | <u>\$1,019,514</u> | <u>\$21,046</u>    | <u>\$6,871</u>       | <u>\$0</u>                | <u>\$23,400</u>              |

| <u>Recreation</u> | <u>Police Pension</u> | <u>Fire Pension</u> | <u>Total Nonmajor Special Revenue Funds</u> |
|-------------------|-----------------------|---------------------|---|
| \$96,080          | \$4,506               | \$5,498             | \$823,770                                   |
| 0                 | 0                     | 0                   | 488   |
| 0                 | 10,610                | 8,605               | 169,566                                     |
| 6,650             | 0                     | 0                   | 14,509                                      |
| 0                 | 159,455               | 129,335             | 1,491,311                                   |
| 0                 | 0                     | 0                   | 120,000                                     |
| <u>\$102,730</u>  | <u>\$174,571</u>      | <u>\$143,438</u>    | <u>\$2,619,644</u>                          |
| \$1,204           | \$0                   | \$0                 | \$40,737                                    |
| 13                | 0                     | 0                   | 19,264                                      |
| 0                 | 0                     | 0                   | 5,753                                       |
| 38                | 18,132                | 15,898              | 38,864                                      |
| 0                 | 0                     | 0                   | 25,168                                      |
| 0                 | 0                     | 0                   | 351   |
| 0                 | 0                     | 0                   | 120,000                                     |
| <u>1,255</u>      | <u>18,132</u>         | <u>15,898</u>       | <u>250,137</u>                              |
| 0                 | 139,514               | 113,161             | 1,305,160                                   |
| 3,833             | 30,551                | 24,779              | 315,899                                     |
| <u>3,833</u>      | <u>170,065</u>        | <u>137,940</u>      | <u>1,621,059</u>                            |
| 0                 | 0                     | 0                   | 712,684                                     |
| 97,642            | 0                     | 0                   | 97,642                                      |
| 0                 | (13,626)              | (10,400)            | (61,878)                                    |
| <u>97,642</u>     | <u>(13,626)</u>       | <u>(10,400)</u>     | <u>748,448</u>                              |
| <u>\$102,730</u>  | <u>\$174,571</u>      | <u>\$143,438</u>    | <u>\$2,619,644</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, 2017*

|   | Auto<br>Permissive<br>Tax | State<br>Highway      | Restaurant<br>Vending | Marina                | Enforcement<br>and<br>Education |
|---|---------------------------|-----------------------|-----------------------|-----------------------|---------------------------------|
| <b>Revenues</b>   |                           |                       |                       |                       |                                 |
| Property Taxes  | \$0                       | \$0                   | \$0                   | \$0                   | \$0                             |
| Municipal Income Taxes                                  | 0                         | 0                     | 0                     | 0                     | 0                               |
| Intergovernmental                                       | 133,113                   | 33,983                | 0                     | 2,993                 | 0                               |
| Fees, Licenses and Permits                              | 0                         | 0                     | 22,244                | 480                   | 0                               |
| Fines and Forfeitures                                   | 0                         | 0                     | 0                     | 0                     | 1,236                           |
| Rentals   | 0                         | 0                     | 0                     | 0                     | 0                               |
| Charges for Services                                    | 0                         | 0                     | 0                     | 0                     | 0                               |
| Contributions and Donations                             | 0                         | 0                     | 0                     | 0                     | 0                               |
| Interest  | 17                        | 2                     | 0                     | 0                     | 0                               |
| Other   | 0                         | 0                     | 0                     | 0                     | 0                               |
| <i>Total Revenues</i>                                   | <u>133,130</u>            | <u>33,985</u>         | <u>22,244</u>         | <u>3,473</u>          | <u>1,236</u>                    |
| <b>Expenditures</b>                                     |                           |                       |                       |                       |                                 |
| Current:  |                           |                       |                       |                       |                                 |
| Security of Persons and Property                        | 0                         | 0                     | 0                     | 0                     | 0                               |
| Leisure Time Activities                                 | 0                         | 0                     | 0                     | 0                     | 0                               |
| Community Development                                   | 0                         | 0                     | 27,581                | 0                     | 0                               |
| Basic Utility Services                                  | 0                         | 0                     | 0                     | 0                     | 0                               |
| Transportation  | 138,000                   | 34,383                | 0                     | 0                     | 0                               |
| Debt Service:   |                           |                       |                       |                       |                                 |
| Principal Retirement                                    | 0                         | 0                     | 0                     | 0                     | 0                               |
| Interest and Fiscal Charges                             | 0                         | 0                     | 0                     | 2,985                 | 0                               |
| <i>Total Expenditures</i>                               | <u>138,000</u>            | <u>34,383</u>         | <u>27,581</u>         | <u>2,985</u>          | <u>0</u>                        |
| <i>Excess of Revenues Over<br/>(Under) Expenditures</i> | (4,870)                   | (398)                 | (5,337)               | 488                   | 1,236                           |
| <b>Other Financing Sources</b>                          |                           |                       |                       |                       |                                 |
| Transfers In  | 0                         | 0                     | 0                     | 0                     | 0                               |
| <i>Net Change in Fund Balances</i>                      | (4,870)                   | (398)                 | (5,337)               | 488                   | 1,236                           |
| <i>Fund Balance (Deficit) Beginning of Year</i>         | <u>25,933</u>             | <u>6,539</u>          | <u>6,453</u>          | <u>8,145</u>          | <u>10,085</u>                   |
| <i>Fund Balance (Deficit) End of Year</i>               | <u><u>\$21,063</u></u>    | <u><u>\$6,141</u></u> | <u><u>\$1,116</u></u> | <u><u>\$8,633</u></u> | <u><u>\$11,321</u></u>          |

| Indigent Drivers | Cemetery        | Police Levy     | Fire Levy       | Indigent Monitoring | Law Enforcement Trust | Municipal Probation Services |
|------------------|-----------------|-----------------|-----------------|---------------------|-----------------------|------------------------------|
| \$0              | \$0             | \$310,499       | \$263,818       | \$0                 | \$0                   | \$0                          |
| 0                | 0               | 0               | 0               | 0                   | 0                     | 0                            |
| 0                | 0               | 43,485          | 13,855          | 0                   | 0                     | 0                            |
| 0                | 21,385          | 0               | 0               | 0                   | 0                     | 0                            |
| 3,865            | 0               | 0               | 0               | 741                 | 0                     | 3,660                        |
| 0                | 0               | 0               | 0               | 0                   | 0                     | 0                            |
| 0                | 5,240           | 0               | 0               | 0                   | 0                     | 0                            |
| 0                | 0               | 0               | 0               | 0                   | 0                     | 0                            |
| 0                | 1,960           | 0               | 0               | 0                   | 0                     | 0                            |
| 389              | 588             | 0               | 0               | 551                 | 0                     | 0                            |
| <u>4,254</u>     | <u>29,173</u>   | <u>353,984</u>  | <u>277,673</u>  | <u>1,292</u>        | <u>0</u>              | <u>3,660</u>                 |
| 0                | 0               | 279,776         | 259,853         | 0                   | 0                     | 0                            |
| 0                | 0               | 0               | 0               | 0                   | 0                     | 0                            |
| 0                | 29,409          | 0               | 0               | 0                   | 0                     | 0                            |
| 0                | 0               | 0               | 0               | 0                   | 0                     | 0                            |
| 0                | 0               | 0               | 0               | 0                   | 0                     | 0                            |
| 0                | 0               | 33,746          | 0               | 0                   | 0                     | 0                            |
| 0                | 0               | 1,687           | 0               | 0                   | 0                     | 0                            |
| <u>0</u>         | <u>29,409</u>   | <u>315,209</u>  | <u>259,853</u>  | <u>0</u>            | <u>0</u>              | <u>0</u>                     |
| 4,254            | (236)           | 38,775          | 17,820          | 1,292               | 0                     | 3,660                        |
| <u>0</u>         | <u>0</u>        | <u>0</u>        | <u>0</u>        | <u>0</u>            | <u>0</u>              | <u>0</u>                     |
| 4,254            | (236)           | 38,775          | 17,820          | 1,292               | 0                     | 3,660                        |
| <u>54,186</u>    | <u>52,507</u>   | <u>15,728</u>   | <u>19,528</u>   | <u>21,686</u>       | <u>10,832</u>         | <u>3,495</u>                 |
| <u>\$58,440</u>  | <u>\$52,271</u> | <u>\$54,503</u> | <u>\$37,348</u> | <u>\$22,978</u>     | <u>\$10,832</u>       | <u>\$7,155</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, 2017*

|   | Police<br>Levy II       | Street<br>Lighting       | Community<br>Housing | ODNR<br>Planning<br>Grant | Local<br>Innovation<br>Grant |
|---|-------------------------|--------------------------|----------------------|---------------------------|------------------------------|
| <b>Revenues</b>   |                         |                          |                      |                           |                              |
| Property Taxes  | \$527,512               | \$0                      | \$0                  | \$0                       | \$0                          |
| Municipal Income Taxes                                  | 0                       | 31,738                   | 0                    | 0                         | 0                            |
| Intergovernmental                                       | 27,709                  | 0                        | 4,000                | 42,000                    | 23,400                       |
| Fees, Licenses and Permits                              | 0                       | 157,202                  | 0                    | 0                         | 0                            |
| Fines and Forfeitures                                   | 0                       | 0                        | 0                    | 0                         | 0                            |
| Rentals   | 0                       | 0                        | 0                    | 0                         | 0                            |
| Charges for Services                                    | 0                       | 0                        | 0                    | 0                         | 0                            |
| Contributions and Donations                             | 0                       | 0                        | 0                    | 0                         | 0                            |
| Interest  | 0                       | 0                        | 164                  | 0                         | 0                            |
| Other   | 4,002                   | 0                        | 0                    | 0                         | 0                            |
| <i>Total Revenues</i>                                   | <u>559,223</u>          | <u>188,940</u>           | <u>4,164</u>         | <u>42,000</u>             | <u>23,400</u>                |
| <b>Expenditures</b>                                     |                         |                          |                      |                           |                              |
| Current:  |                         |                          |                      |                           |                              |
| Security of Persons and Property                        | 375,854                 | 0                        | 0                    | 0                         | 0                            |
| Leisure Time Activities                                 | 0                       | 0                        | 0                    | 0                         | 0                            |
| Community Development                                   | 0                       | 0                        | 35,835               | 54,600                    | 23,097                       |
| Basic Utility Services                                  | 0                       | 200,724                  | 0                    | 0                         | 0                            |
| Transportation  | 0                       | 0                        | 0                    | 0                         | 0                            |
| Debt Service:   |                         |                          |                      |                           |                              |
| Principal Retirement                                    | 40,290                  | 0                        | 0                    | 0                         | 0                            |
| Interest and Fiscal Charges                             | 4,199                   | 0                        | 0                    | 0                         | 0                            |
| <i>Total Expenditures</i>                               | <u>420,343</u>          | <u>200,724</u>           | <u>35,835</u>        | <u>54,600</u>             | <u>23,097</u>                |
| <i>Excess of Revenues Over<br/>(Under) Expenditures</i> | 138,880                 | (11,784)                 | (31,671)             | (12,600)                  | 303                          |
| <b>Other Financing Sources</b>                          |                         |                          |                      |                           |                              |
| Transfers In  | 0                       | 0                        | 0                    | 0                         | 0                            |
| <i>Net Change in Fund Balances</i>                      | 138,880                 | (11,784)                 | (31,671)             | (12,600)                  | 303                          |
| <i>Fund Balance (Deficit) Beginning of Year</i>         | <u>281,316</u>          | <u>(11,233)</u>          | <u>32,358</u>        | <u>0</u>                  | <u>(2,538)</u>               |
| <i>Fund Balances (Deficit) End of Year</i>              | <u><u>\$420,196</u></u> | <u><u>(\$23,017)</u></u> | <u><u>\$687</u></u>  | <u><u>(\$12,600)</u></u>  | <u><u>(\$2,235)</u></u>      |



| Recreation      | Police Pension    | Fire Pension      | Total Nonmajor Special Revenue Funds |
|-----------------|-------------------|-------------------|--------------------------------------|
| \$0             | \$146,230         | \$118,609         | \$1,366,668                          |
| 27,075          | 0                 | 0                 | 58,813                               |
| 0               | 21,359            | 17,324            | 363,221                              |
| 1,000           | 0                 | 0                 | 202,311                              |
| 0               | 0                 | 0                 | 9,502                                |
| 5,500           | 0                 | 0                 | 5,500                                |
| 0               | 0                 | 0                 | 5,240                                |
| 40,605          | 0                 | 0                 | 40,605                               |
| 0               | 0                 | 0                 | 2,143                                |
| 292             | 0                 | 0                 | 5,822                                |
| <u>74,472</u>   | <u>167,589</u>    | <u>135,933</u>    | <u>2,059,825</u>                     |
| 0               | 187,748           | 156,560           | 1,259,791                            |
| 72,232          | 0                 | 0                 | 72,232                               |
| 0               | 0                 | 0                 | 170,522                              |
| 0               | 0                 | 0                 | 200,724                              |
| 0               | 0                 | 0                 | 172,383                              |
| 0               | 0                 | 0                 | 74,036                               |
| 0               | 0                 | 0                 | 8,871                                |
| <u>72,232</u>   | <u>187,748</u>    | <u>156,560</u>    | <u>1,958,559</u>                     |
| 2,240           | (20,159)          | (20,627)          | 101,266                              |
| 0               | 21,000            | 15,000            | 36,000                               |
| 2,240           | 841               | (5,627)           | 137,266                              |
| <u>95,402</u>   | <u>(14,467)</u>   | <u>(4,773)</u>    | <u>611,182</u>                       |
| <u>\$97,642</u> | <u>(\$13,626)</u> | <u>(\$10,400)</u> | <u>\$748,448</u>                     |

**City of Conneaut, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Debt Service Funds*  
*December 31, 2017*

|   | General<br>Obligation<br>Bond<br>Retirement | Special<br>Assessment<br>Bond<br>Retirement | Total<br>Nonmajor<br>Debt Service<br>Funds |
|---|---|---|--|
| <b>Assets</b>   |   |   |  |
| Equity in Pooled Cash and<br>Cash Equivalents                                 | \$96,605                                    | \$20,553                                    | \$117,158                                  |
| Special Assessments Receivable  | 0   | 206,683                                     | 206,683                                    |
| <i>Total Assets</i>   | <u>\$96,605</u>                             | <u>\$227,236</u>                            | <u>\$323,841</u>                           |
| <b>Liabilities and Fund Balances</b>  |   |   |  |
| <b>Liabilities</b>  |   |   |  |
| Interfund Payable   | \$0   | \$72,907                                    | \$72,907                                   |
| <b>Deferred Inflows of Resources</b>  |   |   |  |
| Unavailable Revenue   | 0   | 206,683                                     | 206,683                                    |
| <b>Fund Balances</b>  |   |   |  |
| Restricted  | 96,605                                      | 0   | 96,605                                     |
| Unassigned (Deficit)  | 0   | (52,354)                                    | (52,354)                                   |
| <i>Total Fund Balances (Deficit)</i>  | <u>96,605</u>                               | <u>(52,354)</u>                             | <u>44,251</u>                              |
| <i>Total Liabilities, Deferred Inflows of<br/>Resources and Fund Balances</i> | <u>\$96,605</u>                             | <u>\$227,236</u>                            | <u>\$323,841</u>                           |

**City of Conneaut, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Debt Service Funds*  
*For the Year Ended December 31, 2017*

|   | General<br>Obligation<br>Bond<br>Retirement | Special<br>Assessment<br>Bond<br>Retirement | Total<br>Nonmajor<br>Debt Service<br>Funds |
|---|---|---|--|
| <b>Revenues</b>                           |   |   |  |
| Property Taxes                            | \$26  | \$0   | \$26                                       |
| Special Assessments                       | 0   | 81,444                                      | 81,444                                     |
| <i>Total Revenues</i>                     | <u>26</u>                                   | <u>81,444</u>                               | <u>81,470</u>                              |
| <b>Expenditures</b>                       |   |   |  |
| Current:                                  |   |   |  |
| General Government                        | 0   | 2,898                                       | 2,898                                      |
| Debt Service:                             |   |   |  |
| Principal Retirement                      | 97,584                                      | 52,488                                      | 150,072                                    |
| Interest and Fiscal Charges               | 5,895                                       | 5,505                                       | 11,400                                     |
| <i>Total Expenditures</i>                 | <u>103,479</u>                              | <u>60,891</u>                               | <u>164,370</u>                             |
| <i>Net Change in Fund Balances</i>        | (103,453)                                   | 20,553                                      | (82,900)                                   |
| <i>Fund Balances (Deficit)</i>            |   |   |  |
| <i>Beginning of Year</i>                  | <u>200,058</u>                              | <u>(72,907)</u>                             | <u>127,151</u>                             |
| <i>Fund Balance (Deficit) End of Year</i> | <u><u>\$96,605</u></u>                      | <u><u>(\$52,354)</u></u>                    | <u><u>\$44,251</u></u>                     |

**City of Conneaut, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*December 31, 2017*

|   | Street<br>Improvement | Office of<br>Justice Grant | Municipal<br>Court<br>Improvement | ODNR<br>Natureworks<br>Grant |
|---|-----------------------|----------------------------|-----------------------------------|------------------------------|
| <b>Assets</b>   |                       |                            |                                   |                              |
| Equity in Pooled Cash and<br>Cash Equivalents                                 | \$24,214              | \$216                      | \$354,964                         | \$0                          |
| Accounts Receivable   | 0                     | 0                          | 6,505                             | 0                            |
| Intergovernmental Receivable  | 12,722                | 0                          | 0                                 | 18,200                       |
| Municipal Income Taxes Receivable   | 0                     | 0                          | 0                                 | 0                            |
| Property Taxes Receivable   | 528,352               | 0                          | 0                                 | 0                            |
| <i>Total Assets</i>   | <u>\$565,288</u>      | <u>\$216</u>               | <u>\$361,469</u>                  | <u>\$18,200</u>              |
| <b>Liabilities</b>  |                       |                            |                                   |                              |
| Contracts Payable   | 0                     | 0                          | 403                               | 0                            |
| Interfund Payable   | 0                     | 0                          | 0                                 | 24,919                       |
| <i>Total Liabilities</i>  | <u>0</u>              | <u>0</u>                   | <u>403</u>                        | <u>24,919</u>                |
| <b>Deferred Inflows of Resources</b>  |                       |                            |                                   |                              |
| Property Taxes  | 462,562               | 0                          | 0                                 | 0                            |
| Unavailable Revenue   | 78,512                | 0                          | 0                                 | 18,200                       |
| <i>Total Deferred Inflows of Resources</i>                                    | <u>541,074</u>        | <u>0</u>                   | <u>0</u>                          | <u>18,200</u>                |
| <b>Fund Balances</b>  |                       |                            |                                   |                              |
| Restricted  | 24,214                | 216                        | 361,066                           | 0                            |
| Committed   | 0                     | 0                          | 0                                 | 0                            |
| Unassigned (Deficit)  | 0                     | 0                          | 0                                 | (24,919)                     |
| <i>Total Fund Balances (Deficit)</i>  | <u>24,214</u>         | <u>216</u>                 | <u>361,066</u>                    | <u>(24,919)</u>              |
| <i>Total Liabilities, Deferred Inflows of<br/>Resources and Fund Balances</i> | <u>\$565,288</u>      | <u>\$216</u>               | <u>\$361,469</u>                  | <u>\$18,200</u>              |

| <u>Capital<br/>Improvement</u> | <u>Industrial<br/>Park</u> | <u>Total<br/>Nonmajor<br/>Capital Projects<br/>Funds</u> |
|--------------------------------|----------------------------|--|
| \$41,141                       | \$751                      | \$421,286  |
| 0                              | 0                          | 6,505  |
| 0                              | 0                          | 30,922   |
| 12,091                         | 0                          | 12,091   |
| 0                              | 0                          | 528,352  |
| <u>\$53,232</u>                | <u>\$751</u>               | <u>\$999,156</u>   |
| 0                              | 0                          | 403  |
| 0                              | 0                          | 24,919   |
| 0                              | 0                          | 25,322   |
| 0                              | 0                          | 462,562  |
| 6,970                          | 0                          | 103,682  |
| 6,970                          | 0                          | 566,244  |
| 0                              | 751                        | 386,247  |
| 46,262                         | 0                          | 46,262   |
| 0                              | 0                          | (24,919)   |
| 46,262                         | 751                        | 407,590  |
| <u>\$53,232</u>                | <u>\$751</u>               | <u>\$999,156</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, 2017*

|   | Street<br>Improvement | Office of<br>Justice Grant | Municipal<br>Court<br>Improvement | ODNR<br>Natureworks<br>Grant |
|---|-----------------------|----------------------------|-----------------------------------|------------------------------|
| <b>Revenues</b>                           |                       |                            |                                   |                              |
| Property Taxes                            | \$483,148             | \$0                        | \$0                               | \$0                          |
| Municipal Income Taxes                    | 0                     | 0                          | 0                                 | 0                            |
| Intergovernmental                         | 25,359                | 2,093                      | 0                                 | 0                            |
| Fines and Forfeitures                     | 0                     | 0                          | 98,299                            | 0                            |
| <i>Total Revenues</i>                     | <u>508,507</u>        | <u>2,093</u>               | <u>98,299</u>                     | <u>0</u>                     |
| <b>Expenditures</b>                       |                       |                            |                                   |                              |
| Capital Outlay                            | 537,986               | 1,877                      | 107,164                           | 24,919                       |
| Debt Service:                             |                       |                            |                                   |                              |
| Principal Retirement                      | 0                     | 0                          | 0                                 | 0                            |
| Interest and Fiscal Charges               | 0                     | 0                          | 0                                 | 0                            |
| <i>Total Expenditures</i>                 | <u>537,986</u>        | <u>1,877</u>               | <u>107,164</u>                    | <u>24,919</u>                |
| <i>Net Change in Fund Balances</i>        | (29,479)              | 216                        | (8,865)                           | (24,919)                     |
| <i>Fund Balances Beginning of Year</i>    | <u>53,693</u>         | <u>0</u>                   | <u>369,931</u>                    | <u>0</u>                     |
| <i>Fund Balance (Deficit) End of Year</i> | <u>\$24,214</u>       | <u>\$216</u>               | <u>\$361,066</u>                  | <u>(\$24,919)</u>            |

| <u>Capital<br/>Improvement</u> | <u>Industrial<br/>Park</u> | <u>Total<br/>Nonmajor<br/>Capital Projects<br/>Funds</u> |
|--------------------------------|----------------------------|--|
| \$0                            | \$0                        | \$483,148  |
| 49,167                         | 0                          | 49,167   |
| 0                              | 0                          | 27,452   |
| 0                              | 0                          | 98,299   |
| <u>49,167</u>                  | <u>0</u>                   | <u>658,066</u>   |
| 10,793                         | 0                          | 682,739  |
| 15,333                         | 0                          | 15,333   |
| 1,738                          | 0                          | 1,738  |
| <u>27,864</u>                  | <u>0</u>                   | <u>699,810</u>   |
| 21,303                         | 0                          | (41,744)   |
| <u>24,959</u>                  | <u>751</u>                 | <u>449,334</u>   |
| <u>\$46,262</u>                | <u>\$751</u>               | <u>\$407,590</u>   |

## **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, 2017*

|   | Beginning<br>Balance<br>12/31/16 | Additions               | Deductions              | Ending<br>Balance<br>12/31/17 |
|---|----------------------------------|-------------------------|-------------------------|-------------------------------|
| <b><i>Deposits Fund</i></b>                         |                                  |                         |                         |                               |
| <b>Assets</b>                                       |                                  |                         |                         |                               |
| Equity in Pooled Cash and<br>Cash Equivalents       | \$90,663                         | \$56,236                | \$72,945                | \$73,954                      |
| Cash and Cash Equivalents<br>In Segregated Accounts | 19,268                           | 612,582                 | 610,434                 | 21,416                        |
| <b><i>Total Assets</i></b>                          | <b><u>\$109,931</u></b>          | <b><u>\$668,818</u></b> | <b><u>\$683,379</u></b> | <b><u>\$95,370</u></b>        |
| <b>Liabilities</b>                                  |                                  |                         |                         |                               |
| Deposits Held and Due to Others                     | \$109,931                        | \$668,818               | \$683,379               | \$95,370                      |

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**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, 2017*

|                             | Budgeted Amounts |                  |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-----------------------------|------------------|------------------|------------------|---|
|                             | Original         | Final            | Actual           |   |
| <b>Revenues</b>             |                  |                  |                  |   |
| Property Taxes              | \$319,800        | \$319,800        | \$325,427        | \$5,627   |
| Municipal Income Taxes      | 2,381,767        | 2,381,767        | 2,486,775        | 105,008   |
| Hotel Taxes                 | 19,000           | 19,000           | 22,877           | 3,877   |
| Intergovernmental           | 426,102          | 426,102          | 418,476          | (7,626)   |
| Fees, Licenses and Permits  | 98,822           | 98,822           | 112,682          | 13,860  |
| Fines and Forfeitures       | 186,650          | 186,650          | 232,421          | 45,771  |
| Rentals                     | 20,000           | 20,000           | 20,000           | 0   |
| Charges for Services        | 405,000          | 405,000          | 378,815          | (26,185)  |
| Contributions and Donations | 17,600           | 17,600           | 24,650           | 7,050   |
| Interest                    | 4,500            | 4,500            | 47,716           | 43,216  |
| Franchise Taxes             | 143,500          | 143,500          | 131,414          | (12,086)  |
| Other                       | 32,520           | 32,520           | 116,060          | 83,540  |
| <i>Total Revenues</i>       | <u>4,055,261</u> | <u>4,055,261</u> | <u>4,317,313</u> | <u>262,052</u>  |
| <b>Expenditures</b>         |                  |                  |                  |   |
| Current:                    |                  |                  |                  |   |
| General Government:         |                  |                  |                  |   |
| Council                     |                  |                  |                  |   |
| Personal Services           | 51,800           | 51,800           | 51,206           | 594   |
| Materials and Supplies      | 700              | 700              | 427              | 273   |
| Contractual Services        | 6,200            | 6,200            | 3,597            | 2,603   |
| Total Council               | <u>58,700</u>    | <u>58,700</u>    | <u>55,230</u>    | <u>3,470</u>  |
| Clerk of Council            |                  |                  |                  |   |
| Personal Services           | 8,170            | 8,170            | 7,845            | 325   |
| City Manager                |                  |                  |                  |   |
| Personal Services           | 125,300          | 125,490          | 117,208          | 8,282   |
| Materials and Supplies      | 2,793            | 2,793            | 1,474            | 1,319   |
| Contractual Services        | 3,400            | 4,400            | 4,271            | 129   |
| Capital Outlay              | 750              | 750              | 0                | 750   |
| Total City Manager          | <u>132,243</u>   | <u>133,433</u>   | <u>122,953</u>   | <u>10,480</u>   |
| Finance Office              |                  |                  |                  |   |
| Personal Services           | 229,607          | 232,018          | 222,173          | 9,845   |
| Materials and Supplies      | 27,569           | 27,569           | 20,220           | 7,349   |
| Contractual Services        | 4,150            | 4,650            | 3,584            | 1,066   |
| Capital Outlay              | 1,000            | 1,000            | 99               | 901   |
| Total Finance Office        | <u>\$262,326</u> | <u>\$265,237</u> | <u>\$246,076</u> | <u>\$19,161</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, 2017*

|                           | Budgeted Amounts |           |           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------|------------------|-----------|-----------|---|
|                           | Original         | Final     | Actual    |   |
| Law Director              |                  |           |           |   |
| Personal Services         | \$150,891        | \$154,691 | \$151,666 | \$3,025   |
| Materials and Supplies    | 2,800            | 2,800     | 2,027     | 773   |
| Contractual Services      | 5,831            | 6,031     | 4,612     | 1,419   |
| Capital Outlay            | 3,000            | 3,000     | 2,788     | 212   |
| Total Law Director        | 162,522          | 166,522   | 161,093   | 5,429   |
| Civil Service             |                  |           |           |   |
| Personal Services         | 5,470            | 5,470     | 5,365     | 105   |
| Materials and Supplies    | 2,500            | 2,500     | 1,156     | 1,344   |
| Contractual Services      | 1,885            | 1,885     | 1,885     | 0   |
| Total Civil Service       | 9,855            | 9,855     | 8,406     | 1,449   |
| Court                     |                  |           |           |   |
| Personal Services         | 352,590          | 352,590   | 295,599   | 56,991  |
| Materials and Supplies    | 18,750           | 20,750    | 16,283    | 4,467   |
| Contractual Services      | 23,343           | 26,344    | 20,694    | 5,650   |
| Purchased Services        | 1,100            | 1,100     | 849       | 251   |
| Capital Outlay            | 2,000            | 2,000     | 1,138     | 862   |
| Total Court               | 397,783          | 402,784   | 334,563   | 68,221  |
| City Hall                 |                  |           |           |   |
| Personal Services         | 9,530            | 9,530     | 7,847     | 1,683   |
| Materials and Supplies    | 26,500           | 27,500    | 21,963    | 5,537   |
| Contractual Services      | 8,000            | 9,000     | 7,859     | 1,141   |
| Purchased Services        | 7,000            | 7,000     | 931       | 6,069   |
| Capital Outlay            | 5,000            | 4,550     | 0         | 4,550   |
| Total City Hall           | 56,030           | 57,580    | 38,600    | 18,980  |
| Planning Commission       |                  |           |           |   |
| Personal Services         | 5,200            | 5,200     | 2,584     | 2,616   |
| Materials and Supplies    | 900              | 900       | 69        | 831   |
| Total Planning Commission | 6,100            | 6,100     | 2,653     | 3,447   |
| Demolition                |                  |           |           |   |
| Purchased Services        | 255              | 255       | 0         | 255   |
| Reserve Fund              |                  |           |           |   |
| Contractual Services      | 38,900           | 50,900    | 42,098    | 8,802   |
| Purchased Services        | 71,325           | 71,325    | 61,669    | 9,656   |
| Capital Outlay            | 20,000           | 30,000    | 27,559    | 2,441   |
| Total Reserve Fund        | \$130,225        | \$152,225 | \$131,326 | \$20,899  |

(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, 2017*

|  | Budgeted Amounts |             |             | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|-------------|-------------|---|
|  | Original         | Final       | Actual      |   |
| Unclaimed Funds                        |                  |             |             |   |
| Other                                  | \$3,000          | \$3,000     | \$0         | \$3,000   |
| General Services                       |                  |             |             |   |
| Materials and Supplies                 | 5,000            | 13,000      | 3,587       | 9,413   |
| Contractual Services                   | 119,389          | 145,589     | 126,084     | 19,505  |
| Capital Outlay                         | 239,000          | 239,000     | 234,900     | 4,100   |
| Other                                  | 91,210           | 128,710     | 104,885     | 23,825  |
| Total General Services                 | 454,599          | 526,299     | 469,456     | 56,843  |
| Total General Government               | 1,681,808        | 1,790,160   | 1,578,201   | 211,959   |
| Security of Persons and Property       |                  |             |             |   |
| Police Department                      |                  |             |             |   |
| Personal Services                      | 1,159,600        | 1,150,315   | 1,063,470   | 86,845  |
| Materials and Supplies                 | 81,803           | 81,803      | 58,653      | 23,150  |
| Contractual Services                   | 39,786           | 40,536      | 25,627      | 14,909  |
| Purchased Services                     | 31,924           | 31,924      | 28,325      | 3,599   |
| Capital Outlay                         | 108,895          | 108,895     | 80,834      | 28,061  |
| Other                                  | 5,000            | 5,000       | 4,660       | 340   |
| Total Police Department                | 1,427,008        | 1,418,473   | 1,261,569   | 156,904   |
| Jail                                   |                  |             |             |   |
| Materials and Supplies                 | 4,000            | 4,500       | 2,706       | 1,794   |
| Purchased Services                     | 11,500           | 11,500      | 4,900       | 6,600   |
| Capital Outlay                         | 4,500            | 4,500       | 0           | 4,500   |
| Other                                  | 7,100            | 7,100       | 1,659       | 5,441   |
| Total Jail                             | 27,100           | 27,600      | 9,265       | 18,335  |
| Dispatch                               |                  |             |             |   |
| Personal Services                      | 263,600          | 263,600     | 254,918     | 8,682   |
| Total Dispatch                         | 263,600          | 263,600     | 254,918     | 8,682   |
| Fire Department                        |                  |             |             |   |
| Personal Services                      | 805,300          | 827,395     | 788,738     | 38,657  |
| Materials and Supplies                 | 59,934           | 63,534      | 52,482      | 11,052  |
| Contractual Services                   | 35,906           | 36,906      | 31,217      | 5,689   |
| Purchased Services                     | 65,570           | 65,570      | 55,455      | 10,115  |
| Capital Outlay                         | 35,100           | 46,950      | 30,453      | 16,497  |
| Total Fire Department                  | 1,001,810        | 1,040,355   | 958,345     | 82,010  |
| Ambulance Fund                         |                  |             |             |   |
| Capital Outlay                         | 1,700            | 1,700       | 0           | 1,700   |
| Total Security of Persons and Property | \$2,721,218      | \$2,751,728 | \$2,484,097 | \$267,631   |

(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, 2017*

|                               | Budgeted Amounts |           | Actual    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-------------------------------|------------------|-----------|-----------|---|
|                               | Original         | Final     |           |   |
| Public Health Services:       |                  |           |           |   |
| Health Department             |                  |           |           |   |
| Personal Services             | \$164,835        | \$165,835 | \$151,994 | \$13,841  |
| Materials and Supplies        | 4,558            | 4,558     | 3,088     | 1,470   |
| Contractual Services          | 35,075           | 35,675    | 26,763    | 8,912   |
| Purchased Services            | 11,600           | 11,600    | 10,680    | 920   |
| Capital Outlay                | 500              | 500       | 0         | 500   |
| Total Public Health Services  | 216,568          | 218,168   | 192,525   | 25,643  |
| Leisure Time Activities:      |                  |           |           |   |
| Museum Railroad               |                  |           |           |   |
| Purchased Service             | 4,000            | 4,000     | 3,550     | 450   |
| Bureau of Tourism             |                  |           |           |   |
| Materials and Supplies        | 6,000            | 5,000     | 3,837     | 1,163   |
| Contractual Services          | 2,200            | 2,200     | 2,200     | 0   |
| Purchased Services            | 10,960           | 11,960    | 10,352    | 1,608   |
| Total Bureau of Tourism       | 19,160           | 19,160    | 16,389    | 2,771   |
| Cable Advisory Board          |                  |           |           |   |
| Personal Services             | 26,067           | 26,067    | 19,525    | 6,542   |
| Materials and Supplies        | 500              | 500       | 300       | 200   |
| Contractual Services          | 350              | 350       | 8         | 342   |
| Capital Outlay                | 5,000            | 5,000     | 4,735     | 265   |
| Total Cable Advisory Board    | 31,917           | 31,917    | 24,568    | 7,349   |
| Total Leisure Time Activities | 55,077           | 55,077    | 44,507    | 10,570  |
| Community Development:        |                  |           |           |   |
| Housing and Zoning:           |                  |           |           |   |
| Personal Services             | 66,745           | 69,333    | 64,567    | 4,766   |
| Materials and Supplies        | 3,948            | 3,948     | 3,054     | 894   |
| Contractual Services          | 1,000            | 2,000     | 1,465     | 535   |
| Purchased Services            | 8,500            | 8,500     | 3,710     | 4,790   |
| Total Community Development   | \$80,193         | \$83,781  | \$72,796  | \$10,985  |

(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, 2017*

|  | Budgeted Amounts   |                    |                    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|--------------------|--------------------|--------------------|---|
|  | Original           | Final              | Actual             |   |
| Debt Service                                 |                    |                    |                    |   |
| Principal Retirement                         | \$295,440          | \$295,440          | \$295,435          | \$5   |
| Interest and Fiscal Charges                  | 34,268             | 37,461             | 37,370             | 91  |
| <b>Total Debt Service</b>                    | <b>329,708</b>     | <b>332,901</b>     | <b>332,805</b>     | <b>96</b>   |
| <i>Total Expenditures</i>                    | <i>5,084,572</i>   | <i>5,231,815</i>   | <i>4,704,931</i>   | <i>526,884</i>  |
| <i>Excess of Revenues Under Expenditures</i> | <i>(1,029,311)</i> | <i>(1,176,554)</i> | <i>(387,618)</i>   | <i>788,936</i>  |
| <b>Other Financing Sources (Uses)</b>        |                    |                    |                    |   |
| General Obligation Bonds Issued              | 200,000            | 200,000            | 214,000            | 14,000  |
| General Obligation Notes Issued              | 0                  | 0                  | 120,000            | 120,000   |
| Capital Lease Issued                         | 135,000            | 135,000            | 0                  | (135,000)   |
| Advances Out                                 | 0                  | (50,087)           | (50,087)           | 0   |
| Transfers Out                                | (215,750)          | (215,750)          | (96,000)           | 119,750   |
| <b>Total Other Financing Sources (Uses)</b>  | <b>119,250</b>     | <b>69,163</b>      | <b>187,913</b>     | <b>118,750</b>  |
| <i>Net Change in Fund Balance</i>            | <i>(910,061)</i>   | <i>(1,107,391)</i> | <i>(199,705)</i>   | <i>907,686</i>  |
| <i>Fund Balance Beginning of Year</i>        | <i>1,156,690</i>   | <i>1,156,690</i>   | <i>1,156,690</i>   | <i>0</i>  |
| Prior Year Encumbrances Appropriated         | 49,416             | 49,416             | 49,416             | 0   |
| <b>Fund Balance End of Year</b>              | <b>\$296,045</b>   | <b>\$98,715</b>    | <b>\$1,006,401</b> | <b>\$907,686</b>  |



**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, 2017*

|  | Budgeted Amounts |                  | Actual           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|------------------|------------------|---|
|  | Original         | Final            |                  |   |
| <b>Revenues</b>                              |                  |                  |                  |   |
| Municipal Income Taxes                       | \$538,331        | \$538,331        | \$562,234        | \$23,903  |
| Special Assessments                          | 8,500            | 8,500            | 6,992            | (1,508)   |
| Intergovernmental                            | 356,000          | 356,000          | 352,688          | (3,312)   |
| Fees, Licenses and Permits                   | 106,000          | 106,000          | 87,950           | (18,050)  |
| Interest                                     | 100              | 100              | 61               | (39)  |
| Other  | 25,000           | 25,000           | 40,373           | 15,373  |
| <i>Total Revenues</i>                        | <u>1,033,931</u> | <u>1,033,931</u> | <u>1,050,298</u> | <u>16,367</u>   |
| <b>Expenditures</b>                          |                  |                  |                  |   |
| Current:                                     |                  |                  |                  |   |
| Transportation:                              |                  |                  |                  |   |
| Street Department                            |                  |                  |                  |   |
| Personal Services                            | 768,590          | 776,590          | 713,255          | 63,335  |
| Materials and Supplies                       | 199,000          | 226,292          | 157,669          | 68,623  |
| Contractual Services                         | 23,400           | 23,400           | 17,519           | 5,881   |
| Purchased Services                           | 111,000          | 122,982          | 94,547           | 28,435  |
| Capital Outlay                               | 111,500          | 102,829          | 95,674           | 7,155   |
| Other  | 2,000            | 2,000            | 507              | 1,493   |
| <i>Total Transportation</i>                  | <u>1,215,490</u> | <u>1,254,093</u> | <u>1,079,171</u> | <u>174,922</u>  |
| Debt Service:                                |                  |                  |                  |   |
| Principal Retirement                         | 133,125          | 133,126          | 132,042          | 1,084   |
| Interest and Fiscal Charges                  | 12,681           | 12,681           | 12,590           | 91  |
| <i>Total Debt Service</i>                    | <u>145,806</u>   | <u>145,807</u>   | <u>144,632</u>   | <u>1,175</u>  |
| <i>Total Expenditures</i>                    | <u>1,361,296</u> | <u>1,399,900</u> | <u>1,223,803</u> | <u>176,097</u>  |
| <i>Excess of Revenues Under Expenditures</i> | <u>(327,365)</u> | <u>(365,969)</u> | <u>(173,505)</u> | <u>192,464</u>  |
| <b>Other Financing Sources</b>               |                  |                  |                  |   |
| Proceeds of OPWC Loans                       | 95,000           | 95,000           | 0                | (95,000)  |
| Transfers In                                 | 135,000          | 135,000          | 60,000           | (75,000)  |
| <i>Total Other Financing Sources</i>         | <u>230,000</u>   | <u>230,000</u>   | <u>60,000</u>    | <u>(170,000)</u>  |
| <i>Net Change in Fund Balance</i>            | <u>(97,365)</u>  | <u>(135,969)</u> | <u>(113,505)</u> | <u>22,464</u>   |
| <i>Fund Balance Beginning of Year</i>        | 116,364          | 116,364          | 116,364          | 0   |
| Prior Year Encumbrances Appropriated         | 21,215           | 21,215           | 21,215           | 0   |
| <i>Fund Balance End of Year</i>              | <u>\$40,214</u>  | <u>\$1,610</u>   | <u>\$24,074</u>  | <u>\$22,464</u>   |

**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, 2017*

|  | Budgeted Amounts |                  | Actual           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|------------------|------------------|---|
|  | Original         | Final            |                  |   |
| <b>Revenues</b>  |                  |                  |                  |   |
| Charges for Services   | \$2,285,550      | \$2,285,550      | \$2,319,615      | \$34,065  |
| Tap-In Fees  | 12,000           | 12,000           | 3,878            | (8,122)   |
| Special Assessments  | 4,000            | 4,000            | 4,049            | 49  |
| Intergovernmental  | 255,000          | 255,000          | 125,000          | (130,000)   |
| Rentals  | 3,000            | 3,000            | 4,632            | 1,632   |
| Sale of Capital Assets                                       | 5,000            | 5,000            | 270              | (4,730)   |
| Other  | 5,500            | 5,500            | 28,870           | 23,370  |
| OPWC Loans Issued  | 105,000          | 105,000          | 35,706           | (69,294)  |
| <i>Total Revenues</i>  | <u>2,675,050</u> | <u>2,675,050</u> | <u>2,522,020</u> | <u>(153,030)</u>  |
| <b>Expenses</b>  |                  |                  |                  |   |
| Personal Services  | 1,263,305        | 1,263,805        | 1,134,331        | 129,474   |
| Purchased Services   | 340,705          | 355,705          | 298,762          | 56,943  |
| Contractual Services   | 678,226          | 661,726          | 387,365          | 274,361   |
| Materials and Supplies                                       | 223,979          | 225,979          | 162,558          | 63,421  |
| Capital Outlay   | 369,685          | 369,685          | 252,143          | 117,542   |
| Other  | 2,800            | 2,800            | 1,611            | 1,189   |
| Debt Service:  |                  |                  |                  |   |
| Principal Retirement   | 261,621          | 261,621          | 251,408          | 10,213  |
| Interest and Fiscal Charges                                  | 97,072           | 97,072           | 95,413           | 1,659   |
| <i>Total Expenses</i>  | <u>3,237,393</u> | <u>3,238,393</u> | <u>2,583,591</u> | <u>654,802</u>  |
| <i>Excess of Revenues Under Expenses<br/>Before Advances</i> | (562,343)        | (563,343)        | (61,571)         | 501,772   |
| Advances In  | 14,268           | 14,268           | 0                | (14,268)  |
| <i>Net Change in Fund Equity</i>                             | (548,075)        | (549,075)        | (61,571)         | 487,504   |
| <i>Fund Equity Beginning of Year</i>                         | 590,526          | 590,526          | 590,526          | 0   |
| Prior Year Encumbrances Appropriated                         | 111,695          | 111,695          | 111,695          | 0   |
| <i>Fund Equity End of Year</i>                               | <u>\$154,146</u> | <u>\$153,146</u> | <u>\$640,650</u> | <u>\$487,504</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, 2017*

|   | Budgeted Amounts   |                    | Actual             | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|--------------------|--------------------|--------------------|---|
|   | Original           | Final              |                    |   |
| <b>Revenues</b>   |                    |                    |                    |   |
| Charges for Services  | \$2,439,903        | \$2,439,903        | \$2,404,931        | (\$34,972)  |
| Tap-In Fees   | 5,000              | 5,000              | 5,700              | 700   |
| Special Assessments   | 2,500              | 2,500              | 2,268              | (232)   |
| Intergovernmental   | 337,522            | 337,222            | 326,417            | (10,805)  |
| Sale of Capital Assets                                      | 0                  | 0                  | 120,200            | 120,200   |
| Other   | 6,000              | 6,300              | 19,704             | 13,404  |
| OPWC Loans Issued   | 150,000            | 150,000            | 29,320             | (120,680)   |
| OWDA Loans Issued   | 2,289,680          | 2,289,680          | 1,902,457          | (387,223)   |
| Proceeds of Bonds   | 650,000            | 650,000            | 671,000            | 21,000  |
| <i>Total Revenues</i>                                       | <u>5,880,605</u>   | <u>5,880,605</u>   | <u>5,481,997</u>   | <u>(398,608)</u>  |
| <b>Expenses</b>   |                    |                    |                    |   |
| Personal Services   | 1,002,205          | 1,019,205          | 948,260            | 70,945  |
| Purchased Services  | 963,359            | 963,359            | 728,463            | 234,896   |
| Contractual Services  | 489,595            | 475,595            | 251,539            | 224,056   |
| Materials and Supplies                                      | 176,389            | 176,389            | 143,027            | 33,362  |
| Capital Outlay  | 3,104,951          | 3,104,951          | 2,191,129          | 913,822   |
| Other   | 6,250              | 26,250             | 3,135              | 23,115  |
| Debt Service:   |                    |                    |                    |   |
| Principal Retirement  | 285,341            | 285,341            | 264,062            | 21,279  |
| Interest and Fiscal Charges                                 | 88,456             | 98,467             | 102,086            | (3,619)   |
| <i>Total Expenses</i>                                       | <u>6,116,546</u>   | <u>6,149,557</u>   | <u>4,631,701</u>   | <u>1,517,856</u>  |
| <i>Excess of Revenues Over Expenses<br/>before Advances</i> | (235,941)          | (268,952)          | 850,296            | 1,119,248   |
| Advances Out  | (20,000)           | 0                  | 0                  | 0   |
| <i>Net Change in Fund Equity</i>                            | (255,941)          | (268,952)          | 850,296            | 1,119,248   |
| <i>Fund Equity Beginning of Year</i>                        | 1,274,824          | 1,274,824          | 1,274,824          | 0   |
| Prior Year Encumbrances Appropriated                        | 290,974            | 290,974            | 290,974            | 0   |
| <i>Fund Equity End of Year</i>                              | <u>\$1,309,857</u> | <u>\$1,296,846</u> | <u>\$2,416,094</u> | <u>\$1,119,248</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, 2017*

|                                       | Budgeted Amounts |           | Actual    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|-----------|-----------|---|
|                                       | Original         | Final     |           |   |
| <b>Revenues</b>                       |                  |           |           |   |
| Intergovernmental                     | \$132,000        | \$132,000 | \$133,862 | \$1,862   |
| Interest                              | 100              | 100       | 17        | (83)  |
| <i>Total Revenues</i>                 | 132,100          | 132,100   | 133,879   | 1,779   |
| <b>Expenditures</b>                   |                  |           |           |   |
| Current:                              |                  |           |           |   |
| Transportation:                       |                  |           |           |   |
| Auto Permissive                       |                  |           |           |   |
| Personal Services                     | 116,000          | 125,152   | 125,152   | 0   |
| Materials and Supplies                | 18,000           | 12,848    | 12,848    | 0   |
| <i>Total Expenditures</i>             | 134,000          | 138,000   | 138,000   | 0   |
| <i>Net Change in Fund Balance</i>     | (1,900)          | (5,900)   | (4,121)   | 1,779   |
| <i>Fund Balance Beginning of Year</i> | 5,945            | 5,945     | 5,945     | 0   |
| <i>Fund Balance End of Year</i>       | \$4,045          | \$45      | \$1,824   | \$1,779   |

**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, 2017*

|                                       | <u>Budgeted Amounts</u> |              | <u>Actual</u> | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|-------------------------|--------------|---------------|---|
|                                       | <u>Original</u>         | <u>Final</u> |               |   |
| <b>Revenues</b>                       |                         |              |               |   |
| Intergovernmental                     | \$34,500                | \$34,500     | \$34,051      | (\$449)   |
| Interest                              | 100                     | 100          | 2             | (98)  |
| <i>Total Revenues</i>                 | 34,600                  | 34,600       | 34,053        | (547)   |
| <b>Expenditures</b>                   |                         |              |               |   |
| Current:                              |                         |              |               |   |
| Transportation:                       |                         |              |               |   |
| State Highway                         |                         |              |               |   |
| Personal Services                     | 35,000                  | 35,000       | 34,383        | 617   |
| <i>Net Change in Fund Balance</i>     | (400)                   | (400)        | (330)         | 70  |
| <i>Fund Balance Beginning of Year</i> | 930                     | 930          | 930           | 0   |
| <i>Fund Balance End of Year</i>       | <u>\$530</u>            | <u>\$530</u> | <u>\$600</u>  | <u>\$70</u>   |

**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, 2017*

|                                       | Budgeted Amounts |          | Actual   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|----------|----------|---|
|                                       | Original         | Final    |          |   |
| <b>Revenues</b>                       |                  |          |          |   |
| Fees, Licenses and Permits            | \$20,310         | \$24,060 | \$22,244 | (\$1,816)   |
| <b>Expenditures</b>                   |                  |          |          |   |
| Current:                              |                  |          |          |   |
| Community Development:                |                  |          |          |   |
| Restaurant Vending                    |                  |          |          |   |
| Personal Services                     | 22,990           | 22,740   | 22,191   | 549   |
| Materials and Supplies                | 200              | 2,200    | 2,007    | 193   |
| Contractual Services                  | 3,200            | 5,200    | 3,374    | 1,826   |
| Purchased Services                    | 150              | 150      | 0        | 150   |
| <i>Total Expenditures</i>             | 26,540           | 30,290   | 27,572   | 2,718   |
| <i>Net Change in Fund Balance</i>     | (6,230)          | (6,230)  | (5,328)  | 902   |
| <i>Fund Balance Beginning of Year</i> | 6,453            | 6,453    | 6,453    | 0   |
| <i>Fund Balance End of Year</i>       | \$223            | \$223    | \$1,125  | \$902   |

**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, 2017*

|  | Budgeted Amounts |           | Actual    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|-----------|-----------|---|
|  | Original         | Final     |           |   |
| <b>Revenues</b>                              |                  |           |           |   |
| Intergovernmental                            | \$33,300         | \$33,300  | \$32,993  | (\$307)   |
| Fees, Licenses and Permits                   | 585              | 585       | 480       | (105)   |
| <i>Total Revenues</i>                        | 33,885           | 33,885    | 33,473    | (412)   |
| <b>Expenditures</b>                          |                  |           |           |   |
| Current:                                     |                  |           |           |   |
| Leisure Time Activities:                     |                  |           |           |   |
| Marina                                       |                  |           |           |   |
| Contractual Services                         | 500              | 500       | 0         | 500   |
| Debt Service:                                |                  |           |           |   |
| Principal Retirement                         | 150,000          | 150,000   | 150,000   | 0   |
| Interest and Fiscal Charges                  | 3,300            | 3,300     | 2,993     | 307   |
| <i>Total Debt Service</i>                    | 153,300          | 153,300   | 152,993   | 307   |
| <i>Total Expenditures</i>                    | 153,800          | 153,800   | 152,993   | 807   |
| <i>Excess of Revenues Under Expenditures</i> | (119,915)        | (119,915) | (119,520) | 395   |
| <b>Other Financing Sources</b>               |                  |           |           |   |
| General Obligation Notes Issued              | 120,000          | 120,000   | 120,000   | 0   |
| <i>Net Change in Fund Balance</i>            | 85               | 85        | 480       | 395   |
| <i>Fund Balance Beginning of Year</i>        | 8,504            | 8,504     | 8,504     | 0   |
| <i>Fund Balance End of Year</i>              | \$8,589          | \$8,589   | \$8,984   | \$395   |

**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, 2017*

|                                       | Budgeted Amounts |                 | Actual          | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|-----------------|-----------------|---|
|                                       | Original         | Final           |                 |   |
| <b>Revenues</b>                       |                  |                 |                 |   |
| Fines and Forfeitures                 | \$1,100          | \$1,100         | \$1,326         | \$226   |
| <b>Expenditures</b>                   |                  |                 |                 |   |
| Current:                              |                  |                 |                 |   |
| Community Development:                |                  |                 |                 |   |
| Enforcement and Education             |                  |                 |                 |   |
| Contractual Services                  | 1,000            | 1,000           | 0               | 1,000   |
| <i>Net Change in Fund Balance</i>     | 100              | 100             | 1,326           | 1,226   |
| <i>Fund Balance Beginning of Year</i> | 9,935            | 9,935           | 9,935           | 0   |
| <i>Fund Balance End of Year</i>       | <u>\$10,035</u>  | <u>\$10,035</u> | <u>\$11,261</u> | <u>\$1,226</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, 2017*

|                                       | Budgeted Amounts |                 | Actual          | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|-----------------|-----------------|---|
|                                       | Original         | Final           |                 |   |
| <b>Revenues</b>                       |                  |                 |                 |   |
| Fines and Forfeitures                 | \$2,100          | \$2,100         | \$4,189         | \$2,089   |
| Other                                 | 1,000            | 1,000           | 389             | (611)   |
| <i>Total Revenues</i>                 | 3,100            | 3,100           | 4,578           | 1,478   |
| <b>Expenditures</b>                   |                  |                 |                 |   |
| Current:                              |                  |                 |                 |   |
| Public Health Services:               |                  |                 |                 |   |
| Indigent Drivers                      |                  |                 |                 |   |
| Contractual Services                  | 1,000            | 1,000           | 0               | 1,000   |
| <i>Net Change in Fund Balance</i>     | 2,100            | 2,100           | 4,578           | 2,478   |
| <i>Fund Balance Beginning of Year</i> | 53,629           | 53,629          | 53,629          | 0   |
| <i>Fund Balance End of Year</i>       | <u>\$55,729</u>  | <u>\$55,729</u> | <u>\$58,207</u> | <u>\$2,478</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, 2017*

|  | Budgeted Amounts |          | Actual   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|----------|----------|---|
|  | Original         | Final    |          |   |
| <b>Revenues</b>                          |                  |          |          |   |
| Charges for Services                     | \$5,000          | \$5,000  | \$5,240  | \$240   |
| Fees, Licenses and Permits               | 20,100           | 20,100   | 21,385   | 1,285   |
| Interest                                 | 80               | 80       | 1,960    | 1,880   |
| Other                                    | 1,000            | 1,000    | 588      | (412)   |
| <i>Total Revenues</i>                    | 26,180           | 26,180   | 29,173   | 2,993   |
| <b>Expenditures</b>                      |                  |          |          |   |
| Current:                                 |                  |          |          |   |
| Community Development:                   |                  |          |          |   |
| Cemetery                                 |                  |          |          |   |
| Personal Services                        | 20,565           | 20,565   | 20,510   | 55  |
| Materials and Supplies                   | 3,000            | 3,000    | 834      | 2,166   |
| Contractual Services                     | 4,000            | 4,000    | 3,442    | 558   |
| Purchased Services                       | 5,000            | 5,000    | 4,719    | 281   |
| <i>Total Expenditures</i>                | 32,565           | 32,565   | 29,505   | 3,060   |
| <i>Net Change in Fund Balance</i>        | (6,385)          | (6,385)  | (332)    | 6,053   |
| <i>Fund Balance at Beginning of Year</i> | 54,293           | 54,293   | 54,293   | 0   |
| <i>Fund Balance End of Year</i>          | \$47,908         | \$47,908 | \$53,961 | \$6,053   |

**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, 2017*

|  | Budgeted Amounts |           | Actual    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|-----------|-----------|---|
|  | Original         | Final     |           |   |
| <b>Revenues</b>                        |                  |           |           |   |
| Property Taxes                         | \$294,464        | \$294,464 | \$310,499 | \$16,035  |
| Intergovernmental                      | 41,643           | 41,643    | 43,485    | 1,842   |
| <i>Total Revenues</i>                  | 336,107          | 336,107   | 353,984   | 17,877  |
| <b>Expenditures</b>                    |                  |           |           |   |
| Current:                               |                  |           |           |   |
| Security of Persons and Property:      |                  |           |           |   |
| Police Levy                            |                  |           |           |   |
| Personal Services                      | 308,800          | 308,800   | 273,437   | 35,363  |
| Other                                  | 6,500            | 6,500     | 6,339     | 161   |
| Total Security of Persons and Property | 315,300          | 315,300   | 279,776   | 35,524  |
| Debt Service:                          |                  |           |           |   |
| Principal Retirement                   | 33,750           | 33,750    | 33,746    | 4   |
| Interest and Fiscal Charges            | 1,690            | 1,690     | 1,687     | 3   |
| Total Debt Service                     | 35,440           | 35,440    | 35,433    | 7   |
| <i>Total Expenditures</i>              | 350,740          | 350,740   | 315,209   | 35,531  |
| <i>Net Change in Fund Balance</i>      | (14,633)         | (14,633)  | 38,775    | 53,408  |
| <i>Fund Balance Beginning of Year</i>  | 15,728           | 15,728    | 15,728    | 0   |
| <i>Fund Balance End of Year</i>        | \$1,095          | \$1,095   | \$54,503  | \$53,408  |

**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, 2017*

|                                       | Budgeted Amounts |           | Actual    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|-----------|-----------|---|
|                                       | Original         | Final     |           |   |
| <b>Revenues</b>                       |                  |           |           |   |
| Property Taxes                        | \$253,589        | \$253,589 | \$263,818 | \$10,229  |
| Intergovernmental                     | 12,010           | 12,010    | 13,855    | 1,845   |
| <i>Total Revenues</i>                 | 265,599          | 265,599   | 277,673   | 12,074  |
| <b>Expenditures</b>                   |                  |           |           |   |
| Current:                              |                  |           |           |   |
| Security of Persons and Property:     |                  |           |           |   |
| Fire Levy                             |                  |           |           |   |
| Personal Services                     | 260,889          | 260,889   | 254,782   | 6,107   |
| Other                                 | 6,000            | 6,000     | 5,071     | 929   |
| <i>Total Expenditures</i>             | 266,889          | 266,889   | 259,853   | 7,036   |
| <i>Net Change in Fund Balance</i>     | (1,290)          | (1,290)   | 17,820    | 19,110  |
| <i>Fund Balance Beginning of Year</i> | 19,528           | 19,528    | 19,528    | 0   |
| <i>Fund Balance End of Year</i>       | \$18,238         | \$18,238  | \$37,348  | \$19,110  |

**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, 2017*

|                                       | Budgeted Amounts |                 | Actual          | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|-----------------|-----------------|---|
|                                       | Original         | Final           |                 |   |
| <b>Revenues</b>                       |                  |                 |                 |   |
| Fines and Forfeitures                 | \$2,000          | \$2,000         | \$721           | (\$1,279)   |
| Other                                 | 1,400            | 1,400           | 551             | (849)   |
| <i>Total Revenues</i>                 | 3,400            | 3,400           | 1,272           | (2,128)   |
| <b>Expenditures</b>                   | 0                | 0               | 0               | 0   |
| <i>Net Change in Fund Balance</i>     | 3,400            | 3,400           | 1,272           | (2,128)   |
| <i>Fund Balance Beginning of Year</i> | 21,611           | 21,611          | 21,611          | 0   |
| <i>Fund Balance End of Year</i>       | <u>\$25,011</u>  | <u>\$25,011</u> | <u>\$22,883</u> | <u>(\$2,128)</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, 2017*

|                                       | Budgeted Amounts       |                        | Actual                 | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------------|------------------------|------------------------|---|
|                                       | Original               | Final                  |                        |   |
| <b>Revenues</b>                       |                        |                        |                        |   |
| Fines and Forfeitures                 | \$3,000                | \$3,000                | \$0                    | (\$3,000)   |
| <b>Expenditures</b>                   | <u>0</u>               | <u>0</u>               | <u>0</u>               | <u>0</u>  |
| <i>Net Change in Fund Balance</i>     | 3,000                  | 3,000                  | 0                      | (3,000)   |
| <i>Fund Balance Beginning of Year</i> | <u>10,832</u>          | <u>10,832</u>          | <u>10,832</u>          | <u>0</u>  |
| <i>Fund Balance End of Year</i>       | <u><u>\$13,832</u></u> | <u><u>\$13,832</u></u> | <u><u>\$10,832</u></u> | <u><u>(\$3,000)</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, 2017*

|                                       | Budgeted Amounts |                | Actual         | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|----------------|----------------|---|
|                                       | Original         | Final          |                |   |
| <b>Revenues</b>                       |                  |                |                |   |
| Fines and Forfeitures                 | \$100            | \$100          | \$4,304        | \$4,204   |
| <b>Expenditures</b>                   | 0                | 0              | 0              | 0   |
| <i>Net Change in Fund Balance</i>     | 100              | 100            | 4,304          | 4,204   |
| <i>Fund Balance Beginning of Year</i> | 2,751            | 2,751          | 2,751          | 0   |
| <i>Fund Balance End of Year</i>       | <u>\$2,851</u>   | <u>\$2,851</u> | <u>\$7,055</u> | <u>\$4,204</u>  |

**City of Conneaut, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Police Levy II*  
*For the Year Ended December 31, 2017*

|   | Budgeted Amounts |           | Actual    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------|-----------|-----------|---|
|   | Original         | Final     |           |   |
| <b>Revenues</b>   |                  |           |           | \$0   |
| Property and Other Local Taxes                          | \$478,199        | \$478,199 | \$527,512 | \$49,313  |
| Intergovernmental                                       | 53,000           | 53,000    | 27,709    | (25,291)  |
| Other   | 0                | 0         | 4,002     | 4,002   |
| <i>Total Revenues</i>                                   | 531,199          | 531,199   | 559,223   | 28,024  |
| <b>Expenditures</b>                                     |                  |           |           |   |
| Current:  |                  |           |           |   |
| Security of Persons and Property:                       |                  |           |           |   |
| Police Levy   |                  |           |           |   |
| Personal Services                                       | 360,400          | 473,100   | 365,170   | 107,930   |
| Other   | 9,600            | 10,175    | 10,143    | 32  |
| Total Security of Persons and Property                  | 370,000          | 483,275   | 375,313   | 107,962   |
| Debt Service:   |                  |           |           |   |
| Principal Retirement                                    | 43,678           | 43,678    | 40,290    | 3,388   |
| Interest and Fiscal Charges                             | 4,457            | 4,457     | 4,199     | 258   |
| Total Debt Service                                      | 48,135           | 48,135    | 44,489    | 3,646   |
| <i>Total Expenditures</i>                               | 418,135          | 531,410   | 419,802   | 111,608   |
| <i>Excess of Revenues Over<br/>(Under) Expenditures</i> | 113,064          | (211)     | 139,421   | 139,632   |
| <i>Fund Balance Beginning of Year</i>                   | 289,731          | 289,731   | 289,731   | 0   |
| <i>Fund Balance End of Year</i>                         | \$402,795        | \$289,520 | \$429,152 | \$139,632   |



**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, 2017*

|                                       | Budgeted Amounts |          | Actual   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|----------|----------|---|
|                                       | Original         | Final    |          |   |
| <b>Revenues</b>                       |                  |          |          |   |
| Municipal Income Taxes                | \$30,983         | \$30,983 | \$32,218 | \$1,235   |
| Fees, Licenses and Permits            | 144,000          | 144,000  | 157,202  | 13,202  |
| Other                                 | 1,700            | 1,700    | 0        | (1,700)   |
| <i>Total Revenues</i>                 | 176,683          | 176,683  | 189,420  | 12,737  |
| <b>Expenditures</b>                   |                  |          |          |   |
| Current:                              |                  |          |          |   |
| Basic Utility Services:               |                  |          |          |   |
| Street Lighting                       |                  |          |          |   |
| Purchased Services                    | 163,140          | 176,683  | 176,683  | 0   |
| <i>Net Change in Fund Balance</i>     | 13,543           | 0        | 12,737   | 12,737  |
| <i>Fund Balance Beginning of Year</i> | 0                | 0        | 0        | 0   |
| <i>Fund Balance End of Year</i>       | \$13,543         | \$0      | \$12,737 | \$12,737  |

**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, 2017*

|                                       | Budgeted Amounts |                | Actual         | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|----------------|----------------|---|
|                                       | Original         | Final          |                |   |
| <b>Revenues</b>                       |                  |                |                |   |
| Intergovernmental                     | \$3,000          | \$3,000        | \$4,000        | \$1,000   |
| Interest                              | 40               | 40             | 164            | 124   |
| <i>Total Revenues</i>                 | 3,040            | 3,040          | 4,164          | 1,124   |
| <b>Expenditures</b>                   |                  |                |                |   |
| Current:                              |                  |                |                |   |
| Community Development:                |                  |                |                |   |
| Community Housing                     |                  |                |                |   |
| Capital Outlay                        | 7,000            | 34,000         | 29,651         | 4,349   |
| <i>Net Change in Fund Balance</i>     | (3,960)          | (30,960)       | (25,487)       | 5,473   |
| <i>Fund Balance Beginning of Year</i> | 32,358           | 32,358         | 32,358         | 0   |
| <i>Fund Balance End of Year</i>       | <u>\$28,398</u>  | <u>\$1,398</u> | <u>\$6,871</u> | <u>\$5,473</u>  |

**City of Conneaut, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Drug Task Force Fund*  
*For the Year Ended December 31, 2017*

|                                       | Budgeted Amounts |          | Actual | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|----------|--------|---|
|                                       | Original         | Final    |        |   |
| <b>Revenues</b>                       |                  |          |        |   |
| Intergovernmental                     | \$17,500         | \$17,500 | \$0    | \$0   |
| <b>Expenditures</b>                   |                  |          |        |   |
| Current:                              |                  |          |        |   |
| Security of Persons and Property:     |                  |          |        |   |
| Drug Task Force                       |                  |          |        |   |
| Personal Services                     | 17,500           | 17,500   | 0      | 0   |
| <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*  
*Ohio Department of Natural Resources Planning Fund*  
*For the Year Ended December 31, 2017*

|                                       | Budgeted Amounts |          | Actual   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|----------|----------|---|
|                                       | Original         | Final    |          |   |
| <b>Revenues</b>                       |                  |          |          |   |
| Intergovernmental                     | \$70,000         | \$70,000 | \$42,000 | (\$28,000)  |
| <b>Expenditures</b>                   |                  |          |          |   |
| Current:                              |                  |          |          |   |
| Community Development:                |                  |          |          |   |
| ODNR Planning                         |                  |          |          |   |
| Contractual Services                  | 70,000           | 70,000   | 42,000   | 28,000  |
| <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*  
*Local Innovation Grant Fund*  
*For the Year Ended December 31, 2017*

|   | Budgeted Amounts |            | Actual     | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------|------------|------------|---|
|   | Original         | Final      |            |   |
| <b>Revenues</b>   |                  |            |            |   |
| Intergovernmental                                       | \$26,000         | \$26,000   | \$0        | (\$26,000)  |
| <b>Expenditures</b>                                     |                  |            |            |   |
| Current:  |                  |            |            |   |
| Community Development:                                  |                  |            |            |   |
| Local Innovation Grant                                  |                  |            |            |   |
| Contractual Services                                    | 2,600            | 26,000     | 25,168     | 832   |
| <i>Excess of Revenues Over<br/>(Under) Expenditures</i> | 23,400           | 0          | (25,168)   | (25,168)  |
| <b>Other Financing Sources</b>                          |                  |            |            |   |
| Advances In   | 0                | 0          | 25,168     | 25,168  |
| <i>Net Change in Fund Balance</i>                       | 23,400           | 0          | 0          | 0   |
| <i>Fund Balance Beginning of Year</i>                   | 0                | 0          | 0          | 0   |
| <i>Fund Balance End of Year</i>                         | <u>\$23,400</u>  | <u>\$0</u> | <u>\$0</u> | <u>\$0</u>  |

**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, 2017*

|                                       | Budgeted Amounts |          | Actual   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|----------|----------|---|
|                                       | Original         | Final    |          |   |
| <b>Revenues</b>                       |                  |          |          |   |
| Municipal Income Taxes                | \$25,957         | \$25,957 | \$27,481 | \$1,524   |
| Fees, Licenses and Permits            | 4,200            | 4,200    | 1,000    | (3,200)   |
| Rentals                               | 28,650           | 28,650   | 5,500    | (23,150)  |
| Charges for Services                  | 150              | 150      | 0        | (150)   |
| Contributions and Donations           | 1,000            | 1,000    | 40,605   | 39,605  |
| Other                                 | 50               | 50       | 292      | 242   |
| <i>Total Revenues</i>                 | 60,007           | 60,007   | 74,878   | 14,871  |
| <b>Expenditures</b>                   |                  |          |          |   |
| Current:                              |                  |          |          |   |
| Leisure Time Activities:              |                  |          |          |   |
| Recreation                            |                  |          |          |   |
| Personal Services                     | 16,635           | 17,163   | 15,110   | 2,053   |
| Materials and Supplies                | 11,300           | 13,371   | 10,964   | 2,407   |
| Contractual Services                  | 270              | 270      | 187      | 83  |
| Purchased Services                    | 3,500            | 3,500    | 3,060    | 440   |
| Other                                 | 3,500            | 3,500    | 3,475    | 25  |
| Total Recreation                      | 35,205           | 37,804   | 32,796   | 5,008   |
| Parks                                 |                  |          |          |   |
| Personal Services                     | 17,050           | 17,050   | 14,267   | 2,783   |
| Materials and Supplies                | 4,900            | 5,122    | 3,991    | 1,131   |
| Contractual Services                  | 900              | 900      | 0        | 900   |
| Purchased Services                    | 11,200           | 12,200   | 10,921   | 1,279   |
| Capital Outlay                        | 13,500           | 13,500   | 12,500   | 1,000   |
| Total Parks                           | 47,550           | 48,772   | 41,679   | 7,093   |
| <i>Total Expenditures</i>             | 82,755           | 86,576   | 74,475   | 12,101  |
| <i>Net Change in Fund Balance</i>     | (22,748)         | (26,569) | 403      | 26,972  |
| <i>Fund Balance Beginning of Year</i> | 91,426           | 91,426   | 91,426   | 0   |
| Prior Year Encumbrances Appropriated  | 2,821            | 2,821    | 2,821    | 0   |
| <i>Fund Balance End of Year</i>       | \$71,499         | \$67,678 | \$94,650 | \$26,972  |

**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, 2017*

|  | Budgeted Amounts |           | Actual    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|-----------|-----------|---|
|  | Original         | Final     |           |   |
| <b>Revenues</b>                              |                  |           |           |   |
| Property Taxes                               | \$140,116        | \$140,116 | \$146,230 | \$6,114   |
| Intergovernmental                            | 32,304           | 32,304    | 21,359    | (10,945)  |
| <i>Total Revenues</i>                        | 172,420          | 172,420   | 167,589   | (4,831)   |
| <b>Expenditures</b>                          |                  |           |           |   |
| Current:                                     |                  |           |           |   |
| Security of Persons and Property:            |                  |           |           |   |
| Police Pension                               |                  |           |           |   |
| Personal Services                            | 221,500          | 221,500   | 185,954   | 35,546  |
| Other  | 3,500            | 3,500     | 3,008     | 492   |
| <i>Total Expenditures</i>                    | 225,000          | 225,000   | 188,962   | 36,038  |
| <i>Excess of Revenues Under Expenditures</i> | (52,580)         | (52,580)  | (21,373)  | 31,207  |
| <b>Other Financing Sources</b>               |                  |           |           |   |
| Transfers In                                 | 50,000           | 50,000    | 21,000    | (29,000)  |
| <i>Net Change in Fund Balance</i>            | (2,580)          | (2,580)   | (373)     | 2,207   |
| <i>Fund Balance Beginning of Year</i>        | 4,879            | 4,879     | 4,879     | 0   |
| <i>Fund Balance End of Year</i>              | \$2,299          | \$2,299   | \$4,506   | \$2,207   |

**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, 2017*

|  | Budgeted Amounts |           | Actual    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|-----------|-----------|---|
|  | Original         | Final     |           |   |
| <b>Revenues</b>                              |                  |           |           |   |
| Property Taxes                               | \$113,650        | \$113,650 | \$118,609 | \$4,959   |
| Intergovernmental                            | 21,458           | 21,458    | 17,324    | (4,134)   |
| <i>Total Revenues</i>                        | 135,108          | 135,108   | 135,933   | 825   |
| <b>Expenditures</b>                          |                  |           |           |   |
| Current:                                     |                  |           |           |   |
| Security of Persons and Property:            |                  |           |           |   |
| Fire Pension                                 |                  |           |           |   |
| Personal Services                            | 165,000          | 165,000   | 152,963   | 12,037  |
| Other  | 2,400            | 2,450     | 2,439     | 11  |
| <i>Total Expenditures</i>                    | 167,400          | 167,450   | 155,402   | 12,048  |
| <i>Excess of Revenues Under Expenditures</i> | (32,292)         | (32,342)  | (19,469)  | 12,873  |
| <b>Other Financing Sources</b>               |                  |           |           |   |
| Transfers In                                 | 30,000           | 30,000    | 15,000    | (15,000)  |
| <i>Net Change in Fund Balance</i>            | (2,292)          | (2,342)   | (4,469)   | (2,127)   |
| <i>Fund Balance Beginning of Year</i>        | 9,967            | 9,967     | 9,967     | 0   |
| <i>Fund Balance End of Year</i>              | \$7,675          | \$7,625   | \$5,498   | (\$2,127)   |



**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, 2017*

|                                       | Budgeted Amounts |           | Actual    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|-----------|-----------|---|
|                                       | Original         | Final     |           |   |
| <b>Revenues</b>                       |                  |           |           |   |
| Property Taxes                        | \$0              | \$0       | \$26      | \$26  |
| <b>Expenditures</b>                   |                  |           |           |   |
| Current:                              |                  |           |           |   |
| General Government:                   |                  |           |           |   |
| General Obligation Bond Retirement    |                  |           |           |   |
| Contractual Services                  | 4,120            | 4,120     | 0         | 4,120   |
| Other                                 | 3,500            | 3,500     | 0         | 3,500   |
| Total General Government              | 7,620            | 7,620     | 0         | 7,620   |
| Debt Service:                         |                  |           |           |   |
| Principal Retirement                  | 97,585           | 97,585    | 97,584    | 1   |
| Interest and Fiscal Charges           | 5,945            | 5,945     | 5,895     | 50  |
| Total Debt Service                    | 103,530          | 103,530   | 103,479   | 51  |
| <i>Total Expenditures</i>             | 111,150          | 111,150   | 103,479   | 7,671   |
| <i>Net Change in Fund Balance</i>     | (111,150)        | (111,150) | (103,453) | 7,697   |
| <i>Fund Balance Beginning of Year</i> | 200,058          | 200,058   | 200,058   | 0   |
| <i>Fund Balance End of Year</i>       | \$88,908         | \$88,908  | \$96,605  | \$7,697   |

**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, 2017*

|   | Budgeted Amounts |          | Actual   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------|----------|----------|---|
|   | Original         | Final    |          |   |
| <b>Revenues</b>   |                  |          |          |   |
| Special Assessments                                     | \$50,000         | \$50,000 | \$81,444 | \$31,444  |
| <b>Expenditures</b>                                     |                  |          |          |   |
| Current:  |                  |          |          |   |
| General Government:                                     |                  |          |          |   |
| Special Assessment Bond Retirement                      |                  |          |          |   |
| Other   | 4,000            | 4,000    | 2,898    | 1,102   |
| Debt Service:   |                  |          |          |   |
| Principal Retirement                                    | 52,490           | 52,490   | 52,488   | 2   |
| Interest and Fiscal Charges                             | 6,525            | 6,525    | 5,505    | 1,020   |
| Total Debt Service                                      | 59,015           | 59,015   | 57,993   | 1,022   |
| <i>Total Expenditures</i>                               | 63,015           | 63,015   | 60,891   | 2,124   |
| <i>Excess of Revenues Over<br/>(Under) Expenditures</i> | (13,015)         | (13,015) | 20,553   | 33,568  |
| <b>Other Financing Sources</b>                          |                  |          |          |   |
| Advances In   | 25,000           | 25,000   | 0        | (25,000)  |
| <i>Net Change in Fund Balance</i>                       | 11,985           | 11,985   | 20,553   | 8,568   |
| <i>Fund Balance Beginning of Year</i>                   | 0                | 0        | 0        | 0   |
| <i>Fund Balance End of Year</i>                         | \$11,985         | \$11,985 | \$20,553 | \$8,568   |

**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, 2017*

|                                       | <u>Budgeted Amounts</u> |              | <u>Actual</u>   | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|-------------------------|--------------|-----------------|---|
|                                       | <u>Original</u>         | <u>Final</u> |                 |   |
| <b>Revenues</b>                       |                         |              |                 |   |
| Property Taxes                        | \$459,696               | \$484,696    | \$483,148       | (\$1,548)   |
| Intergovernmental                     | 26,000                  | 26,000       | 25,359          | (641)   |
| <i>Total Revenues</i>                 | 485,696                 | 510,696      | 508,507         | (2,189)   |
| <b>Expenditures</b>                   |                         |              |                 |   |
| Current:                              |                         |              |                 |   |
| Capital Outlay:                       |                         |              |                 |   |
| Street Improvement                    |                         |              |                 |   |
| Capital Outlay                        | 495,000                 | 566,050      | 539,649         | 26,401  |
| <i>Net Change in Fund Balance</i>     | (9,304)                 | (55,354)     | (31,142)        | 24,212  |
| <i>Fund Balance Beginning of Year</i> | 46,407                  | 46,407       | 46,407          | 0   |
| Prior Year Encumbrances Appropriated  | 8,949                   | 8,949        | 8,949           | 0   |
| <i>Fund Balance End of Year</i>       | <u>\$46,052</u>         | <u>\$2</u>   | <u>\$24,214</u> | <u>\$24,212</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, 2017*

|                                       | Budgeted Amounts |          | Actual  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|----------|---------|---|
|                                       | Original         | Final    |         |   |
| <b>Revenues</b>                       |                  |          |         |   |
| Intergovernmental                     | \$10,071         | \$10,071 | \$2,093 | (\$7,978)   |
| <b>Expenditures</b>                   |                  |          |         |   |
| Capital Outlay:                       |                  |          |         |   |
| OCJS Technology Replacement Grant     |                  |          |         |   |
| Capital Outlay                        | 10,071           | 10,071   | 1,877   | 8,194   |
| <i>Net Change in Fund Balance</i>     | 0                | 0        | 216     | 216   |
| <i>Fund Balance Beginning of Year</i> | 0                | 0        | 0       | 0   |
| <i>Fund Balance End of Year</i>       | \$0              | \$0      | \$216   | \$216   |

**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, 2017*

|                                       | Budgeted Amounts |                  | Actual           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|------------------|------------------|---|
|                                       | Original         | Final            |                  |   |
| <b>Revenues</b>                       |                  |                  |                  |   |
| Fines and Forfeitures                 | \$101,300        | \$101,300        | \$112,086        | \$10,786  |
| <b>Expenditures</b>                   |                  |                  |                  |   |
| Capital Outlay:                       |                  |                  |                  |   |
| Municipal Court Improvement           |                  |                  |                  |   |
| Capital Outlay                        | 135,000          | 154,831          | 110,678          | 44,153  |
| <i>Net Change in Fund Balance</i>     | (33,700)         | (53,531)         | 1,408            | 54,939  |
| <i>Fund Balance Beginning of Year</i> | 349,329          | 349,329          | 349,329          | 0   |
| Prior Year Encumbrances Appropriated  | 3,631            | 3,631            | 3,631            | 0   |
| <i>Fund Balance End of Year</i>       | <u>\$319,260</u> | <u>\$299,429</u> | <u>\$354,368</u> | <u>\$54,939</u>   |

**City of Conneaut, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Ohio Department of Natural Resources Natureworks Grant Fund*  
*For the Year Ended December 31, 2017*

|   | Budgeted Amounts |            | Actual     | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------|------------|------------|---|
|   | Original         | Final      |            |   |
| <b>Revenues</b>   |                  |            |            |   |
| Intergovernmental                                       | \$24,919         | \$24,919   | \$0        | (\$24,919)  |
| <b>Expenditures</b>                                     |                  |            |            |   |
| Capital Outlay:   |                  |            |            |   |
| Malek Park Improvements:                                |                  |            |            |   |
| Capital Outlay  | 24,919           | 24,919     | 24,919     | 0   |
| <i>Excess of Revenues Over<br/>(Under) Expenditures</i> | 0                | 0          | (24,919)   | (24,919)  |
| <b>Other Financing Sources</b>                          |                  |            |            |   |
| Advances In   | 0                | 0          | 24,919     | 24,919  |
| <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>                         | <u>\$0</u>       | <u>\$0</u> | <u>\$0</u> | <u>\$0</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, 2017*

|                                       | <u>Budgeted Amounts</u> |                 | <u>Actual</u>   | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|-------------------------|-----------------|-----------------|---|
|                                       | <u>Original</u>         | <u>Final</u>    |                 |   |
| <b>Revenues</b>                       |                         |                 |                 |   |
| Municipal Income Taxes                | \$47,665                | \$47,665        | \$49,907        | \$2,242   |
| <b>Expenditures</b>                   |                         |                 |                 |   |
| Capital Outlay:                       |                         |                 |                 |   |
| Capital Improvement                   |                         |                 |                 |   |
| Capital Outlay                        | 20,000                  | 20,000          | 10,793          | 9,207   |
| Debt Service:                         |                         |                 |                 |   |
| Principal Retirement                  | 15,333                  | 15,333          | 15,333          | 0   |
| Interest and Fiscal Charges           | 1,770                   | 1,770           | 1,738           | 32  |
| Total Debt Service                    | 17,103                  | 17,103          | 17,071          | 32  |
| <i>Total Expenditures</i>             | 37,103                  | 37,103          | 27,864          | 9,239   |
| <i>Net Change in Fund Balance</i>     | 10,562                  | 10,562          | 22,043          | 11,481  |
| <i>Fund Balance Beginning of Year</i> | 19,098                  | 19,098          | 19,098          | 0   |
| Prior Year Encumbrances Appropriated  | 0                       | 0               | 0               | 0   |
| <i>Fund Balance End of Year</i>       | <u>\$29,660</u>         | <u>\$29,660</u> | <u>\$41,141</u> | <u>\$11,481</u>   |

**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, 2017*

|                                       | Budgeted Amounts |       | Actual | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|-------|--------|---|
|                                       | Original         | Final |        |   |
| <b>Revenues</b>                       | \$0              | \$0   | \$0    | \$0   |
| <b>Expenditures</b>                   | 0                | 0     | 0      | 0   |
| <i>Net Change in Fund Balance</i>     | 0                | 0     | 0      | 0   |
| <i>Fund Balance Beginning of Year</i> | 751              | 751   | 751    | 0   |
| <i>Fund Balance End of Year</i>       | \$751            | \$751 | \$751  | \$0   |



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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.

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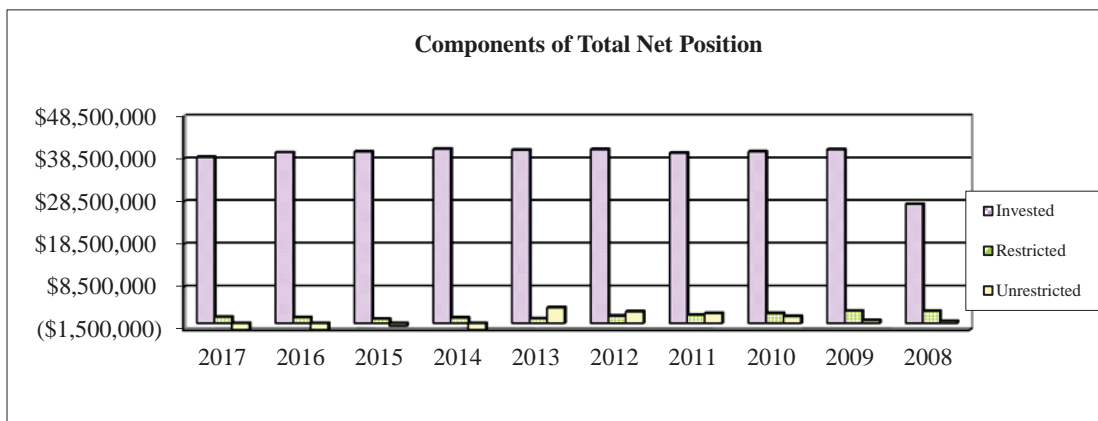
| <b>Contents</b>  | <b>Pages(s)</b>         |
|--|-------------------------|
| <b><i>Financial Trends</i></b> .....   | <b><i>S2 – S13</i></b>  |
| These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.  | 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

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

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

|  | 2017                | 2016                | 2015 (1)            | 2014                |
|--|---------------------|---------------------|---------------------|---------------------|
| <b>Governmental Activities</b>                     |                     |                     |                     |                     |
| Net Investment in Capital Assets                   | \$24,342,868        | \$25,201,005        | \$26,060,414        | \$26,506,355        |
| Restricted:  |                     |                     |                     |                     |
| Capital Projects                                   | 167,262             | 148,285             | 0                   | 17,713              |
| Debt Service                                       | 0                   | 9,204               | 0                   | 0                   |
| Street Construction, Maintenance and Repair        | 413,941             | 494,648             | 605,531             | 768,474             |
| Police and Fire Operations                         | 736,057             | 520,364             | 218,313             | 296,491             |
| Drug and Alcohol Enforcement                       | 69,761              | 64,271              | 68,248              | 76,755              |
| Cemetery Operations                                | 52,271              | 52,507              | 59,495              | 49,172              |
| Community Housing                                  | 0                   | 0                   | 0                   | 0                   |
| Economic Development                               | 10,436              | 46,956              | 23,647              | 55,086              |
| USEPA  | 0                   | 0                   | 0                   | 0                   |
| Other Purposes                                     | 53,926              | 47,501              | 48,683              | 46,645              |
| Unrestricted (Deficit)                             | <u>(4,468,776)</u>  | <u>(3,932,829)</u>  | <u>(2,507,776)</u>  | <u>(2,863,943)</u>  |
| <i>Total Governmental Activities Net Position</i>  | <u>21,377,746</u>   | <u>22,651,912</u>   | <u>24,576,555</u>   | <u>24,952,748</u>   |
| <b>Business-Type - Activities</b>                  |                     |                     |                     |                     |
| Net Investment in Capital Assets                   | 14,549,006          | 14,833,885          | 14,125,413          | 14,298,798          |
| Unrestricted                                       | <u>2,699,467</u>    | <u>2,058,500</u>    | <u>1,931,779</u>    | <u>1,089,207</u>    |
| <i>Total Business-Type Activities Net Position</i> | <u>17,248,473</u>   | <u>16,892,385</u>   | <u>16,057,192</u>   | <u>15,388,005</u>   |
| <b>Primary Government</b>                          |                     |                     |                     |                     |
| Net Investment in Capital Assets                   | 38,891,874          | 40,034,890          | 40,185,827          | 40,805,153          |
| Restricted   | 1,503,654           | 1,383,736           | 1,023,917           | 1,310,336           |
| Unrestricted                                       | <u>(1,769,309)</u>  | <u>(1,874,329)</u>  | <u>(575,997)</u>    | <u>(1,774,736)</u>  |
| <i>Total Primary Government Net Position</i>       | <u>\$38,626,219</u> | <u>\$39,544,297</u> | <u>\$40,633,747</u> | <u>\$40,340,753</u> |

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



| 2013         | 2012         | 2011         | 2010         | 2009         | 2008         |
|--------------|--------------|--------------|--------------|--------------|--------------|
| \$26,751,490 | \$27,886,020 | \$27,936,348 | \$28,696,100 | \$29,749,095 | \$17,147,964 |
| 84,680       | 791,699      | 625,348      | 616,736      | 996,700      | 1,086,874    |
| 0            | 0            | 0            | 576,190      | 686,581      | 784,246      |
| 575,566      | 347,209      | 241,401      | 342,702      | 357,308      | 328,839      |
| 270,622      | 220,558      | 0            | 0            | 0            | 0            |
| 69,654       | 62,277       | 0            | 0            | 0            | 0            |
| 52,533       | 45,156       | 0            | 0            | 0            | 0            |
| 0            | 0            | 0            | 4,778        | 12,013       | 10,105       |
| 0            | 72,220       | 223,944      | 223,752      | 223,301      | 232,096      |
| 0            | 0            | 60,223       | 184,960      | 193,195      | 0            |
| 72,817       | 197,930      | 803,024      | 395,117      | 454,658      | 424,486      |
| 2,101,712    | 1,288,417    | 1,134,968    | 400,613      | 100,450      | (99,466)     |
| 29,979,074   | 30,911,486   | 31,025,256   | 31,440,948   | 32,773,301   | 19,915,144   |
| 13,880,043   | 12,848,459   | 11,935,329   | 11,515,121   | 10,970,211   | 10,794,002   |
| 1,580,056    | 1,452,234    | 1,191,639    | 1,243,770    | 586,161      | 618,321      |
| 15,460,099   | 14,300,693   | 13,126,968   | 12,758,891   | 11,556,372   | 11,412,323   |
| 40,631,533   | 40,734,479   | 39,871,677   | 40,211,221   | 40,719,306   | 27,941,966   |
| 1,125,872    | 1,737,049    | 1,953,940    | 2,344,235    | 2,923,756    | 2,866,646    |
| 3,681,768    | 2,740,651    | 2,326,607    | 1,644,383    | 686,611      | 518,855      |
| \$45,439,173 | \$45,212,179 | \$44,152,224 | \$44,199,839 | \$44,329,673 | \$31,327,467 |

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

|  | 2017               | 2016               | 2015 (2)           | 2014               |
|--|--------------------|--------------------|--------------------|--------------------|
| <b>Program Revenues</b>                          |                    |                    |                    |                    |
| <b>Governmental Activities:</b>                  |                    |                    |                    |                    |
| Charges for Services and Assessments:            |                    |                    |                    |                    |
| General Government                               | \$332,884          | \$150,111          | \$352,705          | \$359,075          |
| Security of Persons and Property                 | 399,930            | 191,510            | 474,037            | 453,367            |
| Public Health Services                           | 36,581             | 15,264             | 36,955             | 37,215             |
| Leisure Time Activities                          | 13,906             | 51,692             | 43,425             | 45,825             |
| Community Development                            | 62,113             | 50,346             | 61,928             | 54,221             |
| Basic Utility Services                           | 157,202            | 129,363            | 127,334            | 123,698            |
| Transportation                                   | 111,935            | 93,937             | 24,618             | 91,847             |
| Subtotal - Charges for Services                  | <u>1,114,551</u>   | <u>682,223</u>     | <u>1,121,002</u>   | <u>1,165,248</u>   |
| Operating Grants and Contributions:              |                    |                    |                    |                    |
| General Government                               | 0                  | 15,252             | 0                  | 0                  |
| Security of Persons and Property                 | 184,347            | 109,401            | 156,610            | 123,178            |
| Public Health Services                           | 6,124              | 0                  | 0                  | 0                  |
| Leisure Time Activities                          | 43,598             | 31,052             | 3,364              | 3,287              |
| Community Development                            | 27,400             | 14,414             | 209,277            | 317,792            |
| Transportation                                   | 512,243            | 531,166            | 595,399            | 521,060            |
| Subtotal - Operating Grants<br>and Contributions | <u>773,712</u>     | <u>701,285</u>     | <u>964,650</u>     | <u>965,317</u>     |
| Capital Grants and Assessments:                  |                    |                    |                    |                    |
| General Government                               | 0                  | 0                  | 107,000            | 48,351             |
| Security of Persons and Property                 | 2,093              | 10,071             | 41,491             | 0                  |
| Leisure Time Activities                          | 18,200             | 0                  | 0                  | 0                  |
| Community Development                            | 0                  | 0                  | 0                  | 0                  |
| Transportation                                   | 0                  | 0                  | 311,480            | 102,866            |
| Subtotal - Capital Grants<br>and Assessments     | <u>20,293</u>      | <u>10,071</u>      | <u>459,971</u>     | <u>151,217</u>     |
| <i>Total Governmental Activities</i>             |                    |                    |                    |                    |
| <i>Program Revenues</i>                          | <u>1,908,556</u>   | <u>1,393,579</u>   | <u>2,545,623</u>   | <u>2,281,782</u>   |
| <b>Business-Type Activities:</b>                 |                    |                    |                    |                    |
| Charges for Services:                            |                    |                    |                    |                    |
| Water  | 2,333,830          | 2,274,899          | 2,244,357          | 2,234,837          |
| Sewer  | 2,422,437          | 2,398,051          | 2,404,611          | 2,381,691          |
| Capital Grants and Assessments                   |                    |                    |                    |                    |
| Water  | 125,000            | 50,233             | 14,268             | 360                |
| Sewer  | 326,417            | 26,764             | 23,364             | 256,461            |
| <i>Total Business-Type Activities</i>            |                    |                    |                    |                    |
| <i>Program Revenues</i>                          | <u>5,207,684</u>   | <u>4,749,947</u>   | <u>4,686,600</u>   | <u>4,873,349</u>   |
| <i>Total Primary Government</i>                  |                    |                    |                    |                    |
| <i>Program Revenues</i>                          | <u>\$7,116,240</u> | <u>\$6,143,526</u> | <u>\$7,232,223</u> | <u>\$7,155,131</u> |

| 2013               | 2012               | 2011               | 2010               | 2009 (1)           | 2008               |
|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| \$342,133          | \$318,582          | \$348,583          | \$302,039          | \$426,290          | \$158,783          |
| 495,024            | 428,794            | 556,754            | 457,176            | 658,859            | 530,394            |
| 41,973             | 39,160             | 58,426             | 64,244             | 39,544             | 34,644             |
| 43,477             | 42,852             | 46,378             | 52,911             | 56,026             | 49,113             |
| 65,248             | 56,373             | 54,225             | 65,170             | 75,456             | 57,247             |
| 123,056            | 124,708            | 124,473            | 125,004            | 0                  | 0                  |
| 138,364            | 52,031             | 53,406             | 58,621             | 54,333             | 44,742             |
| <u>1,249,275</u>   | <u>1,062,500</u>   | <u>1,242,245</u>   | <u>1,125,165</u>   | <u>1,310,508</u>   | <u>874,923</u>     |
| 0                  | 0                  | 0                  | 0                  | 0                  | 4,578              |
| 126,853            | 85,931             | 156,429            | 175,617            | 189,911            | 220,073            |
| 0                  | 0                  | 0                  | 44,121             | 22,879             | 1,385              |
| 3,600              | 4,946              | 302,750            | 1,940              | 0                  | 4,395              |
| 272,528            | 102,036            | 255,725            | 219,613            | 230,219            | 226,539            |
| 307,256            | 615,517            | 626,342            | 361,059            | 591,731            | 684,981            |
| <u>710,237</u>     | <u>808,430</u>     | <u>1,341,246</u>   | <u>802,350</u>     | <u>1,034,740</u>   | <u>1,141,951</u>   |
| 55,455             | 55,455             | 23,750             | 0                  | 219,607            | 721,800            |
| 3,800              | 4,000              | 0                  | 0                  | 23,313             | 0                  |
| 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| 6,000              | 431,453            | 179,640            | 0                  | 0                  | 0                  |
| 115,180            | 89,492             | 25,283             | 24,626             | 45,505             | 148,737            |
| <u>180,435</u>     | <u>580,400</u>     | <u>228,673</u>     | <u>24,626</u>      | <u>288,425</u>     | <u>870,537</u>     |
| 2,139,947          | 2,451,330          | 2,812,164          | 1,952,141          | 2,633,673          | 2,887,411          |
| 2,164,625          | 2,126,057          | 2,063,031          | 2,116,230          | 2,077,360          | 1,951,756          |
| 2,299,651          | 2,247,383          | 2,383,343          | 2,408,925          | 2,001,905          | 2,003,945          |
| 411,285            | 64,346             | 0                  | 91,414             | 178,560            | 4,040              |
| 133,803            | 235,283            | 67,973             | 112,476            | 118,292            | 16,478             |
| <u>5,009,364</u>   | <u>4,673,069</u>   | <u>4,514,347</u>   | <u>4,729,045</u>   | <u>4,376,117</u>   | <u>3,976,219</u>   |
| <u>\$7,149,311</u> | <u>\$7,124,399</u> | <u>\$7,326,511</u> | <u>\$6,681,186</u> | <u>\$7,009,790</u> | <u>\$6,863,630</u> |

(continued)

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

|  | 2017                        | 2016                        | 2015 (2)                    | 2014                        |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>Expenses</b>                                  |                             |                             |                             |                             |
| Governmental Activities:                         |                             |                             |                             |                             |
| General Government                               | \$1,623,407                 | \$1,574,431                 | \$1,586,680                 | \$1,292,248                 |
| Security of Persons and Property                 | 4,219,555                   | 4,386,740                   | 3,634,530                   | 3,322,801                   |
| Public Health Services                           | 218,089                     | 202,382                     | 185,703                     | 176,534                     |
| Leisure Time Activities                          | 145,635                     | 114,558                     | 122,354                     | 121,622                     |
| Community Development                            | 261,048                     | 139,890                     | 156,956                     | 362,079                     |
| Basic Utility Services                           | 200,724                     | 162,842                     | 348,553                     | 159,031                     |
| Transportation                                   | 2,680,196                   | 2,391,079                   | 2,455,888                   | 2,544,047                   |
| Interest and Fiscal Charges                      | 70,393                      | 78,960                      | 89,634                      | 78,000                      |
| <i>Total Governmental Activities Expenses</i>    | <u>9,419,047</u>            | <u>9,050,882</u>            | <u>8,580,298</u>            | <u>8,056,362</u>            |
| Business-Type Activities                         |                             |                             |                             |                             |
| Water  | 2,564,360                   | 2,009,333                   | 2,149,651                   | 2,276,702                   |
| Sewer  | 2,458,780                   | 1,920,961                   | 1,900,079                   | 1,846,843                   |
| <i>Total Business-Type Activities Expenses</i>   | <u>5,023,140</u>            | <u>3,930,294</u>            | <u>4,049,730</u>            | <u>4,123,545</u>            |
| <i>Total Primary Government Program Expenses</i> | <u>14,442,187</u>           | <u>12,981,176</u>           | <u>12,630,028</u>           | <u>12,179,907</u>           |
| <b>Net (Expense)/Revenue</b>                     |                             |                             |                             |                             |
| Governmental Activities                          | (7,510,491)                 | (7,657,303)                 | (6,034,675)                 | (5,774,580)                 |
| Business-Type Activities                         | 184,544                     | 819,653                     | 636,870                     | 749,804                     |
| <i>Total Primary Government Net Expense</i>      | <u><u>(\$7,325,947)</u></u> | <u><u>(\$6,837,650)</u></u> | <u><u>(\$5,397,805)</u></u> | <u><u>(\$5,024,776)</u></u> |



| 2013          | 2012          | 2011          | 2010          | 2009 (1)      | 2008          |
|---------------|---------------|---------------|---------------|---------------|---------------|
| \$1,228,286   | \$1,184,781   | \$1,424,515   | \$1,226,765   | \$1,167,792   | \$1,254,299   |
| 3,275,647     | 3,061,292     | 3,043,520     | 3,362,411     | 3,590,030     | 3,888,488     |
| 177,336       | 190,035       | 211,538       | 312,558       | 148,494       | 359,428       |
| 124,444       | 125,943       | 141,303       | 136,287       | 131,575       | 77,711        |
| 463,946       | 376,556       | 513,096       | 310,981       | 150,557       | 501,093       |
| 157,911       | 141,999       | 155,121       | 109,837       | 149,308       | 43,877        |
| 2,492,999     | 1,812,092     | 2,628,167     | 2,321,555     | 1,917,512     | 2,376,287     |
| 84,250        | 80,138        | 111,373       | 132,375       | 135,715       | 157,917       |
| 8,004,819     | 6,972,836     | 8,228,633     | 7,912,769     | 7,390,983     | 8,659,100     |
| 1,959,425     | 2,069,126     | 2,183,135     | 1,576,246     | 2,350,298     | 1,755,161     |
| 2,069,309     | 1,926,287     | 1,982,892     | 1,959,232     | 1,899,102     | 1,865,615     |
| 4,028,734     | 3,995,413     | 4,166,027     | 3,535,478     | 4,249,400     | 3,620,776     |
| 12,033,553    | 10,968,249    | 12,394,660    | 11,448,247    | 11,640,383    | 12,279,876    |
| (5,864,872)   | (4,521,506)   | (5,416,469)   | (5,960,628)   | (4,757,310)   | (5,771,689)   |
| 980,630       | 677,656       | 348,320       | 1,193,567     | 126,717       | 355,443       |
| (\$4,884,242) | (\$3,843,850) | (\$5,068,149) | (\$4,767,061) | (\$4,630,593) | (\$5,416,246) |

(continued)

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

|  | 2017               | 2016                 | 2015 (2)         | 2014             |
|--|--------------------|----------------------|------------------|------------------|
| <b>General Revenues and Other Changes in Net Position</b>                              |                    |                      |                  |                  |
| Governmental Activities  |                    |                      |                  |                  |
| Taxes:   |                    |                      |                  |                  |
| Property Taxes Levied For:   |                    |                      |                  |                  |
| General Purposes   | \$319,487          | \$311,464            | \$316,065        | \$365,055        |
| Debt Service   | 26                 | 85,082               | 85,313           | 84,961           |
| Capital Outlay   | 492,228            | 444,849              | 473,019          | 563,092          |
| Other Purposes   | 1,392,266          | 1,370,348            | 722,423          | 710,714          |
| Municipal Income Taxes levied for:   |                    |                      |                  |                  |
| General Purposes   | 2,528,319          | 2,122,639            | 2,589,415        | 2,337,586        |
| Capital Outlay   | 50,738             | 42,617               | 51,963           | 61,935           |
| Street Construction,<br>Maintenance and Repair   | 571,624            | 479,927              | 585,435          | 528,499          |
| Other Purposes   | 60,698             | 50,953               | 62,164           | 56,118           |
| Hotel Taxes  | 22,877             | 24,138               | 20,392           | 21,381           |
| Grants and Entitlements not Restricted<br>to Specific Programs                         | 418,681            | 416,296              | 479,906          | 409,787          |
| Franchise Taxes  | 145,056            | 164,729              | 133,313          | 139,189          |
| Unrestricted Contributions   | 24,650             | 17,873               | 19,609           | 17,098           |
| Investment Earnings  | 49,920             | 24,033               | 6,819            | 5,253            |
| Gain on Sale of Capital Assets   | 0                  | 0                    | 18,582           | 0                |
| Miscellaneous  | 162,255            | 180,212              | 95,314           | 174,638          |
| Special Item - Capital Contribution (1)  | 0                  | 0                    | 0                | 0                |
| Transfers  | (2,500)            | (2,500)              | (1,250)          | 296,789          |
| <i>Total Governmental Activities</i>   | <u>6,236,325</u>   | <u>5,732,660</u>     | <u>5,658,482</u> | <u>5,772,095</u> |
| Business-Type Activities   |                    |                      |                  |                  |
| Gain on Sale of Capital Assets   | 120,470            | 0                    | 0                | 0                |
| Miscellaneous  | 48,574             | 13,040               | 31,067           | 39,405           |
| Transfers  | 2,500              | 2,500                | 1,250            | (296,789)        |
| <i>Total Business-Type Activities</i>  | <u>171,544</u>     | <u>15,540</u>        | <u>32,317</u>    | <u>(257,384)</u> |
| <i>Total Primary Government General Revenues<br/>and Other Changes in Net Position</i> | <u>6,407,869</u>   | <u>5,748,200</u>     | <u>5,690,799</u> | <u>5,514,711</u> |
| <b>Change in Net Position</b>  |                    |                      |                  |                  |
| Governmental Activities  | (1,274,166)        | (1,924,643)          | (376,193)        | (2,485)          |
| Business-Type Activities   | 356,088            | 835,193              | 669,187          | 492,420          |
| <i>Total Primary Government<br/>Change in Net Position</i>                             | <u>(\$918,078)</u> | <u>(\$1,089,450)</u> | <u>\$292,994</u> | <u>\$489,935</u> |

(1) 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.

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

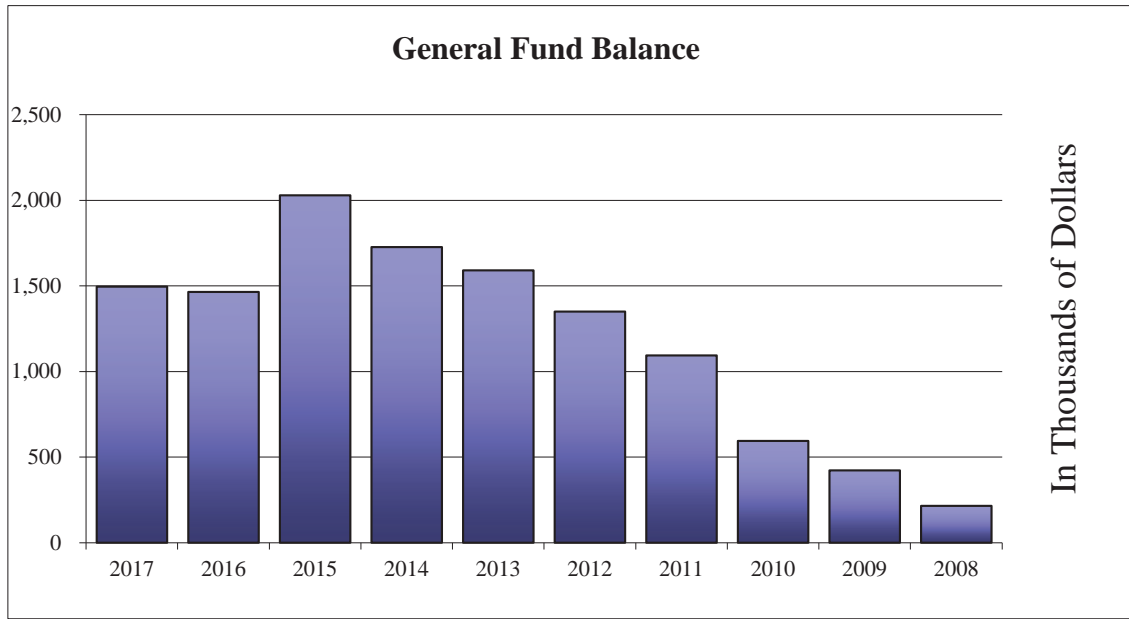
| 2013      | 2012        | 2011       | 2010        | 2009 (1)     | 2008        |
|-----------|-------------|------------|-------------|--------------|-------------|
| \$357,968 | \$303,604   | \$355,721  | \$345,426   | \$357,971    | \$327,807   |
| 99,499    | 94,984      | 146,123    | 198,163     | 214,134      | 226,055     |
| 0         | 0           | 0          | 0           | 0            | 0           |
| 694,993   | 589,108     | 756,686    | 626,793     | 648,490      | 635,997     |
| 2,305,411 | 2,243,409   | 2,028,347  | 1,913,724   | 1,953,905    | 1,791,008   |
| 42,449    | 303,620     | 274,515    | 258,999     | 230,716      | 278,447     |
| 521,201   | 506,860     | 458,270    | 133,594     | 536,238      | 731,338     |
| 55,323    | 53,766      | 48,613     | 45,862      | 48,681       | 45,113      |
| 20,655    | 20,477      | 18,744     | 15,925      | 18,902       | 0           |
| 658,227   | 480,529     | 675,631    | 897,681     | 800,550      | 1,157,451   |
| 145,370   | 145,880     | 130,915    | 125,997     | 152,708      | 0           |
| 23,085    | 22,173      | 0          | 0           | 0            | 0           |
| 5,101     | 3,716       | 2,935      | 4,071       | 7,655        | 51,195      |
| 0         | 0           | 20,056     | 0           | 6,469        | 7,953       |
| 141,150   | 77,092      | 84,221     | 62,040      | 57,142       | 20,401      |
| 0         | 0           | 0          | 0           | 12,595,661   | 0           |
| (137,972) | (437,482)   | 0          | 0           | (13,755)     | 0           |
| 4,932,460 | 4,407,736   | 5,000,777  | 4,628,275   | 17,615,467   | 5,272,765   |
| 0         | 0           | 4,768      | 0           | 0            | 0           |
| 40,804    | 58,587      | 14,989     | 8,952       | 3,577        | 2,467       |
| 137,972   | 437,482     | 0          | 0           | 13,755       | 0           |
| 178,776   | 496,069     | 19,757     | 8,952       | 17,332       | 2,467       |
| 5,111,236 | 4,903,805   | 5,020,534  | 4,637,227   | 17,632,799   | 5,275,232   |
| (932,412) | (113,770)   | (415,692)  | (1,332,353) | 12,858,157   | (498,924)   |
| 1,159,406 | 1,173,725   | 368,077    | 1,202,519   | 144,049      | 357,910     |
| \$226,994 | \$1,059,955 | (\$47,615) | (\$129,834) | \$13,002,206 | (\$141,014) |

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

|   | 2017               | 2016               | 2015               | 2014               |
|---|--------------------|--------------------|--------------------|--------------------|
| <b>General Fund</b>                       |                    |                    |                    |                    |
| Nonspendable                              | \$43,821           | \$27,140           | \$33,281           | \$47,130           |
| Assigned                                  | 661,488            | 886,245            | 822,244            | 679,916            |
| Unassigned                                | 790,303            | 551,341            | 1,173,552          | 999,680            |
| Reserved                                  | n/a                | n/a                | n/a                | n/a                |
| Unreserved                                | n/a                | n/a                | n/a                | n/a                |
| <b>Total General Fund</b>                 | <b>1,495,612</b>   | <b>1,464,726</b>   | <b>2,029,077</b>   | <b>1,726,726</b>   |
| <b>All Other Governmental Funds</b>       |                    |                    |                    |                    |
| Nonspendable                              | 56,228             | 49,479             | 50,738             | 61,601             |
| Restricted                                | 1,324,704          | 1,410,639          | 1,152,337          | 1,406,367          |
| Committed                                 | 143,904            | 120,361            | 77,864             | 75,403             |
| Unassigned (Deficit)                      | (139,151)          | (105,918)          | (104,614)          | (55,005)           |
| 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                |
| <b>Total All Other Governmental Funds</b> | <b>1,385,685</b>   | <b>1,474,561</b>   | <b>1,176,325</b>   | <b>1,488,366</b>   |
| <b>Total Governmental Funds</b>           | <b>\$2,881,297</b> | <b>\$2,939,287</b> | <b>\$3,205,402</b> | <b>\$3,215,092</b> |

Note: The City implemented GASB 54 during 2011.

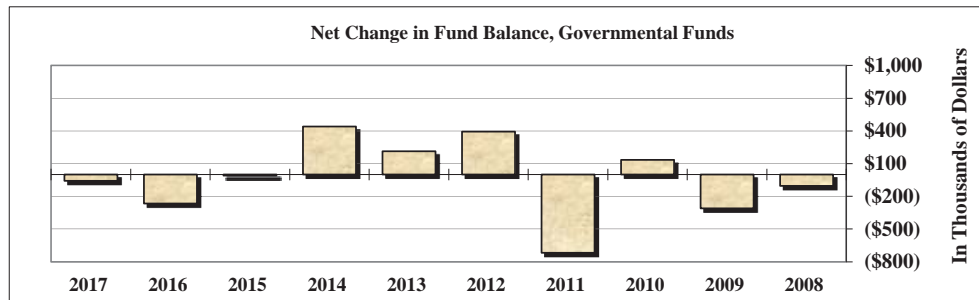
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| 2013        | 2012        | 2011        | 2010        | 2009        | 2008        |
|-------------|-------------|-------------|-------------|-------------|-------------|
| \$43,139    | \$40,845    | \$52,597    | \$53,077    | n/a         | n/a         |
| 383,150     | 343,253     | 345,329     | 18,035      | n/a         | n/a         |
| 1,164,537   | 965,912     | 695,947     | 523,368     | n/a         | n/a         |
| n/a         | n/a         | n/a         | n/a         | \$9,478     | \$10,063    |
| n/a         | n/a         | n/a         | n/a         | 412,981     | 205,180     |
| 1,590,826   | 1,350,010   | 1,093,873   | 594,480     | 422,459     | 215,243     |
| 51,723      | 66,015      | 59,912      | 66,205      | n/a         | n/a         |
| 1,209,060   | 1,171,627   | 1,398,644   | 2,055,894   | n/a         | n/a         |
| 38,707      | 30,049      | 46,874      | 14,153      | n/a         | n/a         |
| (115,317)   | (55,840)    | (430,812)   | (144,163)   | n/a         | n/a         |
| n/a         | n/a         | n/a         | n/a         | 24,228      | 57,471      |
| n/a         | n/a         | n/a         | n/a         | 559,643     | 909,427     |
| n/a         | n/a         | n/a         | n/a         | 572,348     | 675,692     |
| n/a         | n/a         | n/a         | n/a         | 873,648     | 904,996     |
| 1,184,173   | 1,211,851   | 1,074,618   | 1,992,089   | 2,029,867   | 2,547,586   |
| \$2,774,999 | \$2,561,861 | \$2,168,491 | \$2,586,569 | \$2,452,326 | \$2,762,829 |

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

|   | 2017              | 2016               | 2015             | 2014             |
|---|-------------------|--------------------|------------------|------------------|
| <b>Revenues</b>   |                   |                    |                  |                  |
| Property Taxes  | \$2,175,269       | \$2,228,798        | \$1,617,111      | \$1,632,504      |
| Municipal Income Taxes                                  | 3,111,685         | 2,839,766          | 3,163,103        | 3,021,077        |
| Hotel Taxes   | 22,877            | 24,138             | 23,409           | 18,364           |
| Special Assessments                                     | 88,436            | 104,042            | 94,534           | 113,575          |
| Intergovernmental                                       | 1,164,899         | 1,156,616          | 1,860,461        | 1,616,276        |
| Fees, Licenses and Permits                              | 402,943           | 421,606            | 324,522          | 354,471          |
| Fines and Forfeitures                                   | 318,365           | 271,665            | 301,696          | 316,332          |
| Rentals   | 25,500            | 67,231             | 51,650           | 51,725           |
| Charges for Services                                    | 384,055           | 417,825            | 418,461          | 420,540          |
| Contributions and Donations                             | 65,255            | 21,358             | 20,569           | 17,598           |
| Interest  | 49,920            | 24,033             | 6,819            | 5,253            |
| Franchise Taxes   | 131,414           | 127,503            | 153,209          | 135,793          |
| Other   | 162,255           | 180,212            | 95,314           | 174,638          |
| <b>Total Revenues</b>                                   | <b>8,102,873</b>  | <b>7,884,793</b>   | <b>8,130,858</b> | <b>7,878,146</b> |
| <b>Expenditures</b>                                     |                   |                    |                  |                  |
| Current:  |                   |                    |                  |                  |
| General Government                                      | 1,407,467         | 1,486,438          | 1,504,861        | 1,215,590        |
| Security of Persons and Property                        | 3,686,376         | 3,865,687          | 3,634,608        | 3,212,086        |
| Public Health Services                                  | 190,285           | 184,504            | 188,370          | 174,357          |
| Leisure Time Activities                                 | 114,268           | 90,088             | 95,671           | 98,353           |
| Community Development                                   | 243,395           | 131,772            | 353,683          | 369,484          |
| Basic Utilities Services                                | 200,724           | 162,842            | 156,956          | 163,261          |
| Transportation  | 1,230,353         | 1,149,087          | 1,236,421        | 1,269,511        |
| Capital Outlay  | 682,739           | 615,544            | 1,126,461        | 836,317          |
| Debt Service:   |                   |                    |                  |                  |
| Principal Retirement                                    | 514,418           | 675,992            | 476,410          | 400,430          |
| Principal Retirement - Current Refunding                | 30,000            | 0                  | 0                | 7,500            |
| Interest and Fiscal Charges                             | 72,338            | 82,230             | 85,703           | 81,164           |
| <b>Total Expenditures</b>                               | <b>8,372,363</b>  | <b>8,444,184</b>   | <b>8,859,144</b> | <b>7,828,053</b> |
| <i>Excess of Revenues Over<br/>(Under) Expenditures</i> | <i>(269,490)</i>  | <i>(559,391)</i>   | <i>(728,286)</i> | <i>50,093</i>    |
| <b>Other Financing Sources (Uses)</b>                   |                   |                    |                  |                  |
| Sale of Capital Assets                                  | 0                 | 0                  | 18,582           | 0                |
| Loans Issued  | 0                 | 0                  | 0                | 0                |
| General Obligation Bonds Issued                         | 214,000           | 0                  | 450,000          | 360,000          |
| General Obligation Notes Issued                         | 90,000            | 120,000            | 150,000          | 37,500           |
| OPWC Loans Issued                                       | 0                 | 0                  | 0                | 0                |
| Inception of Capital Lease                              | 0                 | 175,776            | 101,264          | 0                |
| Current Refunding                                       | (90,000)          | 0                  | 0                | (7,500)          |
| Transfers In  | 96,000            | 70,750             | 30,750           | 161,234          |
| Transfers Out   | (98,500)          | (73,250)           | (32,000)         | (161,234)        |
| <b>Total Other Financing Sources (Uses)</b>             | <b>211,500</b>    | <b>293,276</b>     | <b>718,596</b>   | <b>390,000</b>   |
| <b>Net Change in Fund Balances</b>                      | <b>(\$57,990)</b> | <b>(\$266,115)</b> | <b>(\$9,690)</b> | <b>\$440,093</b> |
| Debt Service as a Percentage of Noncapital Expenditures |                   |                    |                  |                  |
|   | 8.2%              | 10.1%              | 7.5%             | 6.3%             |



| 2013             | 2012             | 2011               | 2010             | 2009               | 2008               |
|------------------|------------------|--------------------|------------------|--------------------|--------------------|
| \$1,155,333      | \$1,021,308      | \$1,047,455        | \$1,285,434      | \$1,196,921        | \$1,200,633        |
| 2,931,872        | 3,067,806        | 2,771,887          | 2,392,978        | 2,709,105          | 2,966,852          |
| 20,655           | 20,477           | 18,744             | 15,925           | 18,902             | 0                  |
| 142,659          | 149,561          | 125,719            | 117,447          | 140,026            | 156,324            |
| 1,534,596        | 2,145,486        | 2,015,466          | 1,960,327        | 2,065,713          | 2,564,852          |
| 338,594          | 251,207          | 686,084            | 698,995          | 822,684            | 204,923            |
| 321,006          | 281,892          | 316,679            | 256,964          | 249,793            | 203,988            |
| 58,661           | 40,464           | 89,720             | 51,000           | 53,050             | 53,985             |
| 480,371          | 456,002          | 47,210             | 31,000           | 120,092            | 327,059            |
| 23,885           | 23,963           | 26,036             | 27,917           | 27,212             | 36,335             |
| 5,101            | 3,716            | 2,935              | 4,071            | 7,655              | 51,195             |
| 128,870          | 145,880          | 144,227            | 125,799          | 139,594            | 0                  |
| 141,150          | 77,092           | 84,221             | 62,040           | 57,142             | 20,401             |
| <u>7,282,753</u> | <u>7,684,854</u> | <u>7,376,383</u>   | <u>7,029,897</u> | <u>7,607,889</u>   | <u>7,786,547</u>   |
| 1,132,241        | 1,110,431        | 1,346,573          | 1,205,449        | 1,103,255          | 1,189,657          |
| 3,111,589        | 2,867,862        | 2,847,980          | 3,205,587        | 3,589,404          | 3,679,873          |
| 172,451          | 186,860          | 223,038            | 312,852          | 192,405            | 334,167            |
| 100,758          | 103,469          | 112,259            | 113,391          | 107,704            | 95,067             |
| 453,549          | 374,504          | 505,419            | 302,117          | 161,431            | 485,474            |
| 155,068          | 141,999          | 155,125            | 109,837          | 149,308            | 43,877             |
| 1,114,909        | 1,174,367        | 1,129,878          | 1,090,117        | 1,174,475          | 1,543,137          |
| 340,170          | 1,168,624        | 1,402,792          | 538,330          | 952,076            | 482,922            |
| 478,715          | 619,379          | 1,283,255          | 439,156          | 477,512            | 447,015            |
| 7,500            | 26,000           | 26,000             | 26,000           | 34,000             | 87,000             |
| 90,358           | 76,581           | 117,198            | 127,253          | 140,956            | 167,254            |
| <u>7,157,308</u> | <u>7,850,076</u> | <u>9,149,517</u>   | <u>7,470,089</u> | <u>8,082,526</u>   | <u>8,555,443</u>   |
| 125,445          | (165,222)        | (1,773,134)        | (440,192)        | (474,637)          | (768,896)          |
| 0                | 0                | 20,056             | 0                | 10,800             | 39,439             |
| 0                | 0                | 0                  | 574,435          | 153,334            | 500,000            |
| 0                | 544,352          | 735,000            | 0                | 0                  | 0                  |
| 15,000           | 73,000           | 399,000            | 125,000          | 151,000            | 185,000            |
| 0                | 14,240           | 0                  | 0                | 0                  | 0                  |
| 88,485           | 0                | 0                  | 0                | 0                  | 74,999             |
| (15,000)         | (73,000)         | (99,000)           | (125,000)        | (151,000)          | (135,000)          |
| 176,308          | 200,750          | 36,250             | 60,750           | 77,265             | 100,350            |
| (177,100)        | (200,750)        | (36,250)           | (60,750)         | (77,265)           | (100,350)          |
| <u>87,693</u>    | <u>558,592</u>   | <u>1,055,056</u>   | <u>574,435</u>   | <u>164,134</u>     | <u>664,438</u>     |
| <u>\$213,138</u> | <u>\$393,370</u> | <u>(\$718,078)</u> | <u>\$134,243</u> | <u>(\$310,503)</u> | <u>(\$104,458)</u> |
| 10.0%            | 10.8%            | 16.7%              | 9.8%             | 8.7%               | 8.9%               |

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

| Collection<br>Year | Real Property                |                             |                              | Tangible Personal Property |                              |
|--------------------|------------------------------|-----------------------------|------------------------------|----------------------------|------------------------------|
|                    | Assessed Value               |                             | Estimated<br>Actual<br>Value | Public Utility             |                              |
|                    | Residential/<br>Agricultural | Commercial<br>Industrial/PU |                              | Assessed<br>Value          | Estimated<br>Actual<br>Value |
| 2017               | \$123,541,940                | \$54,806,950                | \$509,568,257                | \$8,499,330                | \$9,658,330                  |
| 2016               | 123,731,870                  | 54,135,860                  | 508,193,514                  | 7,968,920                  | 9,055,591                    |
| 2015               | 123,666,110                  | 55,173,170                  | 510,969,371                  | 7,546,170                  | 8,575,193                    |
| 2014               | 123,558,190                  | 56,595,160                  | 514,723,857                  | 7,137,030                  | 8,110,261                    |
| 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                    |

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

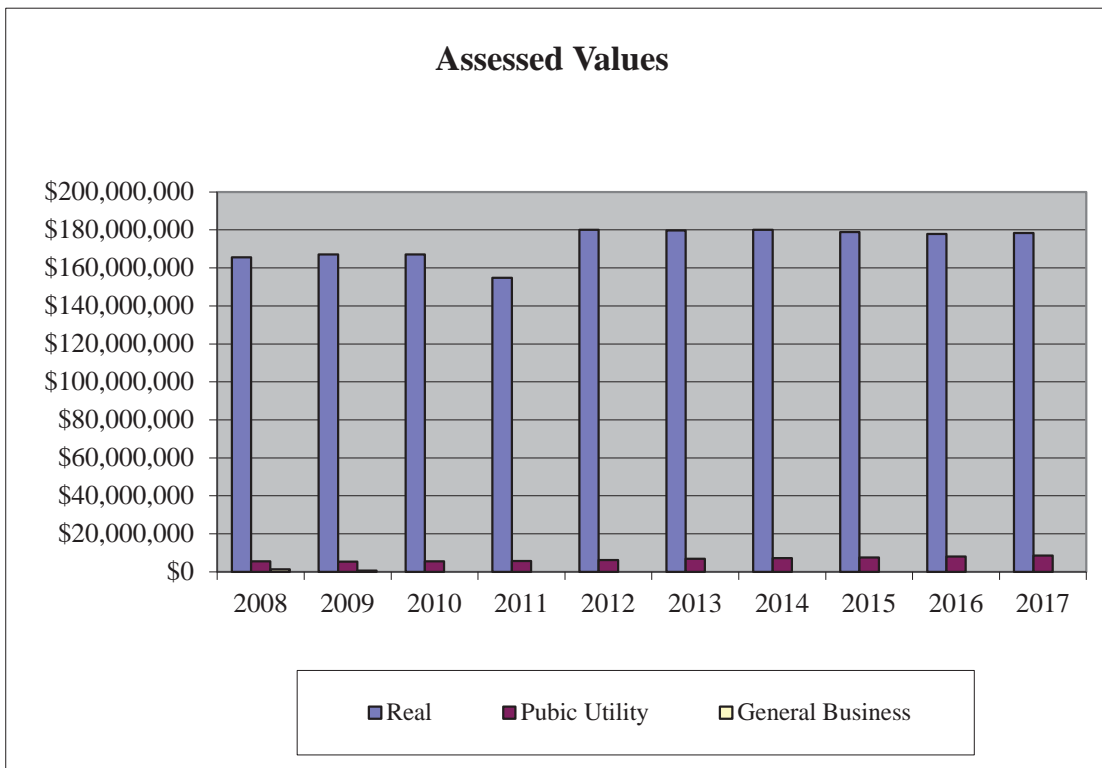
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General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

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

Source: Ashtabula County, Ohio; County Auditor



| Tangible Personal Property |                              |                   |                              |        | Weighted<br>Average<br>Tax Rate<br>(per \$1,000<br>of Assessed<br>Value) |
|----------------------------|------------------------------|-------------------|------------------------------|--------|--|
| General Business           |                              | Total             |                              |        |  |
| Assessed<br>Value          | Estimated<br>Actual<br>Value | Assessed<br>Value | Estimated<br>Actual<br>Value | Ratio  |  |
| \$0                        | \$0                          | \$186,848,220     | \$519,226,587                | 35.99% | \$12.83  |
| 0                          | 0                            | 185,836,650       | 517,249,105                  | 35.93  | 12.84  |
| 0                          | 0                            | 186,385,450       | 519,544,565                  | 35.87  | 13.46  |
| 0                          | 0                            | 187,290,380       | 522,834,119                  | 35.82  | 9.80   |
| 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  | 7.17   |
| 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   |



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

|  | 2017           | 2016           | 2015           | 2014          | 2013          |
|--|----------------|----------------|----------------|---------------|---------------|
| <b>Unvoted Millage</b>                         |                |                |                |               |               |
| Operating                                      | \$2.0000       | \$2.0000       | \$2.0000       | \$2.0000      | \$2.2000      |
| Fire Pension                                   | 0.7300         | 0.7300         | 0.7300         | 0.7300        | 0.6300        |
| Police Pension                                 | 0.9000         | 0.9000         | 0.9000         | 0.9000        | 0.8000        |
| Bond Sinking Fund                              | 0.0000         | 0.0000         | 0.0000         | 0.0000        | 0.0000        |
| <i>Total Unvoted Millage</i>                   | <u>3.6300</u>  | <u>3.6300</u>  | <u>3.6300</u>  | <u>3.6300</u> | <u>3.6300</u> |
| <b>Voted Millage - by levy</b>                 |                |                |                |               |               |
| 1986 Bond                                      | 0.0000         | 0.0000         | 0.0000         | 0.0000        | 0.0000        |
| 1995 Library Bond                              | 0.0000         | 0.0000         | 0.6300         | 0.5300        | 0.5300        |
| 2003 Police Operating                          |                |                |                |               |               |
| Residential/Agricultural Real                  | 2.0000         | 2.0000         | 2.0000         | 2.0000        | 1.8534        |
| Commercial/Industrial and Public Utility Real  | 1.8553         | 1.8506         | 1.8466         | 1.8065        | 1.9704        |
| General Business and Public Utility Personal   | 1.9835         | 2.0000         | 2.0000         | 2.0000        | 2.0000        |
| 2005 Fire                                      |                |                |                |               |               |
| Residential/Agricultural Real                  | 0.0000         | 0.0000         | 0.0000         | 1.0000        | 0.9267        |
| Commercial/Industrial and Public Utility Real  | 0.0000         | 0.0000         | 0.0000         | 0.9033        | 0.9852        |
| General Business and Public Utility Personal   | 0.0000         | 0.0000         | 0.0000         | 1.0000        | 1.0000        |
| 2013 Road and Bridge                           |                |                |                |               |               |
| Residential/Agricultural Real                  | 2.7500         | 2.7500         | 2.7500         | 2.7500        | 2.7496        |
| Commercial/Industrial and Public Utility Real  | 2.7500         | 2.7455         | 2.7395         | 2.6801        | 2.7500        |
| General Business and Public Utility Personal   | 2.7273         | 2.7500         | 2.7500         | 2.7500        | 2.7500        |
| 2015 Fire                                      |                |                |                |               |               |
| Residential/Agricultural Real                  | 1.5000         | 1.5000         | 1.5000         | 0.0000        | 0.0000        |
| Commercial/Industrial and Public Utility Real  | 1.5000         | 1.5000         | 1.5000         | 0.0000        | 0.0000        |
| General Business and Public Utility Personal   | 1.4876         | 1.5000         | 1.5000         | 0.0000        | 0.0000        |
| 2015 Police                                    |                |                |                |               |               |
| Residential/Agricultural Real                  | 3.0000         | 3.0000         | 3.0000         | 0.0000        | 0.0000        |
| Commercial/Industrial and Public Utility Real  | 3.0000         | 3.0000         | 3.0000         | 0.0000        | 0.0000        |
| General Business and Public Utility Personal   | 2.9752         | 3.0000         | 3.0000         | 0.0000        | 0.0000        |
| <i>Total Voted Millage by Type of Property</i> |                |                |                |               |               |
| Residential/Agricultural Real                  | \$9.2500       | \$9.2500       | \$9.8800       | \$6.2800      | \$6.0597      |
| Commercial/Industrial and Public Utility Real  | 9.1053         | 9.0961         | 9.7160         | 5.9199        | 6.2356        |
| General Business and Public Utility Personal   | 9.1736         | 9.2500         | 9.8800         | 6.2800        | 6.2800        |
| <b>Total Millage by Type of Property</b>       |                |                |                |               |               |
| Residential/Agricultural Real                  | \$12.8800      | \$12.8800      | \$13.5100      | \$9.9100      | \$9.6897      |
| Commercial/Industrial and Public Utility Real  | 12.7353        | 12.7261        | 13.3460        | 9.5499        | 9.8656        |
| General Business and Public Utility Personal   | 12.8036        | 12.8800        | 13.5100        | 9.9100        | 9.9100        |
| <i>Total Weighted Average Tax Rate</i>         | <u>12.8341</u> | <u>12.8352</u> | <u>13.4615</u> | <u>9.8012</u> | <u>7.7511</u> |

| 2012     | 2011     | 2010     | 2009     | 2008     |
|----------|----------|----------|----------|----------|
| \$2.2000 | \$2.2000 | \$2.0000 | \$2.0000 | \$2.0000 |
| 0.6300   | 0.6300   | 0.6300   | 0.4400   | 0.4400   |
| 0.8000   | 0.8000   | 1.0000   | 1.1900   | 1.1900   |
| 0.0000   | 0.0000   | 0.0000   | 0.0000   | 0.0000   |
| 3.6300   | 3.6300   | 3.6300   | 3.6300   | 3.6300   |
| 0.0000   | 0.0000   | 0.4400   | 0.4400   | 0.4400   |
| 0.6300   | 0.7300   | 0.8300   | 0.8300   | 0.8300   |
| 1.8537   | 1.8527   | 1.7258   | 1.7248   | 1.7236   |
| 1.9510   | 1.9387   | 1.7440   | 1.7352   | 1.7606   |
| 2.0000   | 2.0000   | 2.0000   | 2.0000   | 2.0000   |
| 0.9268   | 0.9264   | 0.8629   | 0.8624   | 0.8618   |
| 0.9755   | 0.9693   | 0.8720   | 0.8676   | 0.8803   |
| 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   |
| 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   |
| 0.0000   | 0.0000   | 0.0000   | 0.0000   | 0.0000   |
| 0.0000   | 0.0000   | 0.0000   | 0.0000   | 0.0000   |
| \$3.4105 | \$3.5091 | \$3.8587 | \$3.8572 | \$3.8554 |
| 3.5565   | 3.6380   | 3.8860   | 3.8728   | 3.9109   |
| 3.6300   | 3.7300   | 4.2700   | 4.2700   | 4.2700   |
| \$7.0405 | \$7.1391 | \$7.4887 | \$7.4872 | \$7.4854 |
| 7.1865   | 7.2680   | 7.5160   | 7.5028   | 7.5409   |
| 7.2600   | 7.3600   | 7.9000   | 7.9000   | 7.9000   |
| 7.0926   | 7.1727   | 7.5075   | 7.5046   | 7.5128   |

(continued)

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

|   | 2017      | 2016      | 2015      | 2014      | 2013      |
|---|-----------|-----------|-----------|-----------|-----------|
| <b>Overlapping Rates by Taxing District</b>   |           |           |           |           |           |
| Conneaut City School District                 |           |           |           |           |           |
| Residential/Agricultural Real                 | \$40.5900 | \$36.3900 | \$36.3900 | \$26.0683 | \$24.3233 |
| Commercial/Industrial and Public Utility Real | 28.1145   | 23.9602   | 23.9227   | 23.5787   | 25.5875   |
| General Business and Public Utility Personal  | 30.7731   | 26.7154   | 26.6232   | 36.3900   | 39.3900   |
| Ashtabula County                              |           |           |           |           |           |
| Residential/Agricultural Real                 | 11.5200   | 11.5200   | 9.5530    | 10.8876   | 9.0012    |
| Commercial/Industrial and Public Utility Real | 9.7962    | 10.0306   | 8.0465    | 9.4306    | 9.9622    |
| General Business and Public Utility Personal  | 11.2001   | 11.2176   | 9.2017    | 11.5200   | 11.0200   |
| Special Taxing Districts (1)                  |           |           |           |           |           |
| Residential/Agricultural Real                 | 7.1500    | 8.7600    | 7.6500    | 3.5383    | 3.5917    |
| Commercial/Industrial and Public Utility Real | 5.4034    | 8.3339    | 5.9616    | 3.8581    | 3.6610    |
| General Business and Public Utility Personal  | 5.7964    | 8.1487    | 6.2914    | 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 Districts, Joint Vocational School, Public Library

| 2012      | 2011      | 2010      | 2009      | 2008      |
|-----------|-----------|-----------|-----------|-----------|
| \$25.5513 | \$25.5424 | \$24.4838 | \$24.4735 | \$24.4579 |
| 26.6359   | 26.5549   | 24.5714   | 24.5103   | 24.5311   |
| 37.6300   | 37.6300   | 37.6300   | 37.6300   | 37.6300   |
| 8.9962    | 8.9922    | 8.5409    | 8.5335    | 8.5375    |
| 9.9304    | 9.9223    | 9.4041    | 9.2994    | 9.2655    |
| 11.0200   | 11.0200   | 11.0200   | 11.0200   | 11.0300   |
| 3.5894    | 2.5972    | 3.3998    | 3.2237    | 3.2207    |
| 3.6489    | 2.6574    | 3.3966    | 3.2468    | 3.2461    |
| 5.2500    | 4.2600    | 5.2500    | 5.2500    | 5.2500    |

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

| Year | Total<br>Original Tax<br>Levy | Current<br>Tax<br>Collections | Percent of<br>Current Tax<br>Collections<br>To Original<br>Tax Levy | Delinquent<br>Tax<br>Collections | Total<br>Tax<br>Collections (1) |
|------|-------------------------------|-------------------------------|---|----------------------------------|---------------------------------|
| 2017 | \$2,464,939                   | \$2,276,626                   | 92.36 %   | \$91,689                         | \$2,368,315                     |
| 2016 | 2,497,430                     | 2,378,707                     | 95.25   | 59,324                           | 2,438,031                       |
| 2015 | 1,807,218                     | 1,662,558                     | 92.00   | 68,344                           | 1,730,902                       |
| 2014 | 1,824,225                     | 1,662,089                     | 91.11   | 79,952                           | 1,742,041                       |
| 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                       |

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.

| Percent of Total<br>Tax Collections<br>To Original<br>Tax Levy | Accumulated<br>Outstanding<br>Delinquent<br>Taxes | Percentage of<br>Delinquent Taxes<br>To Original<br>Tax Levy |
|--|---|--|
| 96.08 %  | \$296,253   | 12.02 %  |
| 97.62  | 267,516   | 10.71  |
| 95.78  | 284,571   | 15.75  |
| 95.49  | 304,863   | 16.71  |
| 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   |

**City of Conneaut, Ohio**  
*Principal Real Property Taxpayers*  
 2017 and 2008

| <i>2017</i>                             |                                     |  |
|---|-------------------------------------|--|
| Taxpayer                                | Real Property<br>Assessed Valuation | Percentage of Total<br>Real Assessed Valuation |
| CCA Western Properties                  | \$25,051,460                        | 14.05 %  |
| Cleveland Electric Illuminating Company | 6,249,240                           | 3.50   |
| American Transmission                   | 1,572,230                           | 0.88   |
| Millwork Properties                     | 1,415,580                           | 0.79   |
| Villa At the Lake                       | 1,332,240                           | 0.76   |
| CSP of Ohio, LLC                        | 984,450                             | 0.55   |
| ES Realty                               | 840,630                             | 0.47   |
| Kolman Properties                       | 825,870                             | 0.46   |
| Overhead Door                           | 816,490                             | 0.46   |
| East Ohio Gas                           | 677,860                             | 0.38   |
| <b>Total</b>                            | <b>\$39,766,050</b>                 | <b>22.30 %</b>                                 |
| <b>Total Real Assessed Valuation</b>    | <b>\$178,348,890</b>                |  |

| <i>2008</i>                             |                                     |  |
|---|-------------------------------------|--|
| Taxpayer                                | Real Property<br>Assessed Valuation | Percentage of Total<br>Real Assessed Valuation |
| Cleveland Electric Illuminating Company | \$4,213,290                         | 2.55 %   |
| Millwork Properties                     | 1,698,810                           | 1.03   |
| Navigroup Venture 1                     | 1,563,140                           | 0.94   |
| CSP of Ohio, LLC                        | 1,418,280                           | 0.86   |
| Emster XV, LLC                          | 1,256,900                           | 0.76   |
| Highland Place                          | 1,061,840                           | 0.64   |
| Mobile Grove Limited                    | 964,160                             | 0.58   |
| Inn Conn Health Care                    | 952,850                             | 0.58   |
| Union Railroad                          | 828,250                             | 0.50   |
| Lukjan Metal Products                   | 756,040                             | 0.46   |
| <b>Total</b>                            | <b>\$14,713,560</b>                 | <b>8.89 %</b>                                  |
| <b>Total Real Assessed Valuation</b>    | <b>\$165,516,430</b>                |  |

Source: Ashtabula County Auditor



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

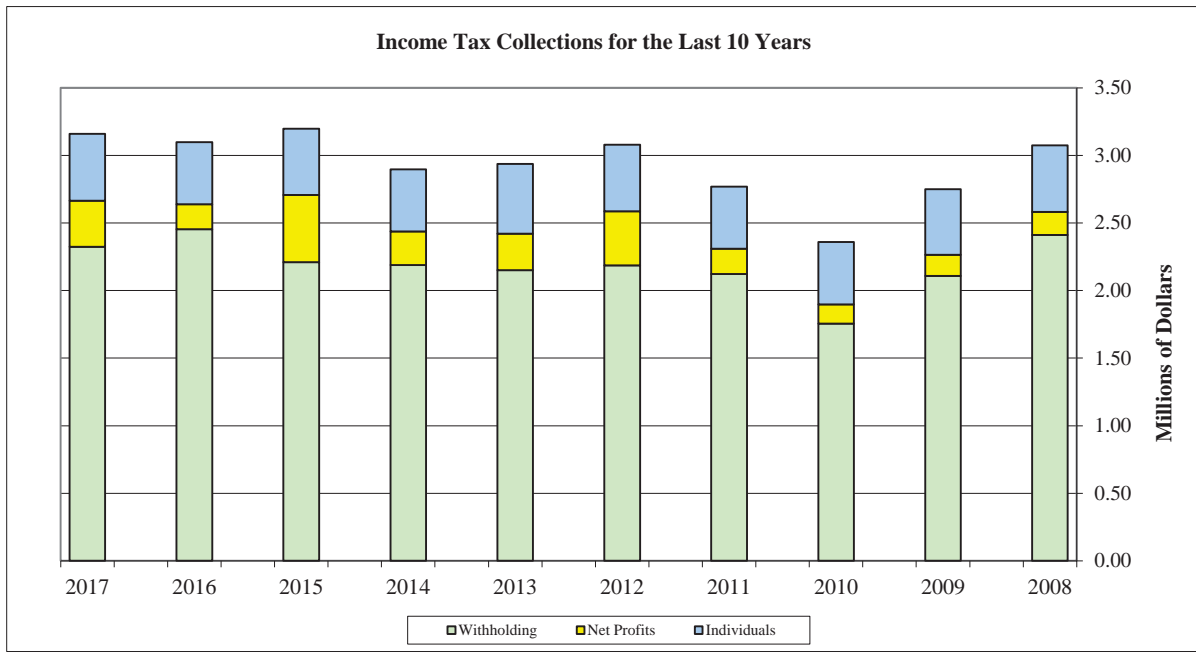
| Tax Year | Tax Rate (2) | Total Tax Collected (1) | Taxes from Withholding | Percentage of Taxes from Withholding | Taxes From Net Profits | Percentage of Taxes from Net Profits | Taxes From Individuals | Percentage of Taxes from Individuals |
|----------|--------------|-------------------------|------------------------|--------------------------------------|------------------------|--------------------------------------|------------------------|--------------------------------------|
| 2017     | 1.65%        | \$3,158,615             | \$2,323,420            | 73.56%                               | \$340,677              | 10.79%                               | \$494,518              | 15.66%                               |
| 2016     | 1.65         | 3,098,326               | 2,454,624              | 79.22                                | 183,311                | 5.92                                 | 460,391                | 14.86                                |
| 2015     | 1.65         | 3,198,238               | 2,209,573              | 69.09                                | 498,257                | 15.58                                | 490,408                | 15.33                                |
| 2014     | 1.65         | 2,896,554               | 2,189,229              | 75.58                                | 249,088                | 8.60                                 | 458,237                | 15.82                                |
| 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                                |

(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<br>Obligation<br>Bonds | OWDA<br>Loans | Loans     | OPWC<br>Loans | Bond<br>Anticipation<br>Notes | Capital<br>Leases |
| 2017 | \$1,225,744                    | \$144,035     | \$369,181 | \$22,899      | \$90,000                      | \$126,956         |
| 2016 | 1,239,337                      | 196,523       | 512,959   | 25,192        | 120,000                       | 215,222           |
| 2015 | 1,462,186                      | 295,554       | 652,960   | 27,485        | 150,000                       | 101,264           |
| 2014 | 1,186,931                      | 390,855       | 789,295   | 29,778        | 37,500                        | 30,236            |
| 2013 | 967,749                        | 485,908       | 922,072   | 32,071        | 15,000                        | 59,725            |
| 2012 | 1,105,175                      | 622,506       | 1,026,597 | 34,008        | 73,000                        | 18,969            |
| 2011 | 645,000                        | 753,536       | 1,111,053 | 21,349        | 399,000                       | 37,104            |
| 2010 | 940,000                        | 879,237       | 1,193,481 | 22,930        | 125,000                       | 80,649            |
| 2009 | 1,145,000                      | 999,827       | 653,334   | 24,511        | 151,000                       | 158,346           |
| 2008 | 1,350,000                      | 1,115,517     | 500,000   | 26,092        | 242,000                       | 256,587           |

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

Source: City Financial Records

| Business-Type Activities |               |                                |           |                               |                   |               |   |                   |
|--------------------------|---------------|--------------------------------|-----------|-------------------------------|-------------------|---------------|---|-------------------|
| OWDA<br>Loans            | OPWC<br>Loans | General<br>Obligation<br>Bonds | Loans     | Bond<br>Anticipation<br>Notes | Capital<br>Leases | Total<br>Debt | Percentage<br>of Personal<br>Income (1) | Per<br>Capita (1) |
| \$6,366,372              | \$517,729     | \$807,947                      | \$61,331  | \$0                           | \$0               | \$9,732,194   | 4.44%                                   | \$757.90          |
| 4,796,560                | 501,022       | 218,995                        | 116,289   | 0                             | 0                 | 7,942,099     | 3.62                                    | 618.50            |
| 5,172,255                | 549,341       | 298,825                        | 376,228   | 0                             | 0                 | 9,086,098     | 4.15                                    | 707.58            |
| 4,801,507                | 596,410       | 376,498                        | 626,509   | 72,500                        | 0                 | 8,938,019     | 4.08                                    | 696.05            |
| 4,207,834                | 550,350       | 452,075                        | 867,539   | 135,000                       | 0                 | 8,695,323     | 3.97                                    | 677.15            |
| 3,582,226                | 383,167       | 525,615                        | 1,099,707 | 160,000                       | 0                 | 8,630,970     | 3.94                                    | 672.14            |
| 3,441,654                | 364,657       | 460,000                        | 1,178,287 | 200,000                       | 0                 | 8,611,640     | 3.93                                    | 670.64            |
| 3,750,911                | 305,621       | 530,895                        | 1,379,949 | 240,000                       | 0                 | 9,448,673     | 4.31                                    | 735.82            |
| 4,236,568                | 345,077       | 601,018                        | 306,666   | 280,000                       | 0                 | 8,901,347     | 4.85                                    | 712.96            |
| 4,700,557                | 384,536       | 671,141                        | 0         | 0                             | 0                 | 9,246,430     | 5.04                                    | 740.60            |

**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<br>True Values of<br>Taxable<br>Property (2) | Gross Bonded Debt (3) |                   |             | Ratio of<br>Bonded<br>Debt to Estimated<br>True Values of<br>Taxable Property | Bonded<br>Debt Per<br>Capital |
|------|----------------|--|-----------------------|-------------------|-------------|---|-------------------------------|
|      |                |  | Governmental          | Business-<br>Type | Total       |   |                               |
| 2017 | 12,841         | \$519,226,587  | \$1,225,744           | \$807,947         | \$2,033,691 | 0.39 %  | \$158.37                      |
| 2016 | 12,841         | 517,249,105  | 1,239,337             | 218,995           | 1,458,332   | 0.28  | 113.57                        |
| 2015 | 12,841         | 519,544,565  | 1,462,186             | 298,825           | 1,761,011   | 0.34  | 137.14                        |
| 2014 | 12,841         | 522,834,119  | 1,186,931             | 376,498           | 1,563,429   | 0.30  | 121.75                        |
| 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   | 0.34  | 161.79                        |

Sources:

(1) 2017 - 2010 The U.S. Bureau of Census, 2010 Federal Census of Population  
2008 - 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, 2017*

| Jurisdiction                  | Governmental<br>Activities<br>Debt | Percentage<br>Applicable<br>to City (1) | Amount<br>Applicable<br>to City of<br>Conneaut |
|-------------------------------|------------------------------------|---|--|
| <b>Direct</b>                 |                                    |   |  |
| General Obligation Bonds      | \$1,225,744                        | 100.00 %                                | \$1,225,744                                    |
| OWDA Loans                    | 144,035                            | 100.00                                  | 144,035  |
| Loans                         | 369,181                            | 100.00                                  | 369,181  |
| OPWC Loans                    | 22,899                             | 100.00                                  | 22,899   |
| Bond Anticipation Notes       | 90,000                             | 100.00                                  | 90,000   |
| Capital Leases                | 126,956                            | 100.00                                  | 126,956  |
| <i>Total Direct Debt</i>      | <u>1,978,815</u>                   |   | <u>1,978,815</u>                               |
| <b>Overlapping</b>            |                                    |   |  |
| Ashtabula County              |                                    |   |  |
| General Obligation Bonds      | 16,617,062                         | 10.32                                   | 1,714,881                                      |
| OPWC Loans                    | 188,321                            | 10.32                                   | 19,435   |
| Conneaut City School District |                                    |   |  |
| General Obligation Bonds      | 3,934,782                          | 85.55                                   | 3,366,206                                      |
| <i>Total Overlapping Debt</i> | <u>20,740,165</u>                  |   | <u>5,100,524</u>                               |
| <b>Total</b>                  | <u><u>\$22,718,980</u></u>         |   | <u><u>\$7,079,339</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*

|   | 2017                 | 2016                 | 2015                 | 2014                 |
|---|----------------------|----------------------|----------------------|----------------------|
| Total Assessed Property Value   | <u>\$186,848,220</u> | <u>\$185,836,650</u> | <u>\$186,385,450</u> | <u>\$187,290,380</u> |
| General Bonded Debt Outstanding:  |                      |                      |                      |                      |
| General Obligation Bonds  | \$2,033,691          | \$1,458,332          | \$1,761,011          | \$1,563,429          |
| OWDA Loans  | 6,510,407            | 4,993,083            | 5,467,809            | 5,192,362            |
| OPWC Loans  | 540,628              | 526,214              | 576,826              | 626,188              |
| Bond Anticipation Notes   | 240,000              | 300,000              | 440,000              | 420,000              |
| Loans   | <u>430,512</u>       | <u>629,248</u>       | <u>1,029,188</u>     | <u>1,415,804</u>     |
| Total Gross Indebtedness  | 9,755,238            | 7,906,877            | 9,274,834            | 9,217,783            |
| Less:   |                      |                      |                      |                      |
| Bond Anticipation Notes   | 0                    | 0                    | (37,500)             | (27,500)             |
| OPWC Loans  | (540,628)            | (526,214)            | (576,826)            | (626,188)            |
| OWDA Loans  | (6,510,407)          | (4,993,083)          | (5,467,809)          | (5,192,362)          |
| General Obligation Bond Retirement Fund Balance                             | <u>(96,605)</u>      | <u>(200,058)</u>     | <u>(190,293)</u>     | <u>(196,347)</u>     |
| Total Net Debt Applicable to Debt Limit                                     | <u>2,607,598</u>     | <u>2,187,522</u>     | <u>3,002,406</u>     | <u>3,175,386</u>     |
| Overall Legal Debt Limit<br>(10 ½ % of Assessed Valuation)                  | <u>19,619,063</u>    | <u>19,512,848</u>    | <u>19,570,472</u>    | <u>19,665,490</u>    |
| Legal Debt Margin Within 10 ½ % Limitations                                 | <u>\$17,011,465</u>  | <u>\$17,325,326</u>  | <u>\$16,568,066</u>  | <u>\$16,490,104</u>  |
| Legal Debt Margin as a Percentage of the Debt Limit                         | 86.71%               | 88.79%               | 84.66%               | 83.85%               |
| Unvoted Debt Limitation<br>5 ½ % of Assessed Valuation                      | <u>\$10,276,652</u>  | <u>\$10,221,016</u>  | <u>\$10,251,200</u>  | <u>\$10,300,971</u>  |
| Total Gross Indebtedness  | 9,755,238            | 7,906,877            | 9,274,834            | 9,217,783            |
| Less:   |                      |                      |                      |                      |
| Bond Anticipation Notes   | 0                    | 0                    | (37,500)             | (27,500)             |
| OPWC Loans  | (540,628)            | (526,214)            | (576,826)            | (626,188)            |
| OWDA Loans  | (6,510,407)          | (4,993,083)          | (5,467,809)          | (5,192,362)          |
| General Obligation Bond Retirement Fund Balance                             | <u>(96,605)</u>      | <u>(200,058)</u>     | <u>(190,293)</u>     | <u>(196,347)</u>     |
| Net Debt Within 5 ½ % Limitations   | <u>2,607,598</u>     | <u>2,187,522</u>     | <u>3,002,406</u>     | <u>3,175,386</u>     |
| Unvoted Legal Debt Margin Within 5 ½ % Limitations                          | <u>\$7,669,054</u>   | <u>\$8,033,494</u>   | <u>\$7,248,794</u>   | <u>\$7,125,585</u>   |
| Unvoted legal Debt Margin as a Percentage of the<br>Unvoted Debt Limitation | 74.63%               | 78.60%               | 70.71%               | 69.17%               |

Source: City Financial Records

| 2013                 | 2012                 | 2011                 | 2010                 | 2009                 | 2008                 |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <u>\$186,664,810</u> | <u>\$186,327,820</u> | <u>\$160,449,260</u> | <u>\$172,598,510</u> | <u>\$172,996,045</u> | <u>\$172,326,090</u> |
| \$1,419,824          | \$1,630,790          | \$1,105,000          | \$1,470,000          | \$1,745,000          | \$2,020,000          |
| 4,693,742            | 4,204,732            | 4,195,190            | 4,630,148            | 5,236,395            | 5,816,074            |
| 582,421              | 417,175              | 386,006              | 328,551              | 369,588              | 410,628              |
| 598,000              | 739,000              | 880,000              | 691,000              | 1,090,000            | 667,000              |
| <u>1,789,611</u>     | <u>2,126,304</u>     | <u>2,289,340</u>     | <u>2,573,430</u>     | <u>960,000</u>       | <u>500,000</u>       |
| 9,083,598            | 9,118,001            | 8,855,536            | 9,693,129            | 9,400,983            | 9,413,702            |
| (125,500)            | (126,000)            | (151,000)            | (301,000)            | (510,905)            | (517,000)            |
| (582,421)            | (417,175)            | (386,006)            | (328,551)            | (369,588)            | (410,628)            |
| (4,693,742)          | (4,204,732)          | (4,195,190)          | (4,630,148)          | (5,236,395)          | (5,816,074)          |
| <u>(201,824)</u>     | <u>(191,063)</u>     | <u>(178,020)</u>     | <u>(394,447)</u>     | <u>(449,671)</u>     | <u>(511,302)</u>     |
| <u>3,480,111</u>     | <u>4,179,031</u>     | <u>3,945,320</u>     | <u>4,038,983</u>     | <u>2,834,424</u>     | <u>2,158,698</u>     |
| 19,599,805           | 19,564,421           | 16,847,172           | 18,122,844           | 18,164,585           | 18,094,239           |
| <u>\$16,119,694</u>  | <u>\$15,385,390</u>  | <u>\$12,901,852</u>  | <u>\$14,083,861</u>  | <u>\$15,330,161</u>  | <u>\$15,935,541</u>  |
| 82.24%               | 78.64%               | 76.58%               | 77.71%               | 84.40%               | 88.07%               |
| <u>\$10,266,565</u>  | <u>\$10,248,030</u>  | <u>\$8,824,709</u>   | <u>\$9,492,918</u>   | <u>\$9,514,782</u>   | <u>\$9,477,935</u>   |
| 9,083,598            | 9,118,001            | 8,855,536            | 9,693,129            | 9,400,983            | 9,413,702            |
| (125,500)            | (126,000)            | (151,000)            | (301,000)            | (510,905)            | (517,000)            |
| (582,421)            | (417,175)            | (386,006)            | (328,551)            | (369,588)            | (410,628)            |
| (4,693,742)          | (4,204,732)          | (4,195,190)          | (4,630,148)          | (5,236,395)          | (5,816,074)          |
| <u>(201,824)</u>     | <u>(191,063)</u>     | <u>(178,020)</u>     | <u>(394,447)</u>     | <u>(449,671)</u>     | <u>(511,302)</u>     |
| <u>3,480,111</u>     | <u>4,179,031</u>     | <u>3,945,320</u>     | <u>4,038,983</u>     | <u>2,834,424</u>     | <u>2,158,698</u>     |
| <u>\$6,786,454</u>   | <u>\$6,068,999</u>   | <u>\$4,879,389</u>   | <u>\$5,453,935</u>   | <u>\$6,680,358</u>   | <u>\$7,319,237</u>   |
| 66.10%               | 59.22%               | 55.29%               | 57.45%               | 70.21%               | 77.22%               |

**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     |          |
| 2017 | \$2,362,700       | \$2,073,595                     | \$289,105                              | \$138,224                  | \$77,861 | \$216,085 | 1.34     |
| 2016 | 2,278,129         | 1,541,931                       | 736,198                                | 162,534                    | 60,161   | 222,695   | 3.31     |
| 2015 | 2,270,332         | 1,666,156                       | 604,176                                | 153,649                    | 62,026   | 215,675   | 2.80     |
| 2014 | 2,258,092         | 1,851,666                       | 406,426                                | 80,286                     | 21,395   | 101,681   | 4.00     |
| 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    |

\* 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     |          |
| 2017 | \$2,442,141       | \$1,778,533                     | \$663,608                              | \$242,740                  | \$98,706 | \$341,446 | 1.94     |
| 2016 | 2,407,861         | 1,417,069                       | 990,792                                | 261,480                    | 85,425   | 346,905   | 2.86     |
| 2015 | 2,409,703         | 1,378,966                       | 1,030,737                              | 126,673                    | 99,642   | 226,315   | 4.55     |
| 2014 | 2,397,841         | 1,393,600                       | 1,004,241                              | 325,227                    | 40,695   | 365,922   | 2.74     |
| 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    |

\* 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*

2017

| Employer                                 | Employees    | Percentage of<br>Total City<br>Employment |
|--|--------------|---|
| Corrections Corporation of America (CCA) | 301          | 6.98 %                                    |
| Conneaut Area City School District       | 258          | 5.98                                      |
| General Aluminum                         | 230          | 5.33                                      |
| Continental Structural Plastics          | 226          | 5.24                                      |
| University Heights Hospital System       | 198          | 4.59                                      |
| Ashtabula County                         | 148          | 3.43                                      |
| Infinity Resources                       | 140          | 3.25                                      |
| Lukjan Metal Products                    | 121          | 2.81                                      |
| Cascade Ohio                             | 112          | 2.60                                      |
| City of Conneaut                         | 102          | 2.37                                      |
| <b>Total</b>                             | <b>1,836</b> | <b>42.58 %</b>                            |
| <b>Total Employment within the City</b>  | <b>4,312</b> |   |

2008

| Employer                                | Employees    | Percentage of<br>Total City<br>Employment |
|---|--------------|---|
| Conneaut Area City School District      | 428          | 8.22 %                                    |
| University Heights Hospital System      | 323          | 6.20                                      |
| General Aluminum                        | 311          | 5.97                                      |
| Cascade Ohio                            | 299          | 5.74                                      |
| Management Training Corporation         | 229          | 4.40                                      |
| City of Conneaut                        | 206          | 3.95                                      |
| CSP                                     | 188          | 3.61                                      |
| Ashtabula County                        | 186          | 3.57                                      |
| Lukjan Metal Products                   | 158          | 3.03                                      |
| Sunshine Health                         | 109          | 2.09                                      |
| <b>Total</b>                            | <b>2,437</b> | <b>46.78 %</b>                            |
| <b>Total Employment within the City</b> | <b>5,209</b> |   |

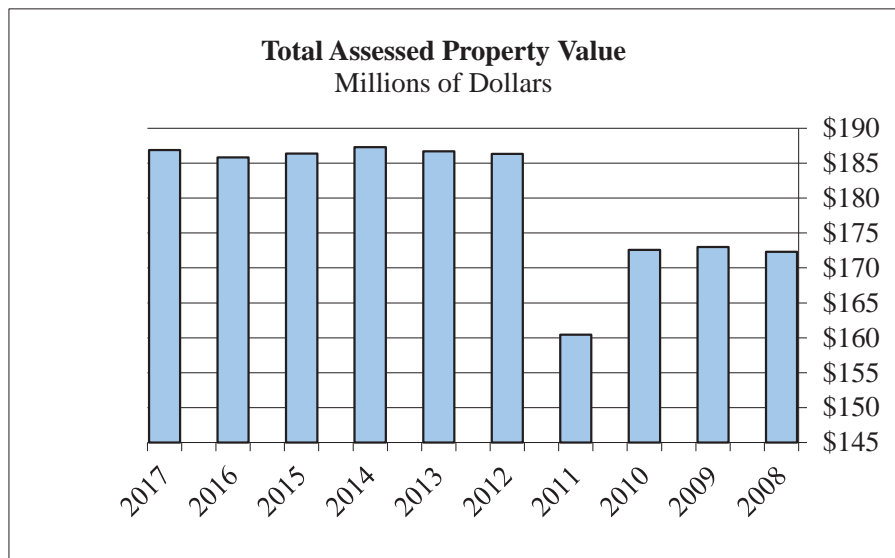
Source: Number of employees obtained from the W2's  
from the City's Tax Department

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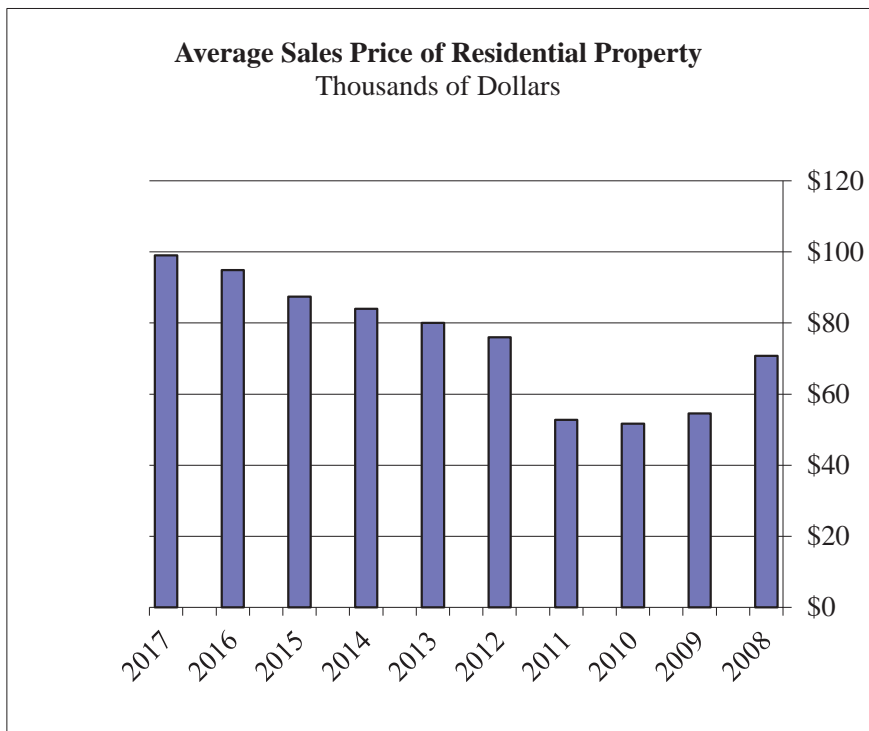
**City of Conneaut, Ohio**  
*Demographic and Economic Statistics*  
*Last Ten Years*

| Year | Population (1) | Total Personal Income (3) | Personal Income Per Capita (1) | Median Household Income (1) | Median Age (1) |
|------|----------------|---------------------------|--------------------------------|-----------------------------|----------------|
| 2017 | 12,841         | \$219,131,665             | \$17,065                       | \$38,250                    | 40             |
| 2016 | 12,841         | 219,131,665               | 17,065                         | 38,250                      | 40             |
| 2015 | 12,841         | 219,131,665               | 17,065                         | 38,250                      | 40             |
| 2014 | 12,841         | 219,131,665               | 17,065                         | 38,250                      | 40             |
| 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             |

- (1) 2017 - 2010 The U.S. Bureau of Census, 2010 Federal Census of Population  
 2008 - 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%   | 1,726                 | 5.9%                                   | \$99,000                                    | \$186,848,220                 |
| 11.2  | 1,727                 | 5.3                                    | 94,900                                      | 185,836,650                   |
| 11.2  | 1,789                 | 6.2                                    | 87,400                                      | 186,385,450                   |
| 11.2  | 1,785                 | 5.9                                    | 84,000                                      | 187,290,380                   |
| 11.2  | 1,797                 | 9.0                                    | 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                   |



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

| Function/Program                        | 2017          | 2016          | 2015          | 2014          |
|---|---------------|---------------|---------------|---------------|
| <b>General Government</b>               |               |               |               |               |
| 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                                     | 2.50          | 2.50          | 2.00          | 2.00          |
| Court                                   | 6.00          | 6.00          | 6.00          | 6.00          |
| Public Building                         | 0.00          | 0.00          | 0.00          | 0.00          |
| <b>Security of Persons and Property</b> |               |               |               |               |
| Police                                  | 19.00         | 19.00         | 17.00         | 17.00         |
| Police - Dispatchers                    | 4.00          | 4.00          | 4.00          | 4.00          |
| Police - Jailers                        | 2.00          | 2.00          | 0.00          | 0.00          |
| Fire                                    | 11.50         | 11.50         | 10.50         | 10.50         |
| Ambulance                               | 5.00          | 5.00          | 5.00          | 5.00          |
| <b>Public Health Services</b>           |               |               |               |               |
| Health                                  | 3.00          | 3.00          | 3.00          | 3.00          |
| Cemetery                                | 1.00          | 1.00          | 1.00          | 1.00          |
| <b>Leisure Time Activities</b>          |               |               |               |               |
| Recreation                              | 1.00          | 1.00          | 1.00          | 1.00          |
| <b>Community Environment</b>            |               |               |               |               |
| Litter Control/Recycling                | 0.00          | 0.00          | 0.00          | 0.00          |
| Housing/Zoning                          | 1.00          | 1.00          | 1.00          | 1.00          |
| <b>Transportation</b>                   |               |               |               |               |
| Street/Public Works                     | 13.00         | 13.00         | 12.00         | 12.00         |
| <b>Basic Utility Services</b>           |               |               |               |               |
| Water                                   | 15.00         | 15.00         | 15.00         | 15.00         |
| Sewer                                   | 11.00         | 11.00         | 11.00         | 11.00         |
| <b>Totals:</b>                          | <u>108.50</u> | <u>108.50</u> | <u>102.00</u> | <u>102.00</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

| 2013          | 2012          | 2011          | 2010          | 2009          | 2008          |
|---------------|---------------|---------------|---------------|---------------|---------------|
| 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          | 3.50          | 3.50          | 3.50          | 3.50          | 4.00          |
| 2.00          | 2.00          | 2.00          | 2.50          | 2.50          | 2.50          |
| 6.00          | 6.00          | 7.00          | 6.00          | 6.00          | 6.00          |
| 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 1.00          |
| 16.00         | 16.00         | 16.00         | 19.00         | 19.00         | 20.00         |
| 4.00          | 4.00          | 4.00          | 4.00          | 4.00          | 4.00          |
| 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 2.00          |
| 10.00         | 10.00         | 10.00         | 10.00         | 10.00         | 12.00         |
| 5.00          | 5.00          | 5.00          | 5.00          | 5.00          | 5.00          |
| 3.00          | 3.50          | 2.50          | 3.00          | 3.00          | 4.00          |
| 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          |
| 1.00          | 1.50          | 1.50          | 1.50          | 1.50          | 1.50          |
| 0.00          | 0.00          | 0.00          | 1.00          | 1.00          | 1.00          |
| 1.00          | 0.50          | 0.50          | 1.00          | 1.00          | 1.00          |
| 12.00         | 12.00         | 15.00         | 17.00         | 17.00         | 17.00         |
| 15.00         | 15.00         | 15.00         | 16.00         | 16.00         | 16.00         |
| 11.00         | 11.00         | 11.00         | 12.00         | 12.00         | 12.00         |
| <u>100.50</u> | <u>101.00</u> | <u>104.00</u> | <u>112.50</u> | <u>112.50</u> | <u>120.00</u> |

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

| Function/Program   | 2017         | 2016         | 2015         |
|--|--------------|--------------|--------------|
| <b>General Government</b>                                  |              |              |              |
| <i>Council and Clerk</i>                                   |              |              |              |
| Number of Ordinances Passed                                | 97           | 118          | 116          |
| Number of Resolutions Passed                               | 12           | 7            | 6            |
| <i>Finance Department</i>                                  |              |              |              |
| Number of checks/vouchers issued                           | 3,154        | 3,046        | 3,347        |
| Amount of checks written                                   | \$15,672,972 | \$13,684,900 | \$13,893,413 |
| Interest earnings for fiscal year (cash basis)             | \$47,961     | \$23,126     | \$6,818      |
| Number of Receipts issued                                  | 554          | 573          | 509          |
| Number of Budget Adjustments issued                        | 8            | 14           | 9            |
| Agency Ratings - Moody's Financial Services                | Aaa          | Aaa          | Aaa          |
| Health Insurance Costs vs General Fund Expenditures %      | 14.06%       | 12.76%       | 12.40%       |
| General Fund Receipts (cash basis)                         | \$4,510,408  | \$4,583,015  | \$4,902,538  |
| General Fund Expenditures (cash basis)                     | \$4,514,923  | \$4,822,199  | \$4,741,073  |
| General Fund Cash Balances                                 | \$1,131,741  | \$1,136,255  | \$1,375,440  |
| <i>Income Tax Department</i>                               |              |              |              |
| Number of Individual Returns                               | 4,322        | 4,249        | 4,430        |
| Number of Business Returns                                 | 417          | 408          | 483          |
| Number of business withholding accounts                    | 532          | 526          | 537          |
| Amount of Penalties and Interest Collected                 | \$48,537     | \$50,216     | \$34,291     |
| Annual number of Corporate withholding forms processed     | 4,056        | 3,325        | 2,300        |
| Annual number of balance due statements forms processed    | 1,224        | 1,181        | 982          |
| Annual number of estimated payment forms processed         | 1,862        | 1,560        | 1,575        |
| Annual number of reconciliations of withholdings processed | 558          | 548          | 571          |
| <i>Engineer Contracted Services</i>                        |              |              |              |
| Dollar amount of Construction overseen by Engineer         | \$1,804,480  | \$755,002    | \$2,282,649  |
| <i>Municipal Court</i>                                     |              |              |              |
| Number of Civil Cases                                      | 261          | 270          | 257          |
| Number of Criminal cases                                   | 506          | 648          | 885          |
| <i>Vital Statistics</i>                                    |              |              |              |
| Certificates Filed   |              |              |              |
| Number of Births   | 1            | 1            | 2            |
| Number of Deaths   | 108          | 110          | 96           |
| Certificates Issued  |              |              |              |
| Number of Births   | 330          | 355          | 391          |
| Number of Deaths   | 393          | 443          | 494          |
| Burial Permits Issued                                      | 134          | 129          | 124          |
| <i>Civil Service</i>                                       |              |              |              |
| Number of police entry tests administered                  | 0            | 11           | 4            |
| Number of fire entry tests administered                    | 0            | 9            | 0            |
| Number of police promotional tests administered            | 0            | 0            | 0            |
| Number of fire promotional tests administered              | 0            | 0            | 5            |
| Number of hires of Police Officers from certified lists    | 2            | 0            | 0            |
| Number of hires of Fire/Medics from certified lists        | 0            | 0            | 0            |
| Number of promotions from fire certified lists             | 0            | 0            | 1            |



| 2014         | 2013         | 2012         | 2011         | 2010         | 2009         | 2008         |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| 100          | 119          | 106          | 112          | 107          | 123          | 109          |
| 7            | 7            | 7            | 8            | 11           | 19           | 11           |
| 3,122        | 3,356        | 3,248        | 3,321        | 3,230        | 3,530        | 4,185        |
| \$14,399,049 | \$13,965,336 | \$13,598,713 | \$15,117,766 | \$13,879,192 | \$13,559,134 | \$13,537,185 |
| \$5,253      | \$5,002      | \$3,716      | \$2,935      | \$3,828      | \$6,005      | \$39,844     |
| 519          | 667          | 545          | 541          | 458          | 492          | 557          |
| 11           | 8            | 12           | 6            | 11           | 6            | 10           |
| Aaa          | Aaa          | Aaa          | Aaa          | Aaa          | Aaa          | Aaa          |
| 13.33%       | 11.85%       | 12.12%       | 12.04%       | 11.28%       | 11.50%       | 14.47%       |
| \$4,111,116  | \$4,149,116  | \$3,981,654  | \$4,250,115  | \$4,281,343  | \$4,212,709  | \$4,094,106  |
| \$4,077,850  | \$3,974,476  | \$3,753,279  | \$3,767,922  | \$4,199,979  | \$4,057,218  | \$4,406,869  |
| \$1,213,975  | \$1,180,709  | \$1,006,069  | \$833,058    | \$326,480    | \$250,054    | \$108,742    |
| 4,534        | 4,456        | 4,058        | 4,031        | 4,282        | 4,274        | 4,239        |
| 420          | 441          | 392          | 456          | 436          | 436          | 406          |
| 524          | 467          | 501          | 515          | 482          | 458          | 433          |
| \$41,369     | \$37,900     | \$29,107     | \$27,399     | \$32,550     | \$31,843     | \$25,959     |
| 2,101        | 2,130        | 2,179        | 2,240        | 2,130        | 2,024        | 1,914        |
| 952          | 1,128        | 1,111        | 984          | 917          | 838          | 734          |
| 1,635        | 1,616        | 1,469        | 1,481        | 1,554        | 1,366        | 1,441        |
| 355          | 429          | 501          | 515          | 482          | 451          | 433          |
| \$719,793    | \$1,312,011  | \$2,059,385  | \$784,499    | \$78,518     | \$808,877    | \$241,089    |
| 251          | 220          | 283          | 282          | 333          | 359          | 413          |
| 1,084        | 965          | 999          | 907          | 929          | 1,011        | 915          |
| 2            | 1            | 2            | 0            | 1            | 0            | 2            |
| 85           | 106          | 99           | 110          | 111          | 95           | 144          |
| 403          | 352          | 392          | 420          | 472          | 542          | 652          |
| 444          | 549          | 480          | 595          | 525          | 486          | 857          |
| 137          | 147          | 163          | 143          | 152          | 127          | 151          |
| 0            | 1            | 0            | 1            | 0            | 1            | 0            |
| 9            | 1            | 1            | 0            | 1            | 0            | 1            |
| 0            | 0            | 1            | 0            | 0            | 0            | 0            |
| 0            | 0            | 0            | 1            | 1            | 0            | 0            |
| 0            | 0            | 0            | 0            | 1            | 1            | 0            |
| 0            | 0            | 1            | 1            | 0            | 0            | 0            |
| 0            | 0            | 0            | 1            | 0            | 0            | 0            |

(continued)

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

| Function/Program                                     | 2017            | 2016            | 2015            |
|--|-----------------|-----------------|-----------------|
| <b><i>Building Department Indicators</i></b>         |                 |                 |                 |
| Construction Permits                                 |                 |                 |                 |
| Estimated Value of Construction                      | \$1,991,375     | \$2,210,590     | \$1,523,971     |
| Number of permits issued                             | 147             | 167             | 161             |
| Amount of Revenue generated from permits             | \$6,080         | \$6,840         | \$5,290         |
| <b>Security of Persons and Property</b>              |                 |                 |                 |
| <b><i>Police</i></b>                                 |                 |                 |                 |
| Total Calls for Services                             | 19,982          | 16,507          | 17,898          |
| 911 Calls Answered                                   | 4,890           | 6,275           | 5,533           |
| Arrests/Citations                                    | 1,572           | 1,107           | 1,135           |
| Community Policing Hours                             | 942             | 925             | 850             |
| DARE Graduates                                       | 0               | 0               | 0               |
| Investigations                                       | 1,918           | 2,319           | 2,226           |
| Jail Inmates   | 289             | 324             | 300             |
| Vehicle Crashes                                      | 245             | 222             | 244             |
| Prisoner costs                                       | \$5,827         | \$7,230         | \$6,922         |
| Gasoline costs of fleet                              | \$29,026        | \$22,564        | \$25,441        |
| <b><i>Fire</i></b>                                   |                 |                 |                 |
| EMS Calls  | 1,645           | 1,727           | 1,877           |
| Fire Calls   | 623             | 691             | 346             |
| Fires with Loss                                      | 34              | 29              | 49              |
| Fires with Losses exceeding \$10K                    | 9               | 4               | 6               |
| Fire Losses  | \$467,330       | \$272,416       | \$582,402       |
| Fire Safety Inspections                              | 117             | 111             | 132             |
| Number of times Mutual Aid given to Fire and EMS     | 6               | 7               | 10              |
| Number of times Mutual Aid received for Fire and EMS | 9               | 9               | 18              |
| <b>Public Health Services</b>                        |                 |                 |                 |
| Cemetery burials                                     | 44              | 40              | 53              |
| Cemetery sale of lots                                | 13              | 7               | 16              |
| Cemetery receipts                                    | \$27,213        | \$20,782        | \$29,170        |
| <b>Leisure Time Activities</b>                       |                 |                 |                 |
| <b><i>Recreation</i></b>                             |                 |                 |                 |
| City Tax   | \$27,481        | \$26,956        | \$27,827        |
| Softball Fees  | 0               | 0               | 0               |
| Facilities rentals                                   | 40,605          | 37,375          | 31,650          |
| Total Recreation Department receipts                 | <u>\$68,086</u> | <u>\$64,331</u> | <u>\$59,477</u> |

| 2014            | 2013            | 2012            | 2011            | 2010            | 2009            | 2008            |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| \$2,873,929     | \$3,994,229     | \$944,196       | \$748,499       | \$2,198,791     | \$1,605,848     | \$1,470,693     |
| 188             | 161             | 147             | 148             | 131             | 121             | 126             |
| \$5,210         | \$5,585         | \$4,682         | \$4,652         | \$4,172         | \$4,504         | \$4,523         |
| 21,028          | 28,334          | 23,110          | 21,912          | 25,026          | 25,400          | 25,976          |
| 5,779           | 5,478           | 5,277           | 4,429           | 6,706           | 6,982           | 7,093           |
| 1,548           | 1,419           | 1,808           | 2,199           | 2,049           | 908             | 2,058           |
| 8,412           | 8,642           | 8,924           | 8,847           | 9,455           | 9,258           | 7,100           |
| 0               | 0               | 0               | 0               | 0               | 0               | 0               |
| 2,481           | 2,541           | 2,689           | 2,813           | 2,969           | 2,895           | 3,332           |
| 280             | 247             | 271             | 273             | 256             | 241             | 337             |
| 269             | 246             | 238             | 230             | 288             | 322             | 345             |
| \$8,102         | \$9,029         | \$11,234        | \$6,709         | \$11,332        | \$9,850         | \$14,191        |
| \$38,113        | \$36,457        | \$37,498        | \$29,989        | \$31,757        | \$25,690        | \$50,417        |
| 1,606           | 1,558           | 1,463           | 1,575           | 1,701           | 1,429           | 1,728           |
| 221             | 203             | 204             | 89              | 95              | 85              | 78              |
| 60              | 82              | 90              | 80              | 40              | 36              | 36              |
| 7               | 10              | 8               | 3               | 3               | 3               | 3               |
| \$347,732       | \$548,385       | \$301,600       | \$363,650       | \$162,950       | \$505,200       | \$613,695       |
| 132             | 99              | 120             | 79              | 34              | 69              | 35              |
| 46              | 24              | 20              | 27              | 25              | 54              | 18              |
| 17              | 23              | 22              | 42              | 12              | 7               | 12              |
| 39              | 57              | 55              | 54              | 47              | 50              | 56              |
| 17              | 24              | 8               | 9               | 12              | 18              | 14              |
| \$22,890        | \$32,900        | \$30,137        | \$24,565        | \$27,390        | \$38,115        | \$31,531        |
| \$25,201        | \$24,817        | \$24,325        | \$21,876        | \$24,300        | \$24,300        | \$24,282        |
| 800             | 600             | 1,650           | 7,850           | 9,475           | 7,000           | 8,010           |
| 31,725          | 28,225          | 29,375          | 29,075          | 31,000          | 33,450          | 9,985           |
| <u>\$57,726</u> | <u>\$53,642</u> | <u>\$55,350</u> | <u>\$58,801</u> | <u>\$64,775</u> | <u>\$64,750</u> | <u>\$42,277</u> |

(continued)

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

| Function/Program  | 2017        | 2016        | 2015        |
|---|-------------|-------------|-------------|
| <b>Transportation</b>   |             |             |             |
| Street Improvements - asphalt overlay (linear feet)                 | 15,375      | 16,075      | 17,935      |
| Crackseal Coating Program (Miles)                                   | 6           | 6           | 5           |
| Street Repair (Curbs, aprons, berms, asphalt) (hours)               | 721         | 750         | 771         |
| Paint Striping (hours)  | 243         | 224         | 192         |
| Street Sweeper (hours)  | 385         | 380         | 349         |
| Cold Patch (hours)  | 608         | 580         | 404         |
| Snow and Ice Removal regular hours                                  | 1,864       | 1,750       | 1,542       |
| Snow and Ice Removal overtime hours                                 | 636         | 375         | 315         |
| Storm Sewer Calls for Service - Sewer Jet Regular Hours             | 1,241       | 1,200       | 1,311       |
| Storm Sewer Calls for Service - Sewer Jet Overtime Hours            | 46          | 56          | 45          |
| Sewer Crew (hours)  | 975         | 1,500       | 446         |
| Landscaping Stump-Chipper service (hours)                           | 0           | 0           | 10          |
| Leaf collection (hours)   | 650         | 640         | 0           |
| Holiday lights setup (hours)  | 60          | 60          | 29          |
| Downtown Square Repair After Events                                 | 20          | 0           | 0           |
| Street/Traffic Signs (Hours)  | 341         | 800         | 311         |
| Equipment repair/body shop (hours)                                  | 2,080       | 2,080       | 2,010       |
| Tons of snow melting salt purchased (Nov-Mar)                       | 1,160       | 1,088       | 1,564       |
| Cost of salt purchased  | \$39,093    | \$62,674    | \$105,000   |
| <b>Water Department</b>   |             |             |             |
| Water Rates per 1st 2,000 gallons of water                          | \$19.41     | \$18.84     | \$18.29     |
| Avg. number of water accounts billed monthly (Cubic Feet)           | 4,901       | 4,880       | 4,850       |
| Total Water Collections Annually (Including Principal and Interest) | \$2,332,586 | \$2,327,785 | \$2,266,166 |
| <b>Wastewater Department</b>  |             |             |             |
| Wastewater Rates per 1st 300 Cubic feet of water used               | \$20.10     | \$19.70     | \$19.70     |
| Total flow of wastewater treatment plant (Billions of Gallons)      | 0.885       | 0.701       | 0.729       |
| Average daily flow (Millions of gallons per day)                    | 2.430       | 1.919       | 1.998       |
| Tons of dry sludge removed  | 219.87      | 226.71      | 317.28      |

Source: City Financial Records and Departments

| 2014        | 2013        | 2012        | 2011        | 2010        | 2009        | 2008        |
|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 7,320       | 0           | 14,347      | 8,092       | 8,580       | 7,985       | 13,800      |
| 7           | 8           | 6           | 31          | 4           | 0           | 6           |
| 1,454       | 578         | 2,879       | 2,198       | 784         | 2,441       | 1,032       |
| 177         | 274         | 172         | 231         | 104         | 145         | 350         |
| 375         | 308         | 553         | 390         | 360         | 303         | 156         |
| 501         | 380         | 361         | 482         | 248         | 651         | 554         |
| 2,177       | 1,763       | 1,656       | 1,743       | 1,824       | 1,616       | 7,960       |
| 454         | 529         | 285         | 492         | 391         | 239         | 737         |
| 1,180       | 1,467       | 1,397       | 1,280       | 432         | 203         | 2,080       |
| 48          | 24          | 53          | 6           | 0           | 0           | 0           |
| 431         | 774         | 784         | 1,114       | 400         | 415         | 707         |
| 31          | 0           | 0           | 0           | 0           | 0           | 100         |
| 0           | 0           | 0           | 0           | 0           | 652         | 96          |
| 30          | 28          | 54          | 16          | 16          | 16          | 16          |
| 0           | 0           | 0           | 0           | 0           | 0           | 0           |
| 280         | 352         | 547         | 646         | 510         | 464         | 394         |
| 1,200       | 2,281       | 2,218       | 5,760       | 6,240       | 6,240       | 6,240       |
| 1,237       | 937         | 918         | 899         | 776         | 773         | 1,100       |
| \$47,741    | \$39,565    | \$39,253    | \$40,522    | \$43,921    | \$48,842    | \$43,115    |
| \$18.29     | \$17.76     | \$17.00     | \$17.24     | \$17.24     | \$17.24     | \$16.29     |
| 4,800       | 4,800       | 4,900       | 4,900       | 4,900       | 4,900       | 4,900       |
| \$2,256,350 | \$2,168,960 | \$2,228,733 | \$2,103,537 | \$2,068,133 | \$2,215,799 | \$1,947,755 |
| \$19.70     | \$19.30     | \$18.90     | \$19.76     | \$19.76     | \$17.18     | \$16.74     |
| 0.949       | 1.162       | 0.972       | 1.212       | 0.694       | 0.846       | 0.992       |
| 26.020      | 3.187       | 2.657       | 3.316       | 1.902       | 2.324       | 2.713       |
| 177.98      | 292.48      | 270.54      | 186.06      | 268.91      | 281.39      | 299.30      |

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

| Function/Program              | 2017   | 2016   | 2015   | 2014   |
|-------------------------------|--------|--------|--------|--------|
| <b>General Government</b>     |        |        |        |        |
| Square Footage Occupied       | 11,580 | 11,580 | 11,580 | 11,580 |
| Inspection Vehicles           | 1      | 1      | 1      | 1      |
| <b>Police</b>                 |        |        |        |        |
| Stations                      | 1      | 1      | 1      | 1      |
| Square Footage Occupied       | 8,944  | 8,944  | 8,944  | 8,944  |
| Vehicles                      | 20     | 20     | 20     | 20     |
| <b>Fire</b>                   |        |        |        |        |
| Stations                      | 2      | 2      | 2      | 2      |
| Square Footage Occupied       | 12,880 | 12,880 | 12,880 | 12,880 |
| Vehicles                      | 10     | 10     | 10     | 10     |
| <b>Recreation</b>             |        |        |        |        |
| Number of Parks               | 5      | 5      | 5      | 5      |
| Number of Tennis Courts       | 2      | 2      | 2      | 2      |
| Number of Skateboarding Areas | 0      | 0      | 0      | 0      |
| Number of Baseball Diamonds   | 2      | 2      | 2      | 2      |
| Square Footage Occupied       | 1,790  | 1,790  | 1,790  | 1,790  |
| Vehicles                      | 2      | 2      | 2      | 2      |
| <b>Other Public Works</b>     |        |        |        |        |
| Streets (lane miles)          | 565    | 565    | 565    | 565    |
| Service Vehicles              | 22     | 22     | 22     | 22     |
| <b>Wastewater</b>             |        |        |        |        |
| Sanitary Sewers (miles)       | 60     | 60     | 60     | 60     |
| Storm Sewers (miles)          | 35     | 35     | 35     | 35     |
| <b>Water Department</b>       |        |        |        |        |
| Water Lines (miles)           | 91     | 91     | 91     | 91     |
| Vehicles                      | 9      | 9      | 9      | 9      |

Source: City Financial Records

| 2013   | 2012   | 2011   | 2010   | 2009   | 2008   |
|--------|--------|--------|--------|--------|--------|
| 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     | 20     |
| 2      | 2      | 2      | 2      | 2      | 3      |
| 12,880 | 12,880 | 12,880 | 12,880 | 12,880 | 14,880 |
| 10     | 10     | 10     | 10     | 10     | 10     |
| 5      | 5      | 5      | 5      | 5      | 5      |
| 2      | 2      | 2      | 2      | 2      | 2      |
| 0      | 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     | 22     |
| 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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# Dave Yost • Auditor of State

**CITY OF CONNEAUT**

**ASHTABULA COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
SEPTEMBER 13, 2018**