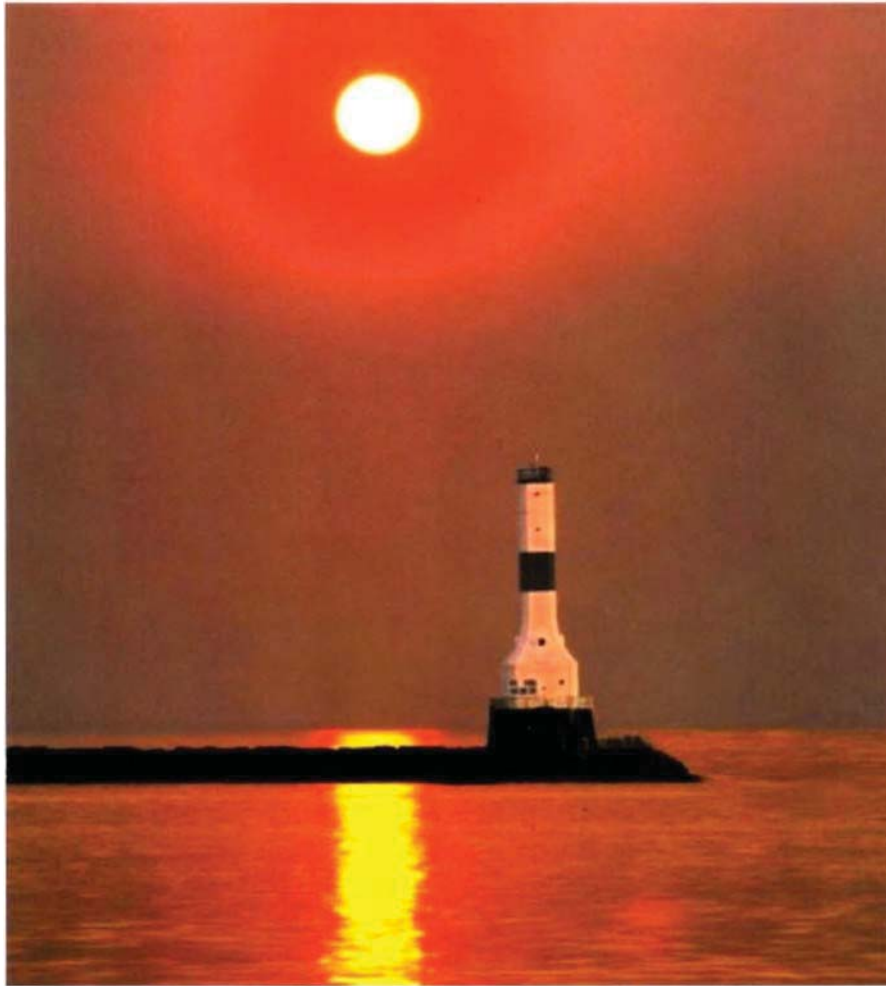


# CITY OF CONNEAUT, OHIO



Comprehensive Annual Financial Report  
For The Year Ended December 31, 2019



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# INTRODUCTORY SECTION

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**CITY OF CONNEAUT, OHIO**

**COMPREHENSIVE**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

ISSUED BY THE DEPARTMENT OF FINANCE

John Williams, J.D., CPA,  
FINANCE DIRECTOR

**City of Conneaut, Ohio**  
*Comprehensive Annual Financial Report*  
*For the Year Ended December 31, 2019*  
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**CITY OF CONNEAUT**  
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July 29, 2020

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 unqualified ("clean") opinion of the City of Conneaut's financial statements for the year ended December 31, 2019. 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 very 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**

As part of a collaborative effort to facilitate economic development within the city, the City of Conneaut, the Conneaut Port Authority, and the Conneaut Foundation, Inc. have entered into an economic development consulting agreement whereby they would jointly hire an economic development director for a twelve-month term in an amount not to exceed \$60,000 and each entity would contribute one-third of the cost. The parties agreed that they will collectively seek a person or firm to be retained as a Consultant. The Consultant will be an independent contractor. The terms of such Consultant agreement designate the Port as the contracting party and will identify and prioritize the economic development projects in the City of Conneaut on which the Consultant shall work; and provide the names of those representatives and/or positions of each of the parties with whom the Consultant will collaborate on any or all of those projects, among other things. The Consultant agreement further provides that the Consultant will serve as a contractor only for those projects upon which all of the parties unanimously agree and for no other purpose, and will not engage in any economic development projects for which any party has started on their own, except with the consent and under the direction of remaining parties. The Consultant agreement will provide further that the parties and the Consultant shall meet on a periodic basis as unanimously agreed to between them, ensuring that all parties are available to attend such meetings.

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.

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.

A 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.

During 2019, the local economy continued 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. Most of the City's largest employers have returned to pre-recession employment levels, particularly those employers that are affiliated with the automotive industry. Unemployment in Ashtabula County decreased from 5.3 percent in 2018 to 4.9 percent in 2019, representing a 7.55 percent decrease. 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. However, there is some concern about the financial impact of COVID-19 on income tax, local government, and gas tax collections. The finance office is monitoring these revenue sources very closely.

The value of new construction was \$3,055,350 for 2019, which is \$186,648 more than 2018 and \$1,063,975 more than 2017, representing a 6.51 percent increase from the prior year and 53.43 percent increase from 2017. The number of zoning permits slightly decreased to 131, down from 145 in 2018. New commercial development projects are pending that will increase real estate valuation, including a new auto parts store in the downtown district, and a new truck stop at the I-90/Route 7 interchange. Both of these projects total more than \$14,000,000 in new investment in the City. The real estate assessed valuation increased slightly from \$185,669,200 in 2018 to \$186,388,130 in 2019, which is an overall increase of \$718,930 or less than one percent. While the Residential/Agricultural property class decreased by \$52,680, and Commercial Industrial Real Estate by \$17,720, the Public Utility class properties increased by \$789,330.

The Board of Tourism has been replaced by a membership driven organization called the Conneaut Convention and Visitors Bureau (CCVB). The CCVB will be funded privately through membership revenue and publicly through bed tax revenue. This organization will continue to perform the same functions as the Board of Tourism, but will have more flexibility with the private funding portion. An ambitious project has been expanded by the CCVB 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 CCVB is taking a very aggressive approach in promoting the City. 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 CCVB 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. 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. In November 2019, voters approved a new permanent 3 mill operating levy for the fire department, replacing the 5 year, 1.5 mill operating levy, which expired in 2019 with the last year of collection in 2020. The 1.5 mill fire levy generated approximately \$265,000 annually, while the new levy will generate approximately \$530,000 annually with collections beginning in 2021. The additional funding will be used to hire three more full-time firefighters, help fund part-time personnel and assist with the purchase of much needed equipment and vehicles. In addition, in 2015 the voters approved a 3 mill permanent police levy II, which generated \$551,626 in 2019. The revenue is being be 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.

## **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 \$3,288,730 in 2019, which was the highest tax collection on record and represents a record \$199,317,030 in taxable wages and profits. The income tax collections were allocated as follows: General Fund: 74.79 percent or \$2,459,640 which is used to fund the fire, police, municipal court and administrative offices; Street Department: 17.80 percent or \$585,395 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 \$129,576, which is used for financial support for various programs as determined by city council; Capital Improvement: 1.58 percent or \$51,962, which is used for infrastructure repairs and the acquisition of capital assets; Street Lighting: 1.02 percent or \$33,545, 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 \$28,612, 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 \$324,054, the police pension fund allocation was .90 mills or \$145,824 and the fire pension fund allocation was .73 mills or \$118,280. With regard to outside millage, a permanent 3 mill police levy generated \$310,339, a five-year 2.75 mill street improvement levy generated \$481,321, a permanent 2 mill police levy generated \$525,077, and a five-year 1.5 mill fire levy generated \$262,538. Total millage levied by the City in 2019 was 12.88, generating total revenue of \$2,167,433. 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 2019, 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, and vehicle and equipment purchases to replace ageing fleets, are a high priority for the City, but it is very expensive. Some of the planned and completed projects are:

**Dredge Facility:** The City received a \$4,000,000 grant through the Ohio Department of Natural Resources (ODNR) to construct a sediment processing and retention facility in conjunction with the Healthy Lake Erie Initiative. This will allow all materials dredged from the Conneaut harbor to be land applied rather than dumped back into Lake Erie. The location of this facility will be on CN property in the port of Conneaut. Engineering design has been completed and construction should commence in the latter half of 2020. Operation of the facility will be contracted out to a third party.

**Vehicle Purchases:** The City purchased one tandem dump truck for the Public Works Department at a cost of \$204,548 via a 10-year lease/purchase agreement with Key Bank. A new ambulance was purchased for the Fire Department at a cost of \$235,000 and two new Dodge Chargers were purchased for the police department at a cost of \$46,000.

**Residence and Chestnut Street Sanitary Sewer Lining Project:** Sewer lines and manholes were deteriorating along 670 feet of Chestnut Street and 1,200 feet of Residence Street. The roadway began to sink as the problem worsened. The City hired United Survey, Inc. to line fourteen sewer laterals, replace and rehab 7 manholes, at a cost of \$203,824. Lining the sewers, rather than full replacement, saved the City approximately \$250,000.

**U.S. Route 20 Waterline Project Phase II:** Engineering for this project commenced in 2019. This project is the second phase to replace 1,400 feet of deteriorating transite water lines underneath Rt. 20, starting approximately one quarter of a mile west of Gore Road. The project will replace the existing water main, valves, hydrants, and appurtenances. Pavement and sidewalk were replaced where necessary for waterline installation. The total cost of this project is \$360,000, funded with a \$130,000 grant from OPWC, a \$50,000, 0 percent loan from OPWC, and a cash match of \$180,000. This project will commence in the Spring of 2020.

**Parrish-Chamberlain Roadwork Development:** This project started in 2019 and was completed in early 2020. An expansion by one of the City's largest employers, General Aluminum, generates significant new semi-truck traffic on an already sub-standard road. Major deficiencies included adequate turn radius for semi-trucks at the 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 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 the General Aluminum allow them to fulfill their contracts.

The roadwork improvement required the 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 roadwork also included the 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 included 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 was \$1,775,300, with \$800,000 in grant funding from Jobs Ohio 629, \$175,000 in grant funding from ODOT Jobs and a line of credit in the amount of \$804,300 in loan funding from the State Infrastructure Bank.

**Road Paving Improvements:** Part of this project consisted of pavement replacement and overlays for four local streets and roads, totaling 20,062 linear feet of roadway. An outside contractor was hired to perform the work, with a total cost of \$434,150. All of the paving and road maintenance has been paid for with tax dollars provided by the 2.75 mill street improvement levy. US Route 20 East was paved from the Viaduct Bridge to the Pennsylvania line at an approximate cost of \$1.85 million. The City paid for its portion with a SIB loan in the amount of \$185,000. Engineering began in 2019 for the full depth repair of approximately one mile of US Route 20 West. The engineering for this project will cost approximately \$408,000 and funded through a SIB loan. The construction/paving portion will cost approximately \$4,000,000 and will be funded through a Small Cities grant. The construction/paving portion will be bid out in the Fall of 2020, and work will begin in 2021.

## 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, 2018. This is the fourteenth 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, 2018. This was the fourteenth 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.

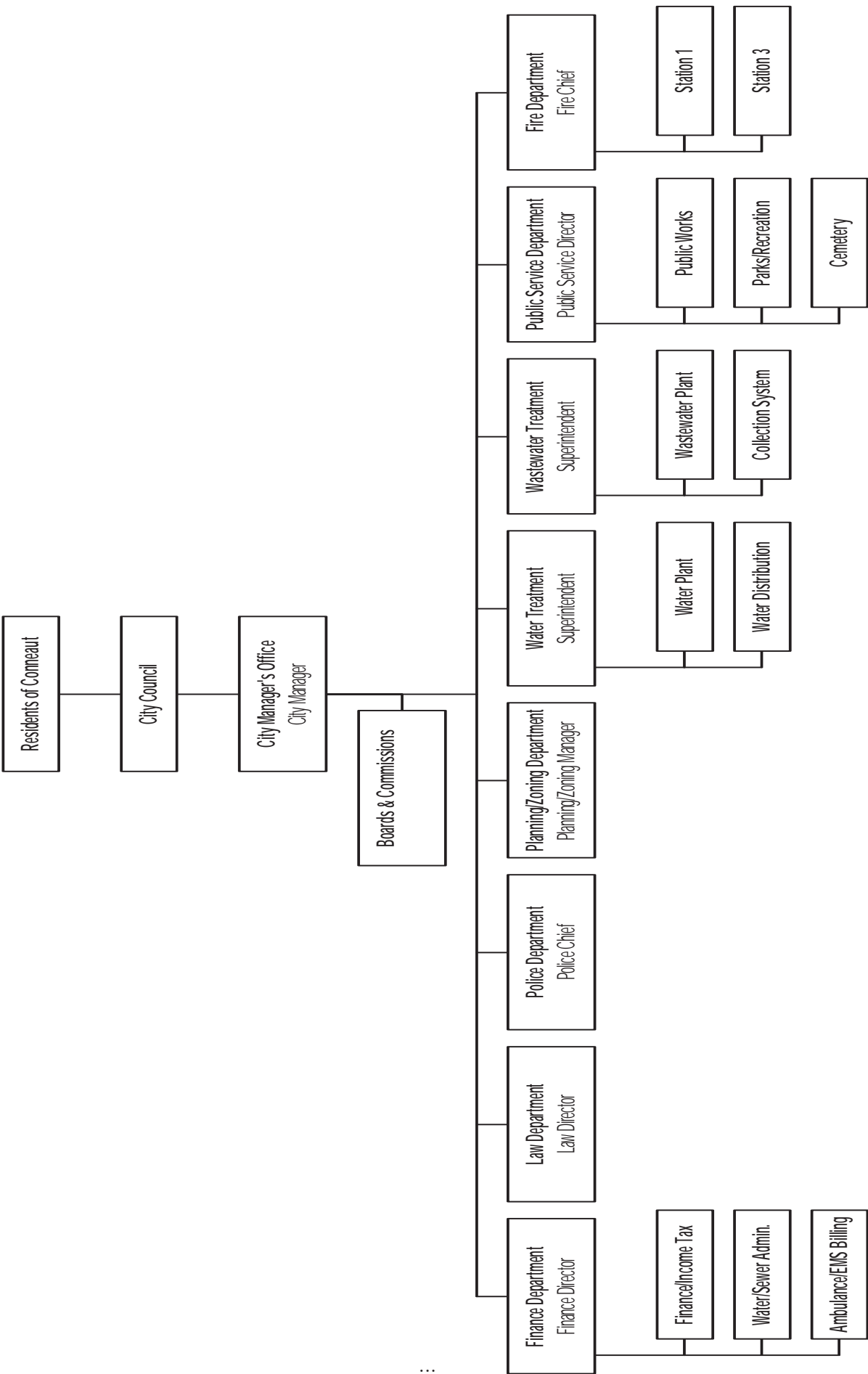
Respectfully submitted,



John Williams, J.D., CPA  
Finance Director



CITY ORGANIZATIONAL CHART - ESTABLISHED BY CITY CHARTER



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

**CITY COUNCIL**

John Arcaro, President

Tammy Ledford, At Large

Angel McVoy, At Large

Rick Gaugh, Ward 1

Terry Moisio, Jr., 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\*

\*Janet Brown left the City effective February 14, 2020. The position has not been replaced.



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, 2018**

*Christopher P. Morill*

Executive Director/CEO

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## **FINANCIAL SECTION**

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6400 OLDE STONE CROSSING  
POLAND, OHIO 44514  
PH: 330.707.9035  
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, 2019, 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 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, 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 units, each major fund, and the aggregate remaining fund information of the City of Conneaut, Ashtabula County, Conneaut, Ohio, as of December 31, 2019, 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.

### ***Emphasis of Matter***

As discussed in Note 19 to the basic financial statements, during 2019, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. Also, as described in Note 3 to the financial statements, in 2019, the City adopted new accounting guidance, *GASB No. 84, "Fiduciary Activities"*. Our opinion is not modified with respect to these matters.

### ***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 and Postemployment Benefit Liabilities and Pension and Postemployment Benefit 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 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.



In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 29, 2020, 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.

A handwritten signature in blue ink, appearing to read "Canter & Assoc", is positioned above a faint, light blue rectangular stamp.

**CANTER & ASSOCIATES**

**Poland, Ohio**

July 29, 2020

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**City of Conneaut, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2019*  
*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, 2019. 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 2019 are as follows:

- In governmental activities, total revenues increased by \$1,558,372 or 19.65 percent, primarily due to an increase in property and income taxes.
- Total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources for 2019 in governmental activities by \$17,458,493 of which (\$8,184,475) was unrestricted. The net position increased by \$2,573,732, or 17.29 percent from 2018.
- On a modified accrual basis, the City's general fund had a balance of \$886,328, which is a decrease of \$204,558 from the prior year. The unassigned fund balance was \$473,253 or 53.39 percent of the total, which is an increase of \$54,763 from the prior year.
- In governmental activities, outstanding long term obligations at year end totaled \$15,325,228, which is an increase of \$80,631 from the prior year, while in business-type activities, these obligations totaled \$11,167,535, which is an increase of \$1,087,941 from 2018.

### **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 2019 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, 2019*  
*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 10. The fund financial reports give a detailed report of the activities within the funds. The City's funds are in existence to provide a multitude of services to the citizens of Conneaut. Each fund is in some ways an entity unto itself. Each fund has a designated revenue stream and restricted uses for the monies within the fund.

In this report, the focus is on five major funds, the general fund, the street construction, maintenance and repair special revenue fund, the street improvement capital projects 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 a custodial 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 2019 as compared to 2018.

**City of Conneaut, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2019*  
*Unaudited*

(Table 1)  
Net Position

|   | Governmental Activities |                     | Business-Type Activities |                     | Total               |                     |
|---|-------------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|
|   | 2019                    | 2018                | 2019                     | 2018                | 2019                | 2018                |
| <b>Assets</b>                               |                         |                     |                          |                     |                     |                     |
| Current and Other Assets                    | \$6,557,468             | \$6,692,425         | \$3,751,900              | \$4,117,465         | \$10,309,368        | \$10,809,890        |
| Capital Assets, Net                         | 25,903,898              | 25,325,984          | 23,429,168               | 23,101,203          | 49,333,066          | 48,427,187          |
| <i>Total Assets</i>                         | <u>32,461,366</u>       | <u>32,018,409</u>   | <u>27,181,068</u>        | <u>27,218,668</u>   | <u>59,642,434</u>   | <u>59,237,077</u>   |
| <b>Deferred Outflows of Resources</b>       |                         |                     |                          |                     |                     |                     |
| Pension                                     | 2,668,033               | 1,218,311           | 855,623                  | 498,201             | 3,506,360           | 1,597,652           |
| OPEB  | 544,921                 | 547,226             | 130,041                  | 75,308              | 674,962             | 622,534             |
| <i>Total Deferred Outflows of Resources</i> | <u>3,212,954</u>        | <u>1,765,537</u>    | <u>985,664</u>           | <u>573,509</u>      | <u>4,181,322</u>    | <u>2,220,186</u>    |
| <b>Liabilities</b>                          |                         |                     |                          |                     |                     |                     |
| Current and Other Liabilities               | 463,843                 | 579,069             | 327,619                  | 592,100             | 791,462             | 1,171,169           |
| Long-Term Liabilities:                      |                         |                     |                          |                     |                     |                     |
| Due Within One Year                         | 536,104                 | 524,272             | 551,324                  | 564,760             | 1,087,428           | 1,089,032           |
| Due in More than One Year:                  |                         |                     |                          |                     |                     |                     |
| Net Pension Liability                       | 9,695,784               | 6,772,731           | 2,560,115                | 1,385,381           | 12,255,899          | 8,158,112           |
| Net OPEB Liability                          | 2,271,734               | 5,723,046           | 1,172,734                | 926,078             | 3,444,468           | 6,649,124           |
| Other Amounts Due in More than One Year     | 2,821,606               | 2,224,548           | 6,883,362                | 7,203,375           | 9,704,968           | 9,427,923           |
| <i>Total Liabilities</i>                    | <u>15,789,071</u>       | <u>15,823,666</u>   | <u>11,495,154</u>        | <u>10,671,694</u>   | <u>27,284,225</u>   | <u>26,495,360</u>   |
| <b>Deferred Inflows of Resources</b>        |                         |                     |                          |                     |                     |                     |
| Property Taxes                              | 2,081,424               | 2,069,798           | 0                        | 0                   | 2,081,424           | 2,069,798           |
| Pension                                     | 128,954                 | 851,854             | 45,223                   | 346,447             | 156,881             | 1,079,441           |
| OPEB  | 216,378                 | 153,867             | 3,182                    | 68,987              | 219,560             | 222,854             |
| <i>Total Deferred Inflows of Resources</i>  | <u>2,426,756</u>        | <u>3,075,519</u>    | <u>48,405</u>            | <u>415,434</u>      | <u>2,457,865</u>    | <u>3,372,093</u>    |
| <b>Net Position</b>                         |                         |                     |                          |                     |                     |                     |
| Net Investment in Capital Assets            | 23,758,469              | 23,893,913          | 16,134,759               | 15,419,190          | 39,893,228          | 39,313,103          |
| Restricted:                                 |                         |                     |                          |                     |                     |                     |
| Capital Projects                            | 350,247                 | 266,923             | 0                        | 0                   | 350,247             | 266,923             |
| Street Construction,                        |                         |                     |                          |                     |                     |                     |
| Maintenance and Repair                      | 464,941                 | 377,934             | 0                        | 0                   | 464,941             | 377,934             |
| Police and Fire Operations                  | 823,205                 | 733,662             | 0                        | 0                   | 823,205             | 733,662             |
| Drug and Alcohol                            |                         |                     |                          |                     |                     |                     |
| Enforcement                                 | 78,289                  | 74,354              | 0                        | 0                   | 78,289              | 74,354              |
| Cemetery Operations                         | 63,255                  | 64,073              | 0                        | 0                   | 63,255              | 64,073              |
| Economic Development                        | 23,707                  | 19,712              | 0                        | 0                   | 23,707              | 19,712              |
| Other Purposes                              | 80,855                  | 71,603              | 0                        | 0                   | 80,855              | 71,603              |
| Unrestricted (Deficit)                      | (8,184,475)             | (10,617,413)        | 488,414                  | 1,285,859           | (7,696,061)         | (9,331,554)         |
| <i>Total Net Position</i>                   | <u>\$17,458,493</u>     | <u>\$14,884,761</u> | <u>\$16,623,173</u>      | <u>\$16,705,049</u> | <u>\$34,081,666</u> | <u>\$31,589,810</u> |

**City of Conneaut, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2019*  
*Unaudited*

The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2019. GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the “employment exchange” – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

Governmental activities saw an increase in net position from \$14,884,761 in 2018 to \$17,458,493 in 2019 due to increases in property tax and income tax collections as well as a decrease in net OPEB liability, offset by associated deferred outflows/inflows. Business-type activities saw a decrease in net position from \$16,705,049 in 2018 to \$16,623,173 in 2019 due to increases in net pension/OPEB liabilities. Management works diligently to control costs. At the end of the current year, the City of Conneaut was able to report positive balances in 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 (continued)

|                                      | Governmental Activities |                    | Business-Type Activities |                    | Total              |                    |
|--------------------------------------|-------------------------|--------------------|--------------------------|--------------------|--------------------|--------------------|
|                                      | 2019                    | 2018               | 2019                     | 2018               | 2019               | 2018               |
| <b>Revenues</b>                      |                         |                    |                          |                    |                    |                    |
| <b>Program Revenues</b>              |                         |                    |                          |                    |                    |                    |
| Charges for Services and Assessments | \$1,248,872             | \$1,095,552        | \$4,712,679              | \$4,753,017        | \$5,961,551        | \$5,848,569        |
| Operating Grants and Contributions   | 889,514                 | 809,308            | 0                        | 0                  | 889,514            | 809,308            |
| Capital Grants                       | 839,917                 | 31,340             | 30,059                   | 305,252            | 869,976            | 336,592            |
| <b>Total Program Revenues</b>        | <b>\$2,978,303</b>      | <b>\$1,936,200</b> | <b>\$4,742,738</b>       | <b>\$5,058,269</b> | <b>\$7,721,041</b> | <b>\$6,994,469</b> |

(continued)

**City of Conneaut, Ohio**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2019**  
**Unaudited**

(Table 2)  
Change in Net Position (continued)

|  | Governmental Activities |                     | Business-Type Activities |                     | Total               |                     |
|--|-------------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|
|  | 2019                    | 2018                | 2019                     | 2018                | 2019                | 2018                |
| <b>Revenues (continued)</b>                                    |                         |                     |                          |                     |                     |                     |
| <b>General Revenues</b>  |                         |                     |                          |                     |                     |                     |
| Property Taxes   | \$2,184,214             | \$2,061,349         | \$0                      | \$0                 | \$2,184,214         | \$2,061,349         |
| Municipal Income Taxes   | 3,327,462               | 3,030,796           | 0                        | 0                   | 3,327,462           | 3,030,796           |
| Hotel Taxes  | 42,681                  | 28,137              | 0                        | 0                   | 42,681              | 28,137              |
| Grants and Entitlements not<br>Restricted to Specific Programs | 569,256                 | 389,868             | 0                        | 0                   | 569,256             | 389,868             |
| Franchise Taxes  | 159,801                 | 168,471             | 0                        | 0                   | 159,801             | 168,471             |
| Unrestricted Contributions                                     | 11,774                  | 6,639               | 0                        | 0                   | 11,774              | 6,639               |
| Investment Earnings  | 103,155                 | 95,672              | 0                        | 0                   | 103,155             | 95,672              |
| Miscellaneous  | 113,928                 | 215,070             | 85,644                   | 53,686              | 199,572             | 268,756             |
| <b>Total General Revenues</b>                                  | <b>6,512,271</b>        | <b>5,996,002</b>    | <b>85,644</b>            | <b>53,686</b>       | <b>6,597,915</b>    | <b>6,049,688</b>    |
| <b>Total Revenues</b>  | <b>9,490,574</b>        | <b>7,932,202</b>    | <b>4,828,382</b>         | <b>5,111,955</b>    | <b>14,318,956</b>   | <b>13,044,157</b>   |
| <b>Program Expenses</b>  |                         |                     |                          |                     |                     |                     |
| General Government   | \$1,813,569             | \$1,735,723         | \$0                      | \$0                 | \$1,813,569         | \$1,735,723         |
| Security of Persons and Property                               | 1,714,741               | 4,772,997           | 0                        | 0                   | 1,714,741           | 4,772,997           |
| Public Health Services   | 181,513                 | 232,483             | 0                        | 0                   | 181,513             | 232,483             |
| Leisure Time Activities  | 161,214                 | 130,195             | 0                        | 0                   | 161,214             | 130,195             |
| Community Development  | 185,934                 | 181,611             | 0                        | 0                   | 185,934             | 181,611             |
| Basic Utility Services   | 199,418                 | 204,919             | 0                        | 0                   | 199,418             | 204,919             |
| Transportation   | 2,900,301               | 2,247,526           | 0                        | 0                   | 2,900,301           | 2,247,526           |
| Interest and Fiscal Charges                                    | 50,707                  | 56,681              | 0                        | 0                   | 50,707              | 56,681              |
| Water  | 0                       | 0                   | 2,210,030                | 2,368,947           | 2,210,030           | 2,368,947           |
| Sewer  | 0                       | 0                   | 2,702,728                | 2,437,995           | 2,702,728           | 2,437,995           |
| <b>Total Program Expenses</b>                                  | <b>7,207,397</b>        | <b>9,562,135</b>    | <b>4,912,758</b>         | <b>4,806,942</b>    | <b>12,120,155</b>   | <b>14,369,077</b>   |
| <b>Increase (Decrease) in Net Position</b>                     | <b>2,283,177</b>        | <b>(1,629,933)</b>  | <b>(84,376)</b>          | <b>305,013</b>      | <b>2,198,801</b>    | <b>(1,324,920)</b>  |
| Special Item - Transfer of Operations                          | 293,055                 | 0                   | 0                        | 0                   | 293,055             | 0                   |
| Transfers  | (2,500)                 | 9,295               | 2,500                    | (9,295)             | 0                   | 0                   |
| <b>Change in Net Position</b>                                  | <b>2,573,732</b>        | <b>(1,620,638)</b>  | <b>(81,876)</b>          | <b>295,718</b>      | <b>2,491,856</b>    | <b>(1,324,920)</b>  |
| <b>Net Position Beginning of Year</b>                          | <b>14,884,761</b>       | <b>16,505,399</b>   | <b>16,705,049</b>        | <b>16,409,331</b>   | <b>31,589,810</b>   | <b>32,914,730</b>   |
| <b>Net Position End of Year</b>                                | <b>\$17,458,493</b>     | <b>\$14,884,761</b> | <b>\$16,623,173</b>      | <b>\$16,705,049</b> | <b>\$34,081,666</b> | <b>\$31,589,810</b> |

**Governmental Activities**

The City's net position in governmental activities increased by \$2,573,732 for a net position total of \$17,458,493 in 2019. Total revenues increased by \$1,558,372 or 19.65 percent, with expenses decreasing \$2,354,738 or 24.63 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 \$3,327,462 for 2019, an increase of \$296,666 from 2018. 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 saw an increase of \$122,865 from 2018 collections.

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The largest program function for the City is normally security of persons and property, which includes expenses of the police and fire departments. In 2019, the City spent \$1,714,741 on police and fire protection. The police department employs nineteen officers and four full-time dispatchers. The fire department has eleven 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 2019, there was a decrease in expenses of \$3,058,256 for the police and fire departments or a 64.07 percent decrease from 2018. For 2019, OP&F recognized a change in benefit terms for their OPEB plan. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements. This new model replaced the self-insured health care plan used in prior years. These changes contributed to OPEB expense decreasing from \$548,374 in 2018 to a negative (\$3,157,915) for 2019.

The City's Public Works Department (transportation) has 13 employees, including one mechanic, ten equipment operators, and one full-time administrative assistant. In 2019, they spent \$2,900,301 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 decreased in business-type activities by \$81,876 to \$16,623,173. Total revenues decreased by \$283,573 or 5.55 percent, and total program expenses increased by \$105,816 or 2.20 percent. The major revenue sources for these activities are charges for services. There was a decrease in capital contributions with few grant monies received for OPWC projects. 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 18. 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 \$9,452,913 and total expenditures of \$10,449,722, resulting in expenditures exceeding revenues by \$996,809. Total revenues increased mainly due to an increase in property and income tax collections. Total expenditures increased mainly in capital outlay due to an increase in road projects started during 2019. During 2019, there was an increase in general fund revenues as interest on investments increased as well as property, municipal income and hotel taxes. General fund expenditures also increased due to an increase in wages, capital improvements, and purchases of equipment and vehicles. 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 street improvement fund saw an increase in fund balance due to an increase in property taxes. The City's funds are monitored consistently with adjustments made throughout the year in budgets to accommodate yearly revenues.

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



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Enterprise funds had GAAP operating revenues of \$4,798,323 and operating expenses of \$4,741,244, generating an operating income of \$57,079. Overall, operating revenues remained consistent with slight decreases in charges for water and sewer services, special assessment collections and rentals. Operating expenses saw an increase in personal services. 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 and general services. Furthermore, it assists other funds, primarily the street department, with cash transfers when necessary. Budgeting is prescribed by the Ohio Revised Code. The City's budgeted appropriations are restricted by the amounts of anticipated revenues certified by the Budget Commission in accordance with the Ohio Revised Code. General fund revenues and expenses are monitored on a monthly basis to ensure that overspending does not occur, and budget adjustments are proposed generally on a quarterly basis or more often if necessary. All changes in appropriation line items, no matter how small, must be authorized by City Council and by ordinance.

In 2019, the general fund's original revenue budget was at \$4,354,776 and the final revenue budget remained the same during 2019. Actual revenues were higher at \$4,477,901 or a \$123,125 positive variance. A large part of the difference was made from more than anticipated municipal income tax, intergovernmental, interest and franchise taxes. The general fund's original appropriation budget was \$4,924,529, and the final appropriation budget was \$5,360,979. Actual expenditures were substantially less than final budgeted appropriations with a positive variance of \$371,012. 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 \$244,340, for an ending fund balance of \$701,743.

**Capital Assets and Debt Administration**

***Capital Assets***

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

|                            | Governmental Activities |                     | Business-Type Activities |                     | Total               |                     |
|----------------------------|-------------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|
|                            | 2019                    | 2018                | 2019                     | 2018                | 2019                | 2018                |
| Land                       | \$554,972               | \$554,972           | \$18,428                 | \$6,880             | \$573,400           | \$561,852           |
| Construction in Progress   | 1,390,228               | 109,058             | 146,891                  | 171,111             | 1,537,119           | 280,169             |
| Buildings and Improvements | 161,046                 | 173,484             | 2,572,742                | 2,351,619           | 2,733,788           | 2,525,103           |
| Equipment                  | 1,463,215               | 1,403,677           | 3,009,170                | 3,169,206           | 4,472,385           | 4,572,883           |
| Vehicles                   | 895,889                 | 704,880             | 782,491                  | 744,132             | 1,678,380           | 1,449,012           |
| Infrastructure             |                         |                     |                          |                     |                     |                     |
| Traffic Signals            | 169,607                 | 176,493             | 0                        | 0                   | 169,607             | 176,493             |
| Roads                      | 8,750,447               | 9,371,807           | 0                        | 0                   | 8,750,447           | 9,371,807           |
| Bridges                    | 10,630,060              | 10,901,031          | 0                        | 0                   | 10,630,060          | 10,901,031          |
| Storm Sewers               | 1,888,434               | 1,930,582           | 0                        | 0                   | 1,888,434           | 1,930,582           |
| Water and Sewer Lines      | 0                       | 0                   | 16,899,446               | 16,658,255          | 16,899,446          | 16,658,255          |
| Total                      | <u>\$25,903,898</u>     | <u>\$25,325,984</u> | <u>\$23,429,168</u>      | <u>\$23,101,203</u> | <u>\$49,333,066</u> | <u>\$48,427,187</u> |

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Capital assets of governmental activities saw an increase in 2019 due to road projects started during the year. Additions also include two new vehicles for the police department, two high pressure gas taps, fire gear for the fire department and a new ambulance. There were a number of road improvements made throughout the City as well as construction in progress for improvements at Parrish Road and Chamberlain Road.

The largest increase in business-type capital assets were sewer line improvements made throughout the City. A new truck and excavator were also purchased.

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

***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/OPEB liabilities.

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

|                          | Governmental Activities |                     | Business-Type Activities |                     | Total               |                     |
|--------------------------|-------------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|
|                          | 2019                    | 2018                | 2019                     | 2018                | 2019                | 2018                |
| General Obligation Bonds | \$814,515               | \$970,875           | \$576,573                | \$656,518           | \$1,391,088         | \$1,627,393         |
| OWDA Loans               | 45,596                  | 89,638              | 6,001,227                | 6,169,922           | 6,046,823           | 6,259,560           |
| Loans Payable            | 949,236                 | 363,142             | 0                        | 30,664              | 949,236             | 393,806             |
| OPWC Loans               | 67,062                  | 20,606              | 572,990                  | 578,606             | 640,052             | 599,212             |
| Notes Payable            | 40,000                  | 60,000              | 0                        | 0                   | 40,000              | 60,000              |
| Capital Leases           | 410,625                 | 235,750             | 0                        | 0                   | 410,625             | 235,750             |
| Compensated Absences     | 1,030,676               | 1,008,809           | 283,896                  | 332,425             | 1,314,572           | 1,341,234           |
| Net Pension Liability    | 9,695,784               | 6,772,731           | 2,560,115                | 1,385,381           | 12,255,899          | 8,158,112           |
| Net OPEB Liability       | 2,271,734               | 5,723,046           | 1,172,734                | 926,078             | 3,444,468           | 6,649,124           |
| Total                    | <u>\$15,325,228</u>     | <u>\$15,244,597</u> | <u>\$11,167,535</u>      | <u>\$10,079,594</u> | <u>\$26,492,763</u> | <u>\$25,324,191</u> |

Total debt in governmental activities increased by \$371,064, and business-type activities increased by \$1,087,941. During 2019, the City issued a State Infrastructure Bank Loan for the Parrish Road and Chamberlain Road rehabilitation, an OPWC Loan for the Chestnut Street storm sewer improvements and entered into a lease agreement for an ambulance. All of the debt service for these new issues are being paid with income and property tax revenues. In total, there are nineteen OPWC and eleven OWDA loans, the majority of which are being funded by special assessments and water and sewer user fees.

The five general obligation bonds outstanding at the end of the year were the Energy Conservation Improvement, Vehicle Acquisition, 2014 and 2017 Various Improvements and Fire Truck bonds. The Energy Conservation Bond will be paid in full in 2022. 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.

**City of Conneaut, Ohio**  
*Management's Discussion and Analysis*  
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During 2019, the City transferred operations of the health department to the City of Conneaut Board of Health. This transfer included moving the compensated absences, net pension liability and net OPEB liability related to the health department operations and is presented as a reduction to the long-term obligations.

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

### **Current Financial Issues**

The general fund ended the year with a fund balance of \$886,328 on a GAAP basis, and of this amount, \$473,253 was unassigned. Overall, this represents a decrease in the general fund balance of \$204,558 or a 18.75 percent decrease from 2018. Even more concerning is the trend of decreasing fund balances. In 2017, the general fund had a balance of \$1,495,612. When comparing 2017 to 2019, the general fund cash balance experienced a decrease of \$609,284 or 40.74 percent. This decrease is due to an increase in capital expenditures, debt payments, health care, wages, and other personnel costs, while revenues remain relatively flat. 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 slowed the decline in fund balance, but an increase in revenue is needed to prevent further decline at the current and projected expenditure levels. There continues to be a concerted effort by the City Manager and staff to curtail spending wherever possible without compromising City services, but the City must remain diligent in exploring new ways to improve efficiency, cut costs and increase revenue, wherever possible.

All four of the City's unions negotiated three-year contracts effective on January 1, 2019 and will expire on December 31, 2021. Each union agreed to receive a 2 percent annual increase. The estimated incremental annual cost from the prior base year, with benefits, was \$102,318 in 2019, \$104,364 in 2020 and \$106,451 in 2021, for a total incremental cost of \$313,133 over a three year period. The total cumulative cost for this 3 year contract will be \$622,134. Of this three year cumulative total, \$204,742 will be paid from the general fund, \$126,927 from safety levies, \$93,270 from the street fund, \$88,096 from the sewer fund, and \$107,144 from the water fund and \$1,955 from the parks 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 are 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 each, and backhoes that cost nearly \$100,000 each. 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, as well as the City's share of paving Routes 20, 531, and 7. Although the City continues to struggle to adequately fund the Public Works Division, the State legislature passed House Bill 62, which increased the gas tax. This will generate an additional \$248,000 annually for the City, and the additional revenue collections began in September 2019.

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. Although there was no health insurance increase in 2018 due to a two year rate guarantee, the City's health insurance rates

**City of Conneaut, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2019*  
*Unaudited*

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will increase by 9.9 percent in 2019, with a zero percent increase in 2020. 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 \$8,992 annually versus a family health care plan which costs \$27,981 annually, thus the family plan costs \$18,989 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 \$1,558,150 per year. About twelve 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 \$57,600 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 \$155,000 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. After all of the reductions were implemented, the City's local government revenue was reduced from a high of \$760,973 in 2001 to \$377,565 in 2019, resulting in an annual reduction of \$383,408 from the peak collection year. This figure does not factor in any inflation. The low point in local government collections was in 2014 at \$325,312. Local Government collections have slightly recovered over the past several years, increasing by \$52,253 from the 2014 low. And the elimination of personal property tax in 2010 and inheritance taxes in 2017 has reduced general fund revenue by an additional \$250,000 - \$300,000 annually. Taken together, these reductions in local government funds, personal property tax and inheritance tax have reduced general fund revenue by approximately fifteen percent, or about \$620,000 per year in comparison with peak collection years. As a result, the City has had to ask the taxpayers of Conneaut to approve an additional 3 mill police levy, a 1.5 mill fire levy, and a 2.75 mill street improvement levy to help offset the cuts in State revenue sharing. Furthermore, the City is evaluating replacing the 1.5 mill fire levy with a 3 mill permanent levy to help defray some of the fire department's operating and capital costs.

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. The income tax department utilizes a variety of methods to collect delinquent income taxes, including in house collection, the City's municipal court and the Attorney General's Office. In 2019, the City was able to collect \$38,307 in delinquent income tax.

### **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@conneautoh.org](mailto:connfinance@conneautoh.org).

**City of Conneaut, Ohio**  
*Statement of Net Position*  
*December 31, 2019*

|   | Primary Government      |                          |                     | Component Units          |                         |
|---|-------------------------|--------------------------|---------------------|--------------------------|-------------------------|
|   | Governmental Activities | Business-Type Activities | Total*              | Conneaut Board of Health | Conneaut Port Authority |
| <b>Assets</b>                               |                         |                          |                     |                          |                         |
| Equity in Pooled Cash and Cash Equivalents  | \$2,400,073             | \$2,911,125              | \$5,311,198         | \$1,065                  | \$61,770                |
| Accounts Receivable                         | 237,872                 | 547,375                  | 785,247             | 0                        | 0                       |
| Internal Balances                           | (72,907)                | 72,907                   | 0                   | 0                        | 0                       |
| Intergovernmental Receivable                | 647,728                 | 0                        | 647,728             | 0                        | 0                       |
| Prepaid Items                               | 0                       | 0                        | 0                   | 0                        | 12,312                  |
| Materials and Supplies Inventory            | 113,222                 | 191,166                  | 304,388             | 24,041                   | 5,642                   |
| Property Taxes Receivable                   | 2,301,574               | 0                        | 2,301,574           | 0                        | 0                       |
| Municipal Income Taxes Receivable           | 627,857                 | 0                        | 627,857             | 0                        | 0                       |
| Special Assessments Receivable              | 232,645                 | 22,318                   | 254,963             | 0                        | 0                       |
| Loans Receivable from Component Unit        | 60,000                  | 0                        | 60,000              | 0                        | 0                       |
| Net Pension Asset                           | 9,404                   | 7,009                    | 16,413              | 684                      | 0                       |
| Nondepreciable Capital Assets               | 1,945,200               | 165,319                  | 2,110,519           | 0                        | 182,971                 |
| Depreciable Capital Assets, Net             | 23,958,698              | 23,263,849               | 47,222,547          | 0                        | 1,195,472               |
| <i>Total Assets</i>                         | <i>32,461,366</i>       | <i>27,181,068</i>        | <i>59,642,434</i>   | <i>25,790</i>            | <i>1,458,167</i>        |
| <b>Deferred Outflows of Resources</b>       |                         |                          |                     |                          |                         |
| Pension                                     | 2,668,033               | 855,623                  | 3,506,360           | 77,764                   | 110,301                 |
| OPEB  | 544,921                 | 130,041                  | 674,962             | 11,180                   | 18,032                  |
| <i>Total Deferred Outflows of Resources</i> | <i>3,212,954</i>        | <i>985,664</i>           | <i>4,181,322</i>    | <i>88,944</i>            | <i>128,333</i>          |
| <b>Liabilities</b>                          |                         |                          |                     |                          |                         |
| Accounts Payable                            | 115,467                 | 42,268                   | 157,735             | 5,177                    | 8,723                   |
| Contracts Payable                           | 62,165                  | 148,240                  | 210,405             | 0                        | 0                       |
| Accrued Wages                               | 103,232                 | 44,796                   | 148,028             | 0                        | 3,535                   |
| Intergovernmental Payable                   | 80,664                  | 31,159                   | 111,823             | 3,281                    | 0                       |
| Deposits Held Payable                       | 14,567                  | 0                        | 14,567              | 0                        | 0                       |
| Accrued Interest Payable                    | 7,748                   | 61,156                   | 68,904              | 0                        | 211                     |
| Notes Payable                               | 80,000                  | 0                        | 80,000              | 0                        | 78,300                  |
| Due to Primary Government                   | 0                       | 0                        | 0                   | 0                        | 60,000                  |
| Unearned Revenue                            | 0                       | 0                        | 0                   | 0                        | 133,035                 |
| Deposits on Future Revenue                  | 0                       | 0                        | 0                   | 0                        | 4,359                   |
| Long-Term Liabilities:                      |                         |                          |                     |                          |                         |
| Due Within One Year                         | 536,104                 | 551,324                  | 1,087,428           | 15,203                   | 0                       |
| Due In More Than One Year:                  |                         |                          |                     |                          |                         |
| Net Pension Liability (See Note 19)         | 9,695,784               | 2,560,115                | 12,255,899          | 249,767                  | 338,241                 |
| Net OPEB Liability (See Note 20)            | 2,271,734               | 1,172,734                | 3,444,468           | 114,414                  | 156,582                 |
| Other Amounts Due In More Than One Year     | 2,821,606               | 6,883,362                | 9,704,968           | 0                        | 0                       |
| <i>Total Liabilities</i>                    | <i>15,789,071</i>       | <i>11,495,154</i>        | <i>27,284,225</i>   | <i>387,842</i>           | <i>782,986</i>          |
| <b>Deferred Inflows of Resources</b>        |                         |                          |                     |                          |                         |
| Property Taxes                              | 2,081,424               | 0                        | 2,081,424           | 0                        | 0                       |
| Pension                                     | 128,954                 | 45,223                   | 156,881             | 4,599                    | 7,049                   |
| OPEB  | 216,378                 | 3,182                    | 219,560             | 310                      | 2,280                   |
| <i>Total Deferred Inflows of Resources</i>  | <i>2,426,756</i>        | <i>48,405</i>            | <i>2,457,865</i>    | <i>4,909</i>             | <i>9,329</i>            |
| <b>Net Position</b>                         |                         |                          |                     |                          |                         |
| Net Investment in Capital Assets            | 23,758,469              | 16,134,759               | 39,893,228          | 0                        | 1,240,143               |
| Restricted for:                             |                         |                          |                     |                          |                         |
| Capital Projects                            | 350,247                 | 0                        | 350,247             | 0                        | 0                       |
| Street Construction, Maintenance and Repair | 464,941                 | 0                        | 464,941             | 0                        | 0                       |
| Police and Fire Operations                  | 823,205                 | 0                        | 823,205             | 0                        | 0                       |
| Drug and Alcohol Enforcement                | 78,289                  | 0                        | 78,289              | 0                        | 0                       |
| Cemetery Operations                         | 63,255                  | 0                        | 63,255              | 0                        | 0                       |
| Economic Development                        | 23,707                  | 0                        | 23,707              | 0                        | 0                       |
| Other Purposes                              | 80,855                  | 0                        | 80,855              | 0                        | 0                       |
| Unrestricted (Deficit)                      | (8,184,475)             | 488,414                  | (7,696,061)         | (278,017)                | (445,958)               |
| <i>Total Net Position</i>                   | <i>\$17,458,493</i>     | <i>\$16,623,173</i>      | <i>\$34,081,666</i> | <i>(\$278,017)</i>       | <i>\$794,185</i>        |

\* 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 Note 11).

See accompanying notes to the basic financial statements

**City of Conneaut, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2019

|   | Program Revenues    |  |  |                  |
|---|---------------------|--|--|------------------|
|   | Expenses            | Charges for<br>Services and<br>Assessments | Operating<br>Grants and<br>Contributions | Capital Grants   |
| <b>Governmental Activities:</b>                               |                     |  |  |                  |
| General Government  | \$1,813,569         | \$295,566                                  | \$0                                      | \$0              |
| Security of Persons and Property                              | 1,714,741           | 395,419                                    | 143,610                                  | 15,219           |
| Public Health Services  | 181,513             | 2,909                                      | 0  | 0                |
| Leisure Time Activities                                       | 161,214             | 11,392                                     | 10,940                                   | 0                |
| Community Development   | 185,934             | 38,323                                     | 14,374                                   | 40,972           |
| Basic Utility Services  | 199,418             | 164,372                                    | 0  | 0                |
| Transportation  | 2,900,301           | 340,891                                    | 720,590                                  | 783,726          |
| Interest and Fiscal Charges                                   | 50,707              | 0  | 0  | 0                |
| <i>Total Governmental Activities</i>                          | <u>7,207,397</u>    | <u>1,248,872</u>                           | <u>889,514</u>                           | <u>839,917</u>   |
| <b>Business-Type Activities:</b>                              |                     |  |  |                  |
| Water   | 2,210,030           | 2,337,153                                  | 0  | 30,059           |
| Sewer   | 2,702,728           | 2,375,526                                  | 0  | 0                |
| <i>Total Business-Type Activities</i>                         | <u>4,912,758</u>    | <u>4,712,679</u>                           | <u>0</u>                                 | <u>30,059</u>    |
| <i>Total - Primary Government</i>                             | <u>\$12,120,155</u> | <u>\$5,961,551</u>                         | <u>\$889,514</u>                         | <u>\$869,976</u> |
| <b>Component Unit</b>   |                     |  |  |                  |
| Conneaut Board of Health                                      | \$246,288           | \$65,572                                   | \$195,754                                | \$0              |
| Conneaut Port Authority                                       | 572,992             | 465,785                                    | 35,491                                   | 0                |
| <i>Total Component Units</i>                                  | <u>\$819,280</u>    | <u>\$531,357</u>                           | <u>\$231,245</u>                         | <u>\$0</u>       |
| <b>General Revenues</b>                                       |                     |  |  |                  |
| Property Taxes Levied for:                                    |                     |  |  |                  |
| General Purposes  |                     |  |  |                  |
| 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   |                     |  |  |                  |
| Miscellaneous   |                     |  |  |                  |
| <i>Total General Revenues</i>                                 |                     |  |  |                  |
| <b>Special Item</b>   |                     |  |  |                  |
| Special Item - Transfer of Health Department Operations       |                     |  |  |                  |
| Transfers   |                     |  |  |                  |
| <i>Total General Revenues, Special Item<br/>and Transfers</i> |                     |  |  |                  |
| Change in Net Position  |                     |  |  |                  |
| <i>Net Position Beginning of Year</i>                         |                     |  |  |                  |
| <i>Net Position End of Year</i>                               |                     |  |  |                  |

See accompanying notes to the basic financial statements

| Net (Expense) Revenue and<br>Changes in Net Position |                             |               |                             |                            |
|--|-----------------------------|---------------|-----------------------------|----------------------------|
| Primary Government                                   |                             |               | Component Units             |                            |
| Governmental<br>Activities                           | Business-Type<br>Activities | Total         | Conneaut<br>Board of Health | Conneaut<br>Port Authority |
| (\$1,518,003)  | \$0                         | (\$1,518,003) | \$0                         | \$0                        |
| (1,160,493)  | 0                           | (1,160,493)   | 0                           | 0                          |
| (178,604)  | 0                           | (178,604)     | 0                           | 0                          |
| (138,882)  | 0                           | (138,882)     | 0                           | 0                          |
| (92,265)   | 0                           | (92,265)      | 0                           | 0                          |
| (35,046)   | 0                           | (35,046)      | 0                           | 0                          |
| (1,055,094)  | 0                           | (1,055,094)   | 0                           | 0                          |
| (50,707)   | 0                           | (50,707)      | 0                           | 0                          |
| (4,229,094)  | 0                           | (4,229,094)   | 0                           | 0                          |
| 0  | 157,182                     | 157,182       | 0                           | 0                          |
| 0  | (327,202)                   | (327,202)     | 0                           | 0                          |
| 0  | (170,020)                   | (170,020)     | 0                           | 0                          |
| (4,229,094)  | (170,020)                   | (4,399,114)   | 0                           | 0                          |
| 0  | 0                           | 0             | 15,038                      | 0                          |
| 0  | 0                           | 0             | 0                           | (71,716)                   |
| 0  | 0                           | 0             | 15,038                      | (71,716)                   |
| 326,498  | 0                           | 326,498       | 0                           | 0                          |
| 485,056  | 0                           | 485,056       | 0                           | 0                          |
| 1,372,660  | 0                           | 1,372,660     | 0                           | 0                          |
| 2,619,713  | 0                           | 2,619,713     | 0                           | 0                          |
| 52,572   | 0                           | 52,572        | 0                           | 0                          |
| 592,288  | 0                           | 592,288       | 0                           | 0                          |
| 62,889   | 0                           | 62,889        | 0                           | 0                          |
| 42,681   | 0                           | 42,681        | 0                           | 0                          |
| 569,256  | 0                           | 569,256       | 0                           | 0                          |
| 159,801  | 0                           | 159,801       | 0                           | 0                          |
| 11,774   | 0                           | 11,774        | 0                           | 0                          |
| 103,155  | 0                           | 103,155       | 0                           | 0                          |
| 113,928  | 85,644                      | 199,572       | 0                           | 7,309                      |
| 6,512,271  | 85,644                      | 6,597,915     | 0                           | 7,309                      |
| 293,055  | 0                           | 293,055       | 0                           | 0                          |
| (2,500)  | 2,500                       | 0             | 0                           | 0                          |
| 6,802,826  | 88,144                      | 6,890,970     | 0                           | 7,309                      |
| 2,573,732  | (81,876)                    | 2,491,856     | 15,038                      | (64,407)                   |
| 14,884,761   | 16,705,049                  | 31,589,810    | (293,055)                   | 858,592                    |
| \$17,458,493   | \$16,623,173                | \$34,081,666  | (\$278,017)                 | \$794,185                  |



**City of Conneaut, Ohio**

*Balance Sheet*

*Governmental Funds*

*December 31, 2019*

|   | General            | Street Construction,<br>Maintenance<br>and Repair | Street<br>Improvement | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|--------------------|---|-----------------------|--------------------------------|--------------------------------|
| <b>Assets</b>   |                    |   |                       |                                |                                |
| Equity in Pooled Cash and<br>Cash Equivalents                                 | \$739,250          | \$20,050  | \$153,891             | \$1,465,216                    | \$2,378,407                    |
| Materials and Supplies Inventory  | 22,180             | 91,042  | 0                     | 0                              | 113,222                        |
| Accounts Receivable   | 237,872            | 0   | 0                     | 0                              | 237,872                        |
| Intergovernmental Receivable  | 213,134            | 286,139   | 12,169                | 136,286                        | 647,728                        |
| Municipal Income Taxes Receivable   | 494,356            | 111,736   | 0                     | 21,765                         | 627,857                        |
| Property Taxes Receivable   | 342,763            | 0   | 512,310               | 1,446,501                      | 2,301,574                      |
| Loans Receivable from Component Unit  | 0                  | 0   | 0                     | 60,000                         | 60,000                         |
| Special Assessments Receivable  | 5,086              | 119,504   | 0                     | 108,055                        | 232,645                        |
| Restricted Assets:  |                    |   |                       |                                |                                |
| Equity in Pooled Cash and<br>Cash Equivalents                                 | 21,666             | 0   | 0                     | 0                              | 21,666                         |
| <b>Total Assets</b>   | <b>\$2,076,307</b> | <b>\$628,471</b>                                  | <b>\$678,370</b>      | <b>\$3,237,823</b>             | <b>\$6,620,971</b>             |
| <b>Liabilities</b>  |                    |   |                       |                                |                                |
| Accounts Payable  | \$21,178           | \$7,926   | \$0                   | \$86,363                       | \$115,467                      |
| Contracts Payable   | 7,992              | 9,238   | 0                     | 44,935                         | 62,165                         |
| Accrued Wages   | 79,683             | 14,563  | 0                     | 8,986                          | 103,232                        |
| Intergovernmental Payable   | 23,660             | 9,764   | 0                     | 47,240                         | 80,664                         |
| Deposits Held Payable   | 10,067             | 4,500   | 0                     | 0                              | 14,567                         |
| Interfund Payable   | 0                  | 0   | 0                     | 72,907                         | 72,907                         |
| Accrued Interest Payable  | 330                | 0   | 0                     | 215                            | 545                            |
| Notes Payable   | 20,000             | 0   | 0                     | 60,000                         | 80,000                         |
| <b>Total Liabilities</b>  | <b>162,910</b>     | <b>45,991</b>                                     | <b>0</b>              | <b>320,646</b>                 | <b>529,547</b>                 |
| <b>Deferred Inflows of Resources</b>  |                    |   |                       |                                |                                |
| Property Taxes  | 309,853            | 0   | 463,418               | 1,308,153                      | 2,081,424                      |
| Unavailable Revenue   | 717,216            | 369,789   | 61,061                | 367,931                        | 1,515,997                      |
| <b>Total Deferred Inflows of Resources</b>                                    | <b>1,027,069</b>   | <b>369,789</b>                                    | <b>524,479</b>        | <b>1,676,084</b>               | <b>3,597,421</b>               |
| <b>Fund Balances</b>  |                    |   |                       |                                |                                |
| Nonspendable  | 43,846             | 91,042  | 0                     | 0                              | 134,888                        |
| Restricted  | 0                  | 121,649   | 153,891               | 1,245,307                      | 1,520,847                      |
| Committed   | 0                  | 0   | 0                     | 160,354                        | 160,354                        |
| Assigned  | 369,229            | 0   | 0                     | 0                              | 369,229                        |
| Unassigned (Deficit)  | 473,253            | 0   | 0                     | (164,568)                      | 308,685                        |
| <b>Total Fund Balances</b>  | <b>886,328</b>     | <b>212,691</b>                                    | <b>153,891</b>        | <b>1,241,093</b>               | <b>2,494,003</b>               |
| <b>Total Liabilities, Deferred Inflows of<br/>Resources and Fund Balances</b> | <b>\$2,076,307</b> | <b>\$628,471</b>                                  | <b>\$678,370</b>      | <b>\$3,237,823</b>             | <b>\$6,620,971</b>             |

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, 2019*

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|  |             |
|--|-------------|
| <b>Total Governmental Funds Balances</b> | \$2,494,003 |
|--|-------------|

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

|   |            |
|---|------------|
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. | 25,903,898 |
|---|------------|

Other long-term assets are not available to pay for current period expenditures and therefore are reported as unavailable in the funds:

|                           |         |
|---------------------------|---------|
| Delinquent Property Taxes | 220,150 |
| Municipal Income Taxes    | 381,443 |
| Intergovernmental         | 443,887 |
| Special Assessments       | 232,645 |
| Charges for Services      | 198,424 |
| Franchise Tax             | 39,448  |

|       |           |
|-------|-----------|
| Total | 1,515,997 |
|-------|-----------|

|  |         |
|--|---------|
| In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. | (7,203) |
|--|---------|

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:

|                          |             |
|--------------------------|-------------|
| General Obligation Bonds | (814,515)   |
| OWDA Loans Payable       | (45,596)    |
| Loans Payable            | (949,236)   |
| OPWC Loans Payable       | (67,062)    |
| Long-term Notes Payable  | (40,000)    |
| Capital Leases Payable   | (410,625)   |
| Compensated Absences     | (1,030,676) |

|       |             |
|-------|-------------|
| Total | (3,357,710) |
|-------|-------------|

The net pension asset, net pension liability and net OPEB liability are not due and payable in the current period; therefore, the asset, liability and related deferred inflows/outflows are not reported in the governmental funds:

|                             |             |
|-----------------------------|-------------|
| Net Pension Asset           | 9,404       |
| Deferred Outflows - Pension | 2,668,033   |
| Deferred Inflows - Pension  | (128,954)   |
| Net Pension Liability       | (9,695,784) |
| Deferred Outflows - OPEB    | 544,921     |
| Deferred Inflows - OPEB     | (216,378)   |
| Net OPEB Liability          | (2,271,734) |

|       |             |
|-------|-------------|
| Total | (9,090,492) |
|-------|-------------|

|  |              |
|--|--------------|
| <i>Net Position of Governmental Activities</i> | \$17,458,493 |
|--|--------------|

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, 2019*

|  | General          | Street<br>Construction,<br>Maintenance<br>and Repair | Street<br>Improvement | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|------------------|--|-----------------------|--------------------------------|--------------------------------|
| <b>Revenues</b>  |                  |  |                       |                                |                                |
| Property Taxes   | \$324,054        | \$0  | \$481,321             | \$1,362,058                    | \$2,167,433                    |
| Municipal Income Taxes                                     | 2,590,106        | 585,596  | 0                     | 114,158                        | 3,289,860                      |
| Hotel Taxes  | 42,681           | 0  | 0                     | 0                              | 42,681                         |
| Special Assessments  | 0                | 3,356  | 0                     | 47,108                         | 50,464                         |
| Intergovernmental  | 566,186          | 510,530  | 784,005               | 412,822                        | 2,273,543                      |
| Fees, Licenses and Permits                                 | 80,027           | 333,404  | 0                     | 165,332                        | 578,763                        |
| Fines and Forfeitures                                      | 146,699          | 0  | 0                     | 87,156                         | 233,855                        |
| Rentals  | 48,061           | 0  | 0                     | 0                              | 48,061                         |
| Charges for Services                                       | 341,494          | 0  | 0                     | 20,575                         | 362,069                        |
| Contributions and Donations                                | 11,774           | 0  | 0                     | 8,005                          | 19,779                         |
| Interest   | 102,757          | 0  | 0                     | 398                            | 103,155                        |
| Franchise Taxes  | 169,322          | 0  | 0                     | 0                              | 169,322                        |
| Other  | 67,097           | 43,431   | 0                     | 3,400                          | 113,928                        |
| <i>Total Revenues</i>                                      | <u>4,490,258</u> | <u>1,476,317</u>                                     | <u>1,265,326</u>      | <u>2,221,012</u>               | <u>9,452,913</u>               |
| <b>Expenditures</b>  |                  |  |                       |                                |                                |
| Current:   |                  |  |                       |                                |                                |
| General Government   | 1,486,078        | 0  | 0                     | 1,700                          | 1,487,778                      |
| Security of Persons and Property                           | 2,788,156        | 0  | 0                     | 1,464,412                      | 4,252,568                      |
| Public Health Services                                     | 181,513          | 0  | 0                     | 0                              | 181,513                        |
| Leisure Time Activities                                    | 76,687           | 0  | 0                     | 54,101                         | 130,788                        |
| Community Development                                      | 121,896          | 0  | 0                     | 23,387                         | 145,283                        |
| Basic Utility Services                                     | 0                | 0  | 0                     | 199,418                        | 199,418                        |
| Transportation   | 0                | 1,295,840  | 0                     | 168,199                        | 1,464,039                      |
| Capital Outlay   | 0                | 847,165  | 1,130,274             | 211,025                        | 2,188,464                      |
| Debt Service:  |                  |  |                       |                                |                                |
| Principal Retirement                                       | 172,634          | 71,838   | 0                     | 82,945                         | 327,417                        |
| Interest and Fiscal Charges                                | 30,659           | 15,677   | 0                     | 6,118                          | 52,454                         |
| Principal Retirement - Current Refunding                   | 20,000           | 0  | 0                     | 0                              | 20,000                         |
| <i>Total Expenditures</i>                                  | <u>4,877,623</u> | <u>2,230,520</u>                                     | <u>1,130,274</u>      | <u>2,211,305</u>               | <u>10,449,722</u>              |
| <i>Excess of Revenues Over<br/>(Under) Expenditures</i>    | <u>(387,365)</u> | <u>(754,203)</u>                                     | <u>135,052</u>        | <u>9,707</u>                   | <u>(996,809)</u>               |
| <b>Other Financing Sources (Uses)</b>                      |                  |  |                       |                                |                                |
| General Obligation Notes Issued                            | 40,000           | 0  | 0                     | 0                              | 40,000                         |
| Current Refunding  | (40,000)         | 0  | 0                     | 0                              | (40,000)                       |
| Capital Lease Issued                                       | 231,807          | 0  | 0                     | 0                              | 231,807                        |
| State Infrastructure Bank Loan Issued                      | 0                | 652,633  | 0                     | 0                              | 652,633                        |
| OPWC Loan Issued   | 0                | 50,000   | 0                     | 0                              | 50,000                         |
| Transfers In   | 0                | 0  | 0                     | 49,000                         | 49,000                         |
| Transfers Out  | (49,000)         | (2,500)  | 0                     | 0                              | (51,500)                       |
| <i>Total Other Financing Sources (Uses)</i>                | <u>182,807</u>   | <u>700,133</u>                                       | <u>0</u>              | <u>49,000</u>                  | <u>931,940</u>                 |
| Special Item - Transfer of<br>Health Department Operations | <u>0</u>         | <u>0</u>   | <u>0</u>              | <u>(2,172)</u>                 | <u>(2,172)</u>                 |
| <i>Net Change in Fund Balances</i>                         | <u>(204,558)</u> | <u>(54,070)</u>                                      | <u>135,052</u>        | <u>56,535</u>                  | <u>(67,041)</u>                |
| <i>Fund Balances Beginning of Year</i>                     | <u>1,090,886</u> | <u>266,761</u>                                       | <u>18,839</u>         | <u>1,184,558</u>               | <u>2,561,044</u>               |
| <i>Fund Balance End of Year</i>                            | <u>\$886,328</u> | <u>\$212,691</u>                                     | <u>\$153,891</u>      | <u>\$1,241,093</u>             | <u>\$2,494,003</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, 2019*

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|   |            |
|---|------------|
| <b>Net Change in Fund Balances - Total Governmental Funds</b> | (\$67,041) |
|---|------------|

*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 capital outlay exceeded depreciation in the current period:

|                           |             |         |
|---------------------------|-------------|---------|
| Capital Asset Additions   | 2,421,347   |         |
| Current Year Depreciation | (1,843,433) |         |
| Total                     |             | 577,914 |

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

|                           |          |        |
|---------------------------|----------|--------|
| Delinquent Property Taxes | 16,781   |        |
| Municipal Income Taxes    | 37,602   |        |
| Intergovernmental         | 17,139   |        |
| Special Assessments       | (40,450) |        |
| Charges for Services      | 16,110   |        |
| Franchise Taxes           | (9,521)  |        |
| Total                     |          | 37,661 |

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 | 156,360 |         |
| OWDA Loans Payable               | 44,042  |         |
| Loans Payable                    | 66,539  |         |
| OPWC Loans Payable               | 3,544   |         |
| Notes Payable                    | 60,000  |         |
| Capital Leases Payable           | 56,932  |         |
| Total                            |         | 387,417 |

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.

1,747

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.

(81,154)

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:

|                                       |           |           |
|---------------------------------------|-----------|-----------|
| State Infrastructure Bank Loan Issued | (652,633) |           |
| OPWC Loan Issued                      | (50,000)  |           |
| General Obligation Notes Issued       | (40,000)  |           |
| Capital Lease Issued                  | (231,807) |           |
| Total                                 |           | (974,440) |

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

|         |         |         |
|---------|---------|---------|
| Pension | 624,757 |         |
| OPEB    | 9,849   |         |
| Total   |         | 634,606 |

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

|         |             |           |
|---------|-------------|-----------|
| Pension | (1,522,876) |           |
| OPEB    | 3,284,671   |           |
| Total   |             | 1,761,795 |

The special item for the transfer of health department operations on the statement of activities differs from the amount reported in the governmental funds due to the transfer of the following: long-term assets, deferred outflows, long-term liabilities and deferred inflows:

295,227

*Change in Net Position of Governmental Activities*

\$2,573,732

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, 2019*

|  | Budgeted Amounts |                    |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|--------------------|------------------|---|
|  | Original         | Final              | Actual           |   |
| <b>Revenues</b>                                    |                  |                    |                  |   |
| Property Taxes                                     | \$327,000        | \$327,000          | \$324,054        | (\$2,946)   |
| Municipal Income Taxes                             | 2,477,980        | 2,477,980          | 2,589,216        | 111,236   |
| Hotel Taxes  | 26,000           | 26,000             | 42,681           | 16,681  |
| Intergovernmental                                  | 405,000          | 405,000            | 554,091          | 149,091   |
| Fees, Licenses and Permits                         | 125,909          | 125,909            | 80,027           | (45,882)  |
| Fines and Forfeitures                              | 190,450          | 190,450            | 146,997          | (43,453)  |
| Rentals  | 42,137           | 42,137             | 48,061           | 5,924   |
| Charges for Services                               | 409,000          | 409,000            | 341,494          | (67,506)  |
| Contributions and Donations                        | 3,600            | 3,600              | 11,774           | 8,174   |
| Interest   | 85,000           | 85,000             | 103,087          | 18,087  |
| Franchise Taxes                                    | 161,000          | 161,000            | 169,322          | 8,322   |
| Other  | 101,700          | 101,700            | 67,097           | (34,603)  |
| <i>Total Revenues</i>                              | <u>4,354,776</u> | <u>4,354,776</u>   | <u>4,477,901</u> | <u>123,125</u>  |
| <b>Expenditures</b>                                |                  |                    |                  |   |
| Current:   |                  |                    |                  |   |
| General Government                                 | 1,528,388        | 1,642,388          | 1,500,026        | 142,362   |
| Security of Persons and Property                   | 2,872,643        | 2,985,882          | 2,806,667        | 179,215   |
| Public Health Services                             | 0                | 189,861            | 189,861          | 0   |
| Leisure Time Activities                            | 83,719           | 83,719             | 77,526           | 6,193   |
| Community Development                              | 145,676          | 165,026            | 122,101          | 42,925  |
| Debt Service:                                      |                  |                    |                  |   |
| Principal Retirement                               | 262,636          | 262,636            | 262,634          | 2   |
| Interest and Fiscal Charges                        | 31,467           | 31,467             | 31,152           | 315   |
| <i>Total Expenditures</i>                          | <u>4,924,529</u> | <u>5,360,979</u>   | <u>4,989,967</u> | <u>371,012</u>  |
| <i>Excess of Revenues Under Expenditures</i>       | <u>(569,753)</u> | <u>(1,006,203)</u> | <u>(512,066)</u> | <u>494,137</u>  |
| <b>Other Financing Sources (Uses)</b>              |                  |                    |                  |   |
| General Obligation Notes Issued                    | 60,000           | 60,000             | 60,000           | 0   |
| Capital Lease Issued                               | 235,000          | 235,000            | 231,807          | (3,193)   |
| Advances In  | 24,919           | 24,919             | 24,919           | 0   |
| Transfers Out                                      | (220,500)        | (193,450)          | (49,000)         | 144,450   |
| <i>Total Other Financing Sources (Uses)</i>        | <u>99,419</u>    | <u>126,469</u>     | <u>267,726</u>   | <u>141,257</u>  |
| <i>Net Change in Fund Balance</i>                  | <u>(470,334)</u> | <u>(879,734)</u>   | <u>(244,340)</u> | <u>635,394</u>  |
| <i>Fund Balance Beginning of Year (See Note 3)</i> | <u>873,633</u>   | <u>873,633</u>     | <u>873,633</u>   | <u>0</u>  |
| <i>Prior Year Encumbrances Appropriated</i>        | <u>72,450</u>    | <u>72,450</u>      | <u>72,450</u>    | <u>0</u>  |
| <i>Fund Balances End of Year</i>                   | <u>\$475,749</u> | <u>\$66,349</u>    | <u>\$701,743</u> | <u>\$635,394</u>  |

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, 2019*

|  | Budgeted Amounts   |                    |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|--------------------|--------------------|------------------|---|
|  | Original           | Final              | Actual           |   |
| <b>Revenues</b>                              |                    |                    |                  |   |
| Municipal Income Taxes                       | \$560,100          | \$560,100          | \$585,395        | \$25,295  |
| Special Assessments                          | 7,000              | 7,000              | 3,356            | (3,644)   |
| Intergovernmental                            | 464,200            | 464,200            | 474,516          | 10,316  |
| Fees, Licenses and Permits                   | 414,000            | 414,000            | 333,404          | (80,596)  |
| Interest                                     | 100                | 100                | 0                | (100)   |
| Other  | 41,500             | 41,500             | 43,431           | 1,931   |
| <i>Total Revenues</i>                        | <u>1,486,900</u>   | <u>1,486,900</u>   | <u>1,440,102</u> | <u>(46,798)</u>   |
| <b>Expenditures</b>                          |                    |                    |                  |   |
| Current:                                     |                    |                    |                  |   |
| Transportation                               | 1,552,673          | 1,807,673          | 1,299,107        | 508,566   |
| Debt Service:                                |                    |                    |                  |   |
| Principal Retirement                         | 72,947             | 75,447             | 74,338           | 1,109   |
| Interest and Fiscal Charges                  | 15,832             | 15,832             | 15,677           | 155   |
| Capital Outlay                               | 1,764,240          | 2,081,545          | 936,909          | 1,144,636   |
| <i>Total Expenditures</i>                    | <u>3,405,692</u>   | <u>3,980,497</u>   | <u>2,326,031</u> | <u>1,654,466</u>  |
| <i>Excess of Revenues Under Expenditures</i> | <u>(1,918,792)</u> | <u>(2,493,597)</u> | <u>(885,929)</u> | <u>1,607,668</u>  |
| <b>Other Financing Sources</b>               |                    |                    |                  |   |
| Capital Lease Issued                         | 188,200            | 188,200            | 179,799          | (8,401)   |
| State Infrastructure Bank Loan Issued        | 1,505,000          | 2,140,000          | 652,633          | (1,487,367)   |
| OPWC Loan Issued                             | 100,000            | 100,000            | 50,000           | (50,000)  |
| Transfers In                                 | 145,000            | 145,000            | 0                | (145,000)   |
| <i>Total Other Financing Sources</i>         | <u>1,938,200</u>   | <u>2,573,200</u>   | <u>882,432</u>   | <u>(1,690,768)</u>                                      |
| <i>Net Change in Fund Balance</i>            | <u>19,408</u>      | <u>79,603</u>      | <u>(3,497)</u>   | <u>(83,100)</u>   |
| <i>Fund Balance Beginning of Year</i>        | <u>22,696</u>      | <u>22,696</u>      | <u>22,696</u>    | <u>0</u>  |
| Prior Year Encumbrances Appropriated         | <u>551</u>         | <u>551</u>         | <u>551</u>       | <u>0</u>  |
| <i>Fund Balance End of Year</i>              | <u>\$42,655</u>    | <u>\$102,850</u>   | <u>\$19,750</u>  | <u>(\$83,100)</u>                                       |

See accompanying notes to the basic financial statements

**City of Conneaut, Ohio**  
*Statement of Fund Net Position*  
*Proprietary Funds*  
*December 31, 2019*

|  | Business-Type Activities |                    |                     |
|--|--------------------------|--------------------|---------------------|
|  | Water                    | Sewer              | Total               |
| <b>Assets</b>  |                          |                    |                     |
| <i>Current Assets:</i>                                 |                          |                    |                     |
| Equity in Pooled Cash and Cash Equivalents             | \$839,125                | \$2,072,000        | \$2,911,125         |
| Materials and Supplies Inventory                       | 128,789                  | 62,377             | 191,166             |
| Receivables:   |                          |                    |                     |
| Accounts   | 273,454                  | 273,921            | 547,375             |
| Special Assessments                                    | 1,255                    | 419                | 1,674               |
| Interfund Receivable                                   | 0                        | 72,907             | 72,907              |
| <i>Total Current Assets</i>                            | <u>1,242,623</u>         | <u>2,481,624</u>   | <u>3,724,247</u>    |
| <i>Noncurrent Assets:</i>                              |                          |                    |                     |
| Special Assessment Receivable                          | 11,209                   | 9,435              | 20,644              |
| Net Pension Asset                                      | 3,932                    | 3,077              | 7,009               |
| Capital Assets:  |                          |                    |                     |
| Nondepreciable Capital Assets                          | 153,771                  | 11,548             | 165,319             |
| Depreciable Capital Assets, Net                        | 9,759,480                | 13,504,369         | 23,263,849          |
| <i>Total Noncurrent Assets</i>                         | <u>9,928,392</u>         | <u>13,528,429</u>  | <u>23,456,821</u>   |
| <i>Total Assets</i>                                    | <u>11,171,015</u>        | <u>16,010,053</u>  | <u>27,181,068</u>   |
| <b>Deferred Outflows of Resources</b>                  |                          |                    |                     |
| Pension  | 477,451                  | 378,172            | 855,623             |
| OPEB   | 64,288                   | 65,753             | 130,041             |
| <i>Total Deferred Outflows of Resources</i>            | <u>541,739</u>           | <u>443,925</u>     | <u>985,664</u>      |
| <b>Liabilities</b>                                     |                          |                    |                     |
| <i>Current Liabilities:</i>                            |                          |                    |                     |
| Accounts Payable                                       | 17,279                   | 24,989             | 42,268              |
| Contracts Payable                                      | 1,299                    | 146,941            | 148,240             |
| Accrued Wages  | 24,378                   | 20,418             | 44,796              |
| Intergovernmental Payable                              | 14,219                   | 16,940             | 31,159              |
| Compensated Absences Payable                           | 42,295                   | 48,447             | 90,742              |
| Accrued Interest Payable                               | 24,830                   | 36,326             | 61,156              |
| General Obligation Bonds Payable                       | 4,154                    | 75,992             | 80,146              |
| OPWC Loans Payable                                     | 20,635                   | 9,133              | 29,768              |
| OWDA Loans Payable                                     | 94,694                   | 255,974            | 350,668             |
| <i>Total Current Liabilities</i>                       | <u>243,783</u>           | <u>635,160</u>     | <u>878,943</u>      |
| <i>Long-Term Liabilities (net of current portion):</i> |                          |                    |                     |
| Compensated Absences Payable                           | 114,464                  | 78,690             | 193,154             |
| General Obligation Bonds Payable                       | 8,523                    | 487,904            | 496,427             |
| OPWC Loans Payable                                     | 276,563                  | 266,659            | 543,222             |
| OWDA Loans Payable                                     | 1,714,406                | 3,936,153          | 5,650,559           |
| Net Pension Liability                                  | 1,436,162                | 1,123,953          | 2,560,115           |
| Net OPEB Liability                                     | 657,875                  | 514,859            | 1,172,734           |
| <i>Total Long-Term Liabilities</i>                     | <u>4,207,993</u>         | <u>6,408,218</u>   | <u>10,616,211</u>   |
| <i>Total Liabilities</i>                               | <u>4,451,776</u>         | <u>7,043,378</u>   | <u>11,495,154</u>   |
| <b>Deferred Inflows of Resources</b>                   |                          |                    |                     |
| Pension  | 20,618                   | 24,605             | 45,223              |
| OPEB   | 1,785                    | 1,397              | 3,182               |
| <i>Total Deferred Inflows of Resources</i>             | <u>22,403</u>            | <u>26,002</u>      | <u>48,405</u>       |
| <b>Net Position</b>                                    |                          |                    |                     |
| Net Investment in Capital Assets                       | 7,794,276                | 8,340,483          | 16,134,759          |
| Unrestricted   | (555,701)                | 1,044,115          | 488,414             |
| <i>Total Net Position</i>                              | <u>\$7,238,575</u>       | <u>\$9,384,598</u> | <u>\$16,623,173</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, 2019*

|   | Business-Type Activities  |                           |                            |
|---|---------------------------|---------------------------|----------------------------|
|   | Water                     | Sewer                     | Total                      |
| <b>Operating Revenues</b>   |                           |                           |                            |
| Charges for Services  | \$2,322,324               | \$2,334,399               | \$4,656,723                |
| Tap-In Fees   | 4,655                     | 35,983                    | 40,638                     |
| Special Assessments   | 3,774                     | 5,144                     | 8,918                      |
| Rentals   | 6,400                     | 0                         | 6,400                      |
| Other   | 32,744                    | 52,900                    | 85,644                     |
| <i>Total Operating Revenues</i>                                     | <u>2,369,897</u>          | <u>2,428,426</u>          | <u>4,798,323</u>           |
| <b>Operating Expenses</b>   |                           |                           |                            |
| Personal Services   | 1,608,484                 | 1,315,173                 | 2,923,657                  |
| Purchased Services  | 116,153                   | 128,952                   | 245,105                    |
| Contractual Services  | 0                         | 240,754                   | 240,754                    |
| Materials and Supplies  | 0                         | 397,118                   | 397,118                    |
| Depreciation  | 432,039                   | 498,920                   | 930,959                    |
| Other   | 1,196                     | 2,455                     | 3,651                      |
| <i>Total Operating Expenses</i>                                     | <u>2,157,872</u>          | <u>2,583,372</u>          | <u>4,741,244</u>           |
| <i>Operating Income (Loss)</i>                                      | 212,025                   | (154,946)                 | 57,079                     |
| <b>Non-Operating Expenses</b>                                       |                           |                           |                            |
| Interest and Fiscal Charges   | <u>(52,158)</u>           | <u>(119,356)</u>          | <u>(171,514)</u>           |
| <i>Income (Loss) before Capital Contributions<br/>and Transfers</i> | 159,867                   | (274,302)                 | (114,435)                  |
| Capital Contributions   | 30,059                    | 0                         | 30,059                     |
| Transfers In  | <u>0</u>                  | <u>2,500</u>              | <u>2,500</u>               |
| <i>Change in Net Position</i>                                       | 189,926                   | (271,802)                 | (81,876)                   |
| <i>Net Position Beginning of Year</i>                               | <u>7,048,649</u>          | <u>9,656,400</u>          | <u>16,705,049</u>          |
| <i>Net Position End of Year</i>                                     | <u><u>\$7,238,575</u></u> | <u><u>\$9,384,598</u></u> | <u><u>\$16,623,173</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, 2019*

|  | 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                                     | \$2,360,762              | \$2,387,716               | \$4,748,478               |
| Cash Received from Tap-In Fees                                   | 4,655                    | 35,983                    | 40,638                    |
| Cash Received from Rentals                                       | 6,400                    | 0                         | 6,400                     |
| Other Cash Receipts  | 32,744                   | 52,900                    | 85,644                    |
| Cash Payments to Employees for Services                          | (1,253,657)              | (1,067,452)               | (2,321,109)               |
| Cash Payments for Goods and Services                             | (267,717)                | (1,015,787)               | (1,283,504)               |
| Other Cash Payments  | (1,196)                  | (2,455)                   | (3,651)                   |
| <i>Net Cash Provided by Operating Activities</i>                 | <u>881,991</u>           | <u>390,905</u>            | <u>1,272,896</u>          |
| <b>Cash Flows from Capital and Related Financing Activities</b>  |                          |                           |                           |
| Transfers In for Debt Payment                                    | 0                        | 2,500                     | 2,500                     |
| Capital Contributions  | 30,059                   | 0                         | 30,059                    |
| OWDA Loans Issued  | 270,804                  | 0                         | 270,804                   |
| OPWC Loans Issued  | 49,204                   | 0                         | 49,204                    |
| Principal Paid on OWDA Loans                                     | (91,742)                 | (347,757)                 | (439,499)                 |
| Interest Paid on OWDA Loans                                      | (52,527)                 | (102,967)                 | (155,494)                 |
| Principal Paid on OPWC Loans                                     | (40,040)                 | (14,780)                  | (54,820)                  |
| Principal Paid on General Obligation Bond                        | (4,090)                  | (75,855)                  | (79,945)                  |
| Interest Paid on General Obligation Bond                         | (519)                    | (19,904)                  | (20,423)                  |
| Principal Paid on Loans  | (15,330)                 | (15,334)                  | (30,664)                  |
| Interest Paid on Loans   | (481)                    | (481)                     | (962)                     |
| Payments for Capital Acquisitions                                | (996,321)                | (118,984)                 | (1,115,305)               |
| <i>Net Cash Used in Capital and Related Financing Activities</i> | <u>(850,983)</u>         | <u>(693,562)</u>          | <u>(1,544,545)</u>        |
| <i>Net Increase (Decrease) in Cash and Cash Equivalents</i>      | <u>31,008</u>            | <u>(302,657)</u>          | <u>(271,649)</u>          |
| <i>Cash and Cash Equivalents Beginning of Year</i>               | <u>808,117</u>           | <u>2,374,657</u>          | <u>3,182,774</u>          |
| <i>Cash and Cash Equivalents End of Year</i>                     | <u><u>\$839,125</u></u>  | <u><u>\$2,072,000</u></u> | <u><u>\$2,911,125</u></u> |

(continued)



**City of Conneaut, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds (continued)*  
*For the Year Ended December 31, 2019*

|  | Business-Type Activities |                  |                    |
|--|--------------------------|------------------|--------------------|
|  | Water                    | Sewer            | Total              |
| <b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b> |                          |                  |                    |
| Operating Income (Loss)  | \$212,025                | (\$154,946)      | \$57,079           |
| Adjustments:   |                          |                  |                    |
| Depreciation   | 432,039                  | 498,920          | 930,959            |
| (Increase) Decrease in Assets and Deferred Outflows:                                   |                          |                  |                    |
| Accounts Receivable  | 35,246                   | 51,229           | 86,475             |
| Special Assessments Receivable   | (582)                    | (3,056)          | (3,638)            |
| Materials and Supplies Inventory   | 6,016                    | 3,321            | 9,337              |
| Net Pension Asset  | (1,181)                  | (925)            | (2,106)            |
| Deferred Outflows - Pension  | 399,391                  | 298,189          | 697,580            |
| Deferred Outflows - OPEB   | 41,559                   | 40,078           | 81,637             |
| Increase (Decrease) in Liabilities and Deferred Inflows:                               |                          |                  |                    |
| Accounts Payable   | (2,944)                  | (27,102)         | (30,046)           |
| Contracts Payable  | (154,636)                | (230,382)        | (385,018)          |
| Accrued Wages  | 3,011                    | 1,344            | 4,355              |
| Compensated Absences Payable   | (19,597)                 | (28,932)         | (48,529)           |
| Intergovernmental Payable  | 1,314                    | 6,660            | 7,974              |
| Net Pension Liability  | (1,559)                  | (1,221)          | (2,780)            |
| Net OPEB Liability   | 36,037                   | 28,202           | 64,239             |
| Deferred Inflows - Pension   | (93,064)                 | (81,800)         | (174,864)          |
| Deferred Inflows - OPEB  | (11,084)                 | (8,674)          | (19,758)           |
| <i>Total Adjustments</i>   | <u>669,966</u>           | <u>545,851</u>   | <u>1,215,817</u>   |
| <i>Net Cash Provided by Operating Activities</i>                                       | <u>\$881,991</u>         | <u>\$390,905</u> | <u>\$1,272,896</u> |

**Non-Cash Capital Transactions**

In 2019, the sewer enterprise fund had contracts payable in the amount of \$143,619 related to capital acquisitions.

See accompanying notes to the basic financial statements

**City Of Conneaut, Ohio**  
*Statement of Fiduciary Net Position*  
*Custodial Fund*  
*December 31, 2019*

|  |                       |
|--|-----------------------|
| <hr/> <hr/>  |                       |
| <b>Assets</b>  |                       |
| Cash and Cash Equivalents in Segregated Accounts         | <u><u>\$9,055</u></u> |
| <b>Liabilities</b>                                       |                       |
| Accounts Payable   | 4,617                 |
| Intergovernmental Payable                                | <u>4,438</u>          |
| <i>Total Liabilities</i>                                 | <u>9,055</u>          |
| <b>Net Position</b>                                      |                       |
| Restricted for Other Governments                         | <u><u>\$0</u></u>     |
| See accompanying notes to the basic financial statements |                       |

**City Of Conneaut, Ohio**  
*Statement of Changes in Fiduciary Net Position*  
*Custodial Fund*  
*December 31, 2019*

|   |           |
|---|-----------|
| <b>Additions</b>                            |           |
| Fines and Forfeitures for Individuals       | \$138,065 |
| Fines and Forfeitures for Other Governments | 131,669   |
|   | <hr/>     |
| <i>Total Additions</i>                      | 269,734   |
|   | <hr/>     |
| <b>Deletions</b>                            |           |
| Distributions to Individuals                | 138,065   |
| Distributions to the State of Ohio          | 98,946    |
| Distributions to Ashtabula County           | 32,723    |
|   | <hr/>     |
| <i>Total Distributions</i>                  | 269,734   |
|   | <hr/>     |
| <i>Change in Fiduciary Net Position</i>     | 0         |
|   |           |
| <i>Net Position Beginning of Year</i>       | 0         |
|   | <hr/>     |
| <i>Net Position End of Year</i>             | \$0       |
|   | <hr/>     |

See accompanying notes to the basic financial statements

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2019*

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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 City's discretely component units, the Conneaut Board of Health and Conneaut Port Authority. They are discretely reported to emphasize that they are legally separate from the City.

***Conneaut Board of Health*** The City of Conneaut Board of Health (Board) was created as a legally separate organization under chapter 3709 of the Ohio Revised Code. Among its various duties, the Board provides for the prompt diagnosis and control of communicable diseases. The Board may also inspect businesses where food is manufactured, handled, stored, or offered for sale. The Board is operated by a five-member board with all members being appointed by the City. The rates charged by the Board are subject to the approval of City Council. In addition, the City provides funding to the Board, thus the City can impose will on the Board, and the Board imposes a financial burden to the City. Therefore, the Board of Health is considered a discretely presented component unit of the City. Information for the component unit is identified in Note 27. Statements for the Board can be obtained from the City Finance Director.

***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 28. Statements for the Port Authority can be obtained from the Conneaut Port Authority, 1205 Broad Street, Conneaut, Ohio 44030.

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2019*

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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 two jointly governed organizations, the Conneaut Energy Special Improvement District, Inc., and the Northeast Ohio Public Energy Council (NOPEC). 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.

**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.

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2019*

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**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.

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.

**Street Improvement Fund** The street improvement capital projects fund accounts for and reports restricted property taxes for the improvement of streets and curbs 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 (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangement that has certain characteristics. The City does not have any trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund.

The City's only fiduciary fund is a custodial fund. The custodial fund is used to account for assets held by the City as fiscal agent for fines and fees deposited by the municipal court for distribution to individuals and the State.

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2019*

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***Measurement Focus***

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

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

Like the government-wide statements, all proprietary and fiduciary 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. In fiduciary funds, a liability to the beneficiaries of fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus.

For proprietary funds, the statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from the custodial fund.

***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



**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2019*

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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 and OPEB. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 19 and 20.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the City, deferred inflows of resources include property taxes, unavailable revenue, pension and OPEB. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2019, but which were levied to finance year 2020 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 19. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position (See Notes 19 and 20).

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

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

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



**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2019*

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***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 2019, the City invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, *Certain External Investment Pools and Pool Participants*. The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2019, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four hours advance notice is appreciated for deposits and withdrawals of \$25 million or more. STAR Ohio reserves the right to limit the transactions to \$100 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these 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 2019 amounted to \$102,757 which includes \$87,992 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.

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2019*

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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.

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:

| Description                       | Estimated Lives |
|-----------------------------------|-----------------|
| 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 and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits. Bonds, capital leases and long-term loans are recognized as a liability on the governmental fund financial statements when due.

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2019*

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***Fund Balance***

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

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

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

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

***Committed*** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance or resolution, as both are equally 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 2020'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.

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2019*

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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.

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.

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2019*

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***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.

***Budgetary Process***

All funds, except custodial 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.

***Extraordinary and Special Items***

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City and that are either unusual in nature or infrequent in occurrence. During 2019, the City recognized a loss of \$2,172 on the statement of revenues, expenditures, and changes in fund balances of governmental funds and a gain of \$293,055 on the statement of activities for the transfer of the board of health operations, recorded as a special item.

**Note 3 – Change in Accounting Principle and Restatement of Net Position**

The Governmental Accounting Standards Board (GASB) recently issued GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The City evaluated implementing these certain GASB pronouncements based on guidance in GASB 95.

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2019*

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For 2019, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, and related guidance from (GASB) Implementation Guide No. 2019-2, *Fiduciary Activities*.

For 2019, the City also implemented the Governmental Accounting Standards Board's (GASB) *Implementation Guide No. 2018-1*. These changes were incorporated in the City's 2019 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 84 established specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business type activities should report their fiduciary activities. Due to the implementation of GASB Statement No. 84, the City will no longer be reporting agency funds. The City reviewed its agency funds and certain funds will be reported in the new fiduciary fund classification of custodial funds, while other funds have been reclassified as governmental funds. GASB Statement 84 was incorporated into the City's 2019 financial statements; however, these changes had no effect on beginning net position/fund balance as the amounts reclassified to governmental funds were offset by corresponding liabilities. The budget and actual statement for the general fund increased \$10,567 from \$863,066 to \$873,633 to include previously classified agency funds. Also related to the implementation of GASB Statement No. 84, the City will no longer be reporting agency funds, at December 31, 2018, agency funds reported assets and liabilities of \$79,237.

GASB Statement 88 improves the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. These changes were incorporated in the City's fiscal year 2019 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.
4. Advances In 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).



**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2019*

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                               | (\$204,558)        | (\$54,070)   |
| Net Adjustment for Revenue Accruals      | (7,276)            | (36,215)   |
| Net Adjustment for Expenditures Accruals | 8,618              | (92,711)   |
| Beginning Unrecorded Cash                | 3,130              | 179,799  |
| Ending Unrecorded Cash                   | (8,211)            | 0  |
| Advances In                              | 24,919             | 0  |
| Proceeds of Notes                        | 20,000             | 0  |
| Principal Retirement                     | (30,000)           | 0  |
| Encumbrances                             | (50,962)           | (300)  |
| Budget Basis                             | <u>(\$244,340)</u> | <u>(\$3,497)</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 | Street<br>Improvement | Other<br>Governmental<br>Funds | Total              |
|--|---------------|--|-----------------------|--------------------------------|--------------------|
| <b><i>Nonspendable</i></b>                     |               |  |                       |                                |                    |
| Unclaimed Monies                               | \$21,666      | \$0  | \$0                   | \$0                            | \$21,666           |
| Inventory                                      | 22,180        | 91,042   | 0                     | 0                              | 113,222            |
| <b><i>Total Nonspendable</i></b>               | <b>43,846</b> | <b>91,042</b>  | <b>0</b>              | <b>0</b>                       | <b>134,888</b>     |
| <b><i>Restricted for</i></b>                   |               |  |                       |                                |                    |
| Capital Projects                               | \$0           | \$0  | \$153,891             | \$331,147                      | \$485,038          |
| Street Construction,<br>Maintenance and Repair | 0             | 121,649  | 0                     | 40,031                         | 161,680            |
| Police and Fire Operations                     | 0             | 0  | 0                     | 658,134                        | 658,134            |
| Drug and Alcohol Enforcement                   | 0             | 0  | 0                     | 103,915                        | 103,915            |
| Cemetery Operations                            | 0             | 0  | 0                     | 63,255                         | 63,255             |
| Economic Development                           | 0             | 0  | 0                     | 13,978                         | 13,978             |
| Other Purposes                                 | 0             | 0  | 0                     | 34,847                         | 34,847             |
| <b><i>Total Restricted</i></b>                 | <b>\$0</b>    | <b>\$121,649</b>                                     | <b>\$153,891</b>      | <b>\$1,245,307</b>             | <b>\$1,520,847</b> |

(continued)

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
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| Fund Balances (continued)          | General   | Street<br>Construction,<br>Maintenance<br>and Repair | Street<br>Improvement | Other<br>Governmental<br>Funds | Total       |
|------------------------------------|-----------|--|-----------------------|--------------------------------|-------------|
| <b><i>Committed to</i></b>         |           |  |                       |                                |             |
| Recreation                         | \$0       | \$0  | \$0                   | \$90,054                       | \$90,054    |
| Capital Improvements               | 0         | 0  | 0                     | 70,300                         | 70,300      |
| <i>Total Committed</i>             | 0         | 0  | 0                     | 160,354                        | 160,354     |
| <b><i>Assigned to</i></b>          |           |  |                       |                                |             |
| Purchases on Order:                |           |  |                       |                                |             |
| General Government                 | 19,475    | 0  | 0                     | 0                              | 19,475      |
| Security of Persons and Property   | 21,395    | 0  | 0                     | 0                              | 21,395      |
| Leisure Time Activities            | 508       | 0  | 0                     | 0                              | 508         |
| Community Development              | 294       | 0  | 0                     | 0                              | 294         |
| Year 2020 Appropriations           | 327,557   | 0  | 0                     | 0                              | 327,557     |
| <i>Total Assigned</i>              | 369,229   | 0  | 0                     | 0                              | 369,229     |
| <b><i>Unassigned (Deficit)</i></b> | 473,253   | 0  | 0                     | (164,568)                      | 308,685     |
| <i>Total Fund Balances</i>         | \$886,328 | \$212,691  | \$153,891             | \$1,241,093                    | \$2,494,003 |

## Note 6 - Fund Deficits

Fund balance at December 31, 2019, included the following individual fund deficits:

| Fund                               | Amount  |
|------------------------------------|---------|
| <i>Nonmajor Funds:</i>             |         |
| Drug Task Force                    | \$2,815 |
| Street Lighting                    | 34,648  |
| Police Pension                     | 15,112  |
| Fire Pension                       | 9,916   |
| Special Assessment Bond Retirement | 67,828  |
| Industrial Park                    | 34,249  |

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



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

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

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

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

Investments in stripped principal or interest obligations, reverse repurchase 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. Except as noted above, an investment must mature within five years from the date of settlement, unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

**City of Conneaut, Ohio**  
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Investments may only be made through specified dealers and institutions located within the State of Ohio. 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
2. Obligations of the City.

### **Deposits**

***Custodial credit risk*** for deposits is the risk that in the event of a bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2019, \$400,454 of the City's total bank balance of \$1,067,576 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. The City's financial institution participates in the Ohio Pooled Collateral System (OPCS) and was approved for a reduced collateral floor of 50 percent resulting in the uninsured and uncollateralized balance.

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

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

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

### **Investments**

At December 31, 2019, the City had \$4,439,177 invested in STAR Ohio with an average maturity of 55.7 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*** The Star Ohio investment carried a rating of AAAM by Standards & Poor's. 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.

**City of Conneaut, Ohio**  
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**Note 8 - Receivables**

Receivables at December 31, 2019, 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 \$61,710 in the special assessment bond retirement fund, \$11,209 in the water enterprise fund and \$9,435 in the sewer enterprise fund. At December 31, 2019, the amount of delinquent special assessments was \$82,354.

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, 2019, the City has a loan receivable in the amount of \$60,000 in the marina special revenue fund. See Note 28 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 2019 for real and public utility property taxes represents collections of 2018 taxes.

2019 real property taxes are levied after October 1, 2019 on the assessed value as of January 1, 2019 the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2019 real property taxes are collected in and intended to finance 2020.

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. 2019 public utility property taxes which became a lien December 31, 2018, are levied after October 1, 2019, and are collected in 2020 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2019, was \$12.88 per \$1,000 of assessed value. The assessed values of real property and public utility property upon which 2019 property tax receipts were based are as follows:

| Category                 | Assessed Value       |
|--------------------------|----------------------|
| Real Estate              |                      |
| Residential/Agricultural | \$123,089,140        |
| Other Real Estate        | 53,629,670           |
| Public Utility Property  | 9,669,320            |
| Total Assessed Values    | <u>\$186,388,130</u> |

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
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The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City. 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, 2019 and for which there is an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2019 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:

| <u>Governmental Activities</u> | <u>Amounts</u>          |
|--------------------------------|-------------------------|
| Gasoline Tax                   | \$282,217               |
| Local Government               | 190,068                 |
| Homestead and Rollback         | 95,431                  |
| Permissive Tax                 | 52,888                  |
| Auto License Tax               | <u>27,124</u>           |
| Total                          | <u><u>\$647,728</u></u> |

**Note 9 – Tax Abatements**

As of December 31, 2019, 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 \$5,980 at December 31, 2019.

**City of Conneaut, Ohio**  
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**Note 10 - Capital Assets**

Capital asset activity for the year ended December 31, 2019, was as follows:

|   | Balance<br>12/31/2018 | Additions            | Deductions | Balance<br>12/31/2019 |
|---|-----------------------|----------------------|------------|-----------------------|
| <b>Governmental Activities</b>                      |                       |                      |            |                       |
| <i><b>Capital Assets not being Depreciated:</b></i> |                       |                      |            |                       |
| Land  | \$554,972             | \$0                  | \$0        | \$554,972             |
| Construction in Progress                            | 109,058               | 1,281,170            | 0          | 1,390,228             |
| <i>Total Capital Assets not being Depreciated</i>   | <u>664,030</u>        | <u>1,281,170</u>     | <u>0</u>   | <u>1,945,200</u>      |
| <i><b>Capital Assets being Depreciated:</b></i>     |                       |                      |            |                       |
| Buildings and Improvements                          | 1,968,938             | 18,500               | 0          | 1,987,438             |
| Furniture, Fixtures and Equipment                   | 3,825,751             | 307,859              | 0          | 4,133,610             |
| Vehicles  | 4,030,563             | 382,459              | 0          | 4,413,022             |
| Infrastructure:                                     |                       |                      |            |                       |
| Traffic Lights                                      | 293,738               | 0                    | 0          | 293,738               |
| Roads   | 25,462,591            | 424,379              | 0          | 25,886,970            |
| Bridges   | 13,548,533            | 0                    | 0          | 13,548,533            |
| Storm Sewers  | 3,234,760             | 6,980                | 0          | 3,241,740             |
| <i>Total Capital Assets being Depreciated</i>       | <u>52,364,874</u>     | <u>1,140,177</u>     | <u>0</u>   | <u>53,505,051</u>     |
| <i><b>Less Accumulated Depreciation:</b></i>        |                       |                      |            |                       |
| Buildings and Improvements                          | (1,795,454)           | (30,938)             | 0          | (1,826,392)           |
| Furniture, Fixtures and Equipment                   | (2,422,074)           | (248,321)            | 0          | (2,670,395)           |
| Vehicles  | (3,325,683)           | (191,450)            | 0          | (3,517,133)           |
| Infrastructure:                                     |                       |                      |            |                       |
| Traffic Lights                                      | (117,245)             | (6,886)              | 0          | (124,131)             |
| Roads   | (16,090,784)          | (1,045,739)          | 0          | (17,136,523)          |
| Bridges   | (2,647,502)           | (270,971)            | 0          | (2,918,473)           |
| Storm Sewers  | (1,304,178)           | (49,128)             | 0          | (1,353,306)           |
| <i>Total Accumulated Depreciation</i>               | <u>(27,702,920)</u>   | <u>(1,843,433) *</u> | <u>0</u>   | <u>(29,546,353)</u>   |
| Total Capital Assets being Depreciated, Net         | <u>24,661,954</u>     | <u>(703,256)</u>     | <u>0</u>   | <u>23,958,698</u>     |
| Governmental Activities Capital Assets, Net         | <u>\$25,325,984</u>   | <u>\$577,914</u>     | <u>\$0</u> | <u>\$25,903,898</u>   |

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

|                                  |                    |
|----------------------------------|--------------------|
| General Government               | \$85,284           |
| Security of Persons and Property | 226,388            |
| Leisure Time Activities          | 29,849             |
| Community Development            | 1,358              |
| Transportation                   | <u>1,500,554</u>   |
| Total Depreciation Expense       | <u>\$1,843,433</u> |

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
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|  | Balance<br>12/31/2018 | Additions        | Deductions         | Balance<br>12/31/2019 |
|--|-----------------------|------------------|--------------------|-----------------------|
| <b>Business-Type Activities:</b>                         |                       |                  |                    |                       |
| <b><i>Capital Assets not being Depreciated:</i></b>      |                       |                  |                    |                       |
| Land   | \$6,880               | \$11,548         | \$0                | \$18,428              |
| Construction in Progress                                 | 171,111               | 151,131          | (175,351)          | 146,891               |
| <b><i>Total Capital Assets not being Depreciated</i></b> | <b>177,991</b>        | <b>162,679</b>   | <b>(175,351)</b>   | <b>165,319</b>        |
| <b><i>Capital Assets being Depreciated:</i></b>          |                       |                  |                    |                       |
| Buildings and Improvements                               | 3,136,915             | 297,347          | 0                  | 3,434,262             |
| Equipment  | 7,906,023             | 191,679          | 0                  | 8,097,702             |
| Vehicles   | 1,141,657             | 107,707          | 0                  | 1,249,364             |
| Infrastructure:  |                       |                  |                    |                       |
| Water and Sewer Lines                                    | 24,387,165            | 674,863          | 0                  | 25,062,028            |
| <b><i>Total Capital Assets being Depreciated</i></b>     | <b>36,571,760</b>     | <b>1,271,596</b> | <b>0</b>           | <b>37,843,356</b>     |
| <b><i>Less Accumulated Depreciation:</i></b>             |                       |                  |                    |                       |
| Buildings and Improvements                               | (785,296)             | (76,224)         | 0                  | (861,520)             |
| Equipment  | (4,736,817)           | (351,715)        | 0                  | (5,088,532)           |
| Vehicles   | (397,525)             | (69,348)         | 0                  | (466,873)             |
| Infrastructure:  |                       |                  |                    |                       |
| Water and Sewer Lines                                    | (7,728,910)           | (433,672)        | 0                  | (8,162,582)           |
| <b><i>Total Accumulated Depreciation</i></b>             | <b>(13,648,548)</b>   | <b>(930,959)</b> | <b>0</b>           | <b>(14,579,507)</b>   |
| Total Capital Assets being Depreciated, Net              | 22,923,212            | 340,637          | 0                  | 23,263,849            |
| Business-Type Activities Capital Assets, Net             | <u>\$23,101,203</u>   | <u>\$503,316</u> | <u>(\$175,351)</u> | <u>\$23,429,168</u>   |

## Note 11 – Interfund Transactions

### ***Internal Balances***

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. At December 31, 2019, the special assessment bond retirement fund was not able to repay these advances; however, these loans are expected to be repaid in one year.

### ***Interfund Transfers***

The general fund transferred \$49,000 to other governmental funds to provide additional resources for police and fire pension payments. The street construction, maintenance and repair special revenue fund transferred \$2,500 to the sewer enterprise fund for debt payments.

### ***Internal Balances – Change in Proportionate Share***

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

**City of Conneaut, Ohio**  
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governmental and business-type activities. These residual amounts are eliminated in the total column of the entity wide statement of net position, thus allowing the total column to present the change in proportionate share for the City as a whole. Eliminations made in the total column of the entity wide statement of net position related to pension include deferred outflows of resources for the business-type activities (\$14,417 water, \$2,879 sewer enterprise funds) and deferred inflows of resources for the governmental type activities in the amount of \$17,296.

**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 (See Note 15). 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, Claudia Fill, 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 2019, the City contracted with USI Insurance Services for various types of insurance as follows:



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| Type of Coverage               | Coverage     |
|--------------------------------|--------------|
| Property/Boilers and Machinery | \$27,640,054 |
| Inland Marine                  | 1,429,120    |
| 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   | 1,607,652    |

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 2019, 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.

***Insurance***

The City provided health, dental and vision insurance to its employees through Medical Mutual of Ohio. The City's portion of monthly premiums for health, dental and vision insurance for single, employee/spouse, employee/child, and family were \$749.93, \$1,658.83, \$1,272.88 and \$2,331.77, respectively. City employees may also obtain supplemental vision reimbursement through AFSCME. The City also provides, at no cost to the employees, \$10,000 of term life insurance through AFSCME for all employees.

**Note 16 - Notes Payable**

Changes in the City's note activity for the year ended December 31, 2019, were as follows:

|                                      | Outstanding<br>12/31/2018 | Additions       | Reductions         | Outstanding<br>12/31/2019 |
|--------------------------------------|---------------------------|-----------------|--------------------|---------------------------|
| <i>General Fund:</i>                 |                           |                 |                    |                           |
| Center Road Bridge 2.99 %            | \$30,000                  | \$20,000        | (\$30,000)         | \$20,000                  |
| <i>Special Revenue Fund:</i>         |                           |                 |                    |                           |
| Port Authority 2.79 %                | 90,000                    | 60,000          | (90,000)           | 60,000                    |
| <i>Total Governmental Activities</i> | <u>\$120,000</u>          | <u>\$80,000</u> | <u>(\$120,000)</u> | <u>\$80,000</u>           |

At December 31, 2019, the City had \$60,000 in outstanding notes related to the Center Road bridge improvements. These notes were refinanced on June 14, 2020. \$20,000 of these notes was paid down and is reflected as a fund liability. The remaining \$40,000 was reissued and is reflected as a long-term liability. The \$20,000 outstanding notes payable in the general fund represents its share of notes issued for the Center Road bridge improvements. These notes mature on June 13, 2020 and carry an interest rate of 2.99 percent.



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In 2019, the City issued a \$60,000 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 2.79 percent maturing on November 13, 2020. As of December 31, 2019 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.

## **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>                                     |                        |               |                          |                     |
| <b>Long-term Obligations from Direct Placements:</b>               |                        |               |                          |                     |
| <i>General Obligation Bonds:</i>                                   |                        |               |                          |                     |
| 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>Loans:</i>  |                        |               |                          |                     |
| Industrial Park  | 2008                   | 3.25          | 500,000                  | 2023                |
| Road Equipment Acquisition   | 2009                   | 4.125         | 153,334                  | 2019                |
| <i>Notes:</i>  |                        |               |                          |                     |
| Center Road Bridge   | 2019                   | 2.99          | 60,000                   | 2020                |
| <b>Loans from Direct Borrowings:</b>                               |                        |               |                          |                     |
| <i>Special Assessment Loans:</i>                                   |                        |               |                          |                     |
| East Conneaut Sewer Phase III                                      | 1999                   | 3.50          | 679,445                  | 2020                |
| <i>Loans:</i>  |                        |               |                          |                     |
| State Infrastructure Loan - Chestnut Street                        | 2018                   | 3.00          | 100,000                  | 2028                |
| State Infrastructure Loan - Chamberlain and Parrish Rehabilitation | 2019                   | 3.00          | 652,633                  | 2033                |
| <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                |
| Chestnut Street Storm Sewer Improvements                           | 2019                   | 0.00          | 50,000                   | 2039                |

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
For The Year Ended December 31, 2019

| Debt Issue   | Original<br>Issue Date | Interest Rate | Original<br>Issue Amount | Year of<br>Maturity |
|--|------------------------|---------------|--------------------------|---------------------|
| <b>Business-Type Activities</b>                      |                        |               |                          |                     |
| <b>Loans from Direct Borrowings:</b>                 |                        |               |                          |                     |
| <i>Special Assessment Loans:</i>                     |                        |               |                          |                     |
| East Conneaut Sewer Phase III                        | 1999                   | 3.50          | 132,997                  | 2020                |
| <i>Ohio Water Development Authority:</i>             |                        |               |                          |                     |
| 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          | 2,042,357                | N/A                 |
| Water Treatment Plant Improvements                   | 2019                   | 1.92          | 270,804                  | 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                   | 2037                |
| Headworks Sewer Project                              | 2017                   | 0.00          | 29,320                   | 2038                |
| U.S. Route 20 Waterline Replacement                  | 2019                   | 0.00          | 49,204                   | 2039                |
| <b>Long-term Obligations from Direct Placements:</b> |                        |               |                          |                     |
| <i>General Obligation Bonds:</i>                     |                        |               |                          |                     |
| 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                |

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
For The Year Ended December 31, 2019

A schedule of changes in bonds and other long-term obligations of the City during 2019 follows:

|  | Outstanding<br>12/31/2018 | Additions          | Reductions         | Outstanding<br>12/31/2019 | Amount Due<br>In one Year |
|--|---------------------------|--------------------|--------------------|---------------------------|---------------------------|
| <b>Governmental Activities:</b>                                    |                           |                    |                    |                           |                           |
| <b><i>Long-term Obligations from Direct Placements:</i></b>        |                           |                    |                    |                           |                           |
| <i>General Obligation Bonds</i>                                    |                           |                    |                    |                           |                           |
| Energy Conservation  | \$227,887                 | \$0                | \$55,661           | \$172,226                 | \$56,530                  |
| Vehicle Acquisition  | 34,725                    | 0                  | 5,412              | 29,313                    | 5,557                     |
| Various Purpose Improvements 2014                                  | 195,663                   | 0                  | 29,887             | 165,776                   | 30,927                    |
| Fire Truck Acquisition   | 320,000                   | 0                  | 44,000             | 276,000                   | 45,000                    |
| Various Purpose Improvements 2017                                  | 192,600                   | 0                  | 21,400             | 171,200                   | 21,400                    |
| Total General Obligation Bonds                                     | 970,875                   | 0                  | 156,360            | 814,515                   | 159,414                   |
| <i>Loans:</i>  |                           |                    |                    |                           |                           |
| Industrial Park  | 247,806                   | 0                  | 51,203             | 196,603                   | 52,760                    |
| Road Equipment Acquisition   | 15,336                    | 0                  | 15,336             | 0                         | 0                         |
| Total Loans  | 263,142                   | 0                  | 66,539             | 196,603                   | 52,760                    |
| <i>Long - Term Notes Payable:</i>                                  |                           |                    |                    |                           |                           |
| Center Road Bridge   | 60,000                    | 40,000             | 60,000             | 40,000                    | 0                         |
| Total Long-term Obligations from Direct Placements                 | 1,294,017                 | 40,000             | 282,899            | 1,051,118                 | 212,174                   |
| <b><i>Loans from Direct Borrowings:</i></b>                        |                           |                    |                    |                           |                           |
| <i>Special Assessment OWDA Loans with Governmental Commitment:</i> |                           |                    |                    |                           |                           |
| East Conneaut Sewer Phase III                                      | 89,638                    | 0                  | 44,042             | 45,596                    | 45,596                    |
| <i>Loans:</i>  |                           |                    |                    |                           |                           |
| State Infrastructure Loan - Chestnut Street                        | 100,000                   | 0                  | 0                  | 100,000                   | 5,744                     |
| State Infrastructure Loan - Chamberlain and Parrish Rehab          | 0                         | 652,633            | 0                  | 652,633                   | 0                         |
| Total Loans  | 100,000                   | 652,633            | 0                  | 752,633                   | 5,744                     |
| <i>OPWC Loans:</i>   |                           |                    |                    |                           |                           |
| Under Ridge Road Culvert   | 10,282                    | 0                  | 1,582              | 8,700                     | 791                       |
| Roadway Safety   | 10,324                    | 0                  | 712                | 9,612                     | 356                       |
| Chestnut Street Storm Sewer Improvements                           | 0                         | 50,000             | 1,250              | 48,750                    | 1,250                     |
| Total OPWC Loans   | 20,606                    | 50,000             | 3,544              | 67,062                    | 2,397                     |
| Total Loans from Direct Borrowings                                 | 210,244                   | 702,633            | 47,586             | 865,291                   | 53,737                    |
| <i>Other Long-Term Liabilities:</i>                                |                           |                    |                    |                           |                           |
| Capital Leases   | 235,750                   | 231,807            | 56,932             | 410,625                   | 53,864                    |
| Compensated Absences   | 1,008,809                 | 294,246            | 272,379            | 1,030,676                 | 216,329                   |
| Total Other Long-Term Liabilities                                  | 1,244,559                 | 526,053            | 329,311            | 1,441,301                 | 270,193                   |
| <i>Net Pension Liability:</i>                                      |                           |                    |                    |                           |                           |
| OPERS  | 2,078,071                 | 1,494,768          | 138,538            | 3,434,301                 | 0                         |
| OPF  | 4,694,660                 | 1,566,823          | 0                  | 6,261,483                 | 0                         |
| Total Net Pension Liability  | 6,772,731                 | 3,061,591          | 138,538            | 9,695,784                 | 0                         |
| <i>Net OPEB Liability:</i>   |                           |                    |                    |                           |                           |
| OPERS  | 1,389,117                 | 276,671            | 92,608             | 1,573,180                 | 0                         |
| OPF  | 4,333,929                 | 0                  | 3,635,375          | 698,554                   | 0                         |
| Total Net OPEB Liability   | 5,723,046                 | 276,671            | 3,727,983          | 2,271,734                 | 0                         |
| <b>Total Governmental Activities</b>                               |                           |                    |                    |                           |                           |
| <b><i>Long-Term Obligations</i></b>                                | <b>\$15,244,597</b>       | <b>\$4,606,948</b> | <b>\$4,526,317</b> | <b>\$15,325,228</b>       | <b>\$536,104</b>          |

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2019*

|   | Outstanding<br>12/31/2018 | Additions        | Reductions       | Outstanding<br>12/31/2019 | Amount Due<br>In one Year |
|---|---------------------------|------------------|------------------|---------------------------|---------------------------|
| <b>Business-Type Activities:</b>          |                           |                  |                  |                           |                           |
| <b>Loans from Direct Borrowings:</b>      |                           |                  |                  |                           |                           |
| <i>Special Assessment OWDA Loans</i>      |                           |                  |                  |                           |                           |
| <i>with Governmental Commitment:</i>      |                           |                  |                  |                           |                           |
| East Conneaut Sewer Phase III             | \$19,677                  | \$0              | \$9,668          | \$10,009                  | \$10,009                  |
| <i>OWDA Loans</i>                         |                           |                  |                  |                           |                           |
| Wastewater Improvement Loan               | 1,588,977                 | 0                | 176,946          | 1,412,031                 | 182,743                   |
| Industrial Park                           | 113,583                   | 0                | 31,253           | 82,330                    | 32,198                    |
| Wastewater Aeration Repairs               | 185,635                   | 0                | 10,998           | 174,637                   | 11,308                    |
| Lake Erie Street Sanitary Sewer           | 189,306                   | 0                | 10,355           | 178,951                   | 10,702                    |
| Aerial Sewer Repairs                      | 161,892                   | 0                | 10,792           | 151,100                   | 10,792                    |
| Creek Road Elevated Storage Tank          | 1,376,414                 | 0                | 66,863           | 1,309,551                 | 69,047                    |
| Harbor Street Infrastructure              | 492,081                   | 0                | 23,132           | 468,949                   | 23,869                    |
| Wastewater Improvement Loan               | 2,042,357                 | 0                | 99,492           | 1,942,865                 | 0                         |
| Water Treatment Plant Improvement         | 0                         | 270,804          | 0                | 270,804                   | 0                         |
| <i>Total OWDA Loans</i>                   | <u>6,150,245</u>          | <u>270,804</u>   | <u>429,831</u>   | <u>5,991,218</u>          | <u>340,659</u>            |
| <i>Total OWDA Obligations</i>             | <u>6,169,922</u>          | <u>270,804</u>   | <u>439,499</u>   | <u>6,001,227</u>          | <u>350,668</u>            |
| <i>OPWC Loans:</i>                        |                           |                  |                  |                           |                           |
| South Conneaut Water Tank                 | 48,125                    | 0                | 19,250           | 28,875                    | 9,625                     |
| Liberty Water Line                        | 29,623                    | 0                | 5,924            | 23,699                    | 2,962                     |
| Madison Sanitary Sewer                    | 11,345                    | 0                | 1,892            | 9,453                     | 946                       |
| Finished Water and Booster Pump           | 24,523                    | 0                | 2,044            | 22,479                    | 1,022                     |
| Water and Booster Pump Station            | 6,601                     | 0                | 550              | 6,051                     | 275                       |
| Sandusky Sanitary Sewer                   | 16,906                    | 0                | 1,409            | 15,497                    | 705                       |
| Sanitary Sewer Repairs                    | 6,782                     | 0                | 503              | 6,279                     | 251                       |
| Roadway Safety                            | 22,983                    | 0                | 1,585            | 21,398                    | 793                       |
| Wastewater Aeration Improvement           | 13,147                    | 0                | 906              | 12,241                    | 453                       |
| Creek Road Water Tank                     | 116,250                   | 0                | 7,500            | 108,750                   | 3,750                     |
| Aerial Sewer                              | 38,750                    | 0                | 2,500            | 36,250                    | 1,250                     |
| Harbor Street Infrastructure              | 41,250                    | 0                | 2,500            | 38,750                    | 1,250                     |
| Water Treatment Plant Improvements        | 28,099                    | 0                | 1,756            | 26,343                    | 878                       |
| Orange Street Water Line                  | 34,813                    | 0                | 1,786            | 33,027                    | 893                       |
| Headworks Sewer Project                   | 139,409                   | 0                | 3,485            | 135,924                   | 3,485                     |
| US 20 Waterline Replacement               | 0                         | 49,204           | 1,230            | 47,974                    | 1,230                     |
| <i>Total OPWC Loans</i>                   | <u>578,606</u>            | <u>49,204</u>    | <u>54,820</u>    | <u>572,990</u>            | <u>29,768</u>             |
| <b>Total Loans from Direct Borrowings</b> | <u>\$6,748,528</u>        | <u>\$320,008</u> | <u>\$494,319</u> | <u>\$6,574,217</u>        | <u>\$380,436</u>          |

(continued)

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
For The Year Ended December 31, 2019

|   | Outstanding<br>12/31/2018 | Additions          | Reductions       | Outstanding<br>12/31/2019 | Amount Due<br>In one Year |
|---|---------------------------|--------------------|------------------|---------------------------|---------------------------|
| <b>Business-Type Activities (continued):</b>                |                           |                    |                  |                           |                           |
| <b>Long-term Obligations from Direct Placements:</b>        |                           |                    |                  |                           |                           |
| <i>General Obligation Bonds:</i>                            |                           |                    |                  |                           |                           |
| Energy Conservation   | \$52,618                  | \$0                | \$12,845         | \$39,773                  | \$13,046                  |
| Various Purpose Improvement                                 | 603,900                   | 0                  | 67,100           | 536,800                   | 67,100                    |
| <b>Total Bonds</b>  | <b>656,518</b>            | <b>0</b>           | <b>79,945</b>    | <b>576,573</b>            | <b>80,146</b>             |
| <i>Loans:</i>   |                           |                    |                  |                           |                           |
| Road Equipment Acquisition                                  | 30,664                    | 0                  | 30,664           | 0                         | 0                         |
| <b>Total Long-term Obligations from Direct Placements</b>   | <b>687,182</b>            | <b>0</b>           | <b>110,609</b>   | <b>576,573</b>            | <b>80,146</b>             |
| <i>Other Long-Term Liabilities:</i>                         |                           |                    |                  |                           |                           |
| Compensated Absences  | 332,425                   | 15,511             | 64,040           | 283,896                   | 90,742                    |
| <i>Net Pension Liability:</i>                               |                           |                    |                  |                           |                           |
| OPERS   | 1,385,381                 | 1,174,734          | 0                | 2,560,115                 | 0                         |
| <i>Net OPEB Liability:</i>                                  |                           |                    |                  |                           |                           |
| OPERS   | 926,078                   | 246,656            | 0                | 1,172,734                 | 0                         |
| <b>Total Business-Type Activities Long-Term Obligations</b> | <b>\$10,079,594</b>       | <b>\$1,756,909</b> | <b>\$668,968</b> | <b>\$11,167,535</b>       | <b>\$551,324</b>          |

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 and net OPEB liability. However, employer pension/OPEB 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 and net OPEB liability see Notes 19 and 20.

In 2019, the City transferred operations of the health department to the City of Conneaut Board of Health. This transfer included moving the compensated absences, net pension liability and net OPEB liability related to the health department operations and is presented as a reduction to the long-term obligations.

In 2012, the City issued \$670,000 in energy conservation bonds through direct placement for the purpose of acquisition, installation and construction of certain energy conservation measures including lighting upgrades for municipal facilities, mechanical upgrades for municipal facilities, control upgrades cooling tower fan repairs and vending miser sensor controls. The bonds were issued with an interest rate of 3.10 percent. The bonds were issued for a ten year period with final maturity on December 1, 2022.

In 2014, the City issued \$55,000 in vehicle acquisition bonds through direct placement and \$305,000 in various purpose improvement bonds through direct placement for the purchase police vehicles and improvements to the public works department. The bonds were issued with an interest rate of 5.35 percent and 3.48 percent, respectively. The bonds were issued for a ten year period with final maturity at October, 1, 2024.

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2019*

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In 2015, the City issued \$450,000 in fire truck acquisition bonds through direct placement for the purchase of a new fire truck. The bonds were issued with an interest rate of 2.50 percent. The bonds were issued for a ten year period with final maturity at April 1, 2025.

In 2017, the City issued \$831,000 in various purpose improvement bonds through direct placement for improvements to the City Hall and the purchase of vehicles for the public works department. The bonds were issued for 3.30 percent. The bonds were issued for a ten year period with final maturity in 2027.

In 2008, the City issued a \$500,000 industrial park loan through direct placement for the purpose of developing and constructing an industrial park. The loan was issued with an interest rate of 3.25 percent. The loan was issued for a fifteen year period with final maturity in 2023.

In 2019, the City issued \$40,000 in bond anticipation notes to help finance the Center Road bridge improvement project. This \$40,000 reflects the long-term portion of the \$60,000 note issuance. See Note 16 for the \$20,000 portion reflected as a fund liability. These notes mature on June 13, 2020 and carry an interest rate of 2.99 percent.

The City's outstanding OWDA loans from direct borrowings of \$45,596 related to governmental activities and \$6,001,227 related to business-type activities contain provisions that in an event of default (1) the amount of such default shall bear interest at the default rate from the due date until the date of payment, (2) if any of the charges have not been paid within 30 days, in addition to the interest calculated at the default rate, a late charge of 1 percent on the amount of each default shall also be paid to the OWDA, and (3) for each additional 30 days during which the charges remain unpaid, the City shall continue to pay an additional late charge of 1 percent on the amount of the default until such charges are paid.

The City's outstanding OPWC loans from direct borrowings related to of \$67,062 related to governmental activities and \$572,990 related to business-type activities contain provisions that in the event of default (1) OPWC may apply late fees of 8 percent per year, (2) loans more than 60 days late will be turned over to the Attorney General's office for collection, and as provided by law, OPWC may require that such payment be taken from the City's share of the county undivided local government fund, and (3) the outstanding amounts shall, at OPWC's option, become immediately due and payable.

The City's outstanding State Infrastructure Bank loans financed through the Department of Transportation from direct borrowings related to governmental activities in the amount of \$752,633 were issued for the rehabilitation of Chestnut Street, Chamberlain Road and Parrish Road. As of December 31, 2019 all proceeds have been spent.

A line of credit has been established through the State Infrastructure Bank in the amount of \$804,300 for the Chamberlain and Parrish Road rehabilitation project. Since the loan repayment schedule has not been 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, 2019 is \$652,633.

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.

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
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Lines of credit have been established with the Ohio Water Development Authority in the amount of \$2,596,589 for water and wastewater treatment plant improvements in the water and sewer enterprise funds. Since the loan repayment schedules have not yet been finalized, a repayment schedule is not included in the schedule of debt service requirements. Until a final repayment schedule is available, the City is paying based on estimates. The balance of these loans is as follow:

|   | Balance<br>December 31,<br>2019 | Lines of Credit    |
|---|---------------------------------|--------------------|
| <b>OWDA Loans Not Finalized:</b>        |                                 |                    |
| <i>Water Fund:</i>                      |                                 |                    |
| Water Treatment Plant Improvements      | \$270,804                       | \$301,050          |
| <i>Sewer Fund:</i>                      |                                 |                    |
| Wastewater Treatment Plant Improvements | 1,942,865                       | 2,295,539          |
| <b>Total OWDA Loans Not Finalized</b>   | <u>\$2,213,669</u>              | <u>\$2,596,589</u> |

The City has pledged future revenues, net of operating expenses less depreciation plus interest and fiscal charges, to repay OPWC and OWDA loans in the water enterprise fund. The debt is payable solely from net revenues and are payable through 2039. Annual principal and interest payments on the debt issues are expected to require 28.62 percent of net revenues. The total principal and interest remaining to be paid on the debt is \$2,516,755. Principal and interest paid for the current year and total net revenues were \$184,309 and \$644,064 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 2039. Annual principal and interest payments on the debt issues are expected require less than one percent of net revenues in future years; however, in 2019, the principal payments exceeded net revenues. The total principal and interest remaining to be paid on the debt is \$4,798,126. Principal and interest paid for the current year and total net revenues were \$465,504 and \$343,974 respectively.

The City's overall legal debt margin was \$17,110,430 with an unvoted debt margin of \$7,791,023 at December 31, 2019. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2019, are as follows:

|           | <i>Governmental Activities</i> |                 |                  |                 |
|-----------|--------------------------------|-----------------|------------------|-----------------|
|           | <i>Direct Placements</i>       |                 |                  |                 |
|           | General Obligation             |                 |                  |                 |
|           | Bonds                          |                 | Loans Payable    |                 |
|           | Principal                      | Interest        | Principal        | Interest        |
| 2020      | \$159,414                      | \$24,304        | \$52,760         | \$5,177         |
| 2021      | 161,520                        | 19,345          | 54,365           | 3,572           |
| 2022      | 164,660                        | 14,307          | 56,018           | 1,918           |
| 2023      | 107,684                        | 9,176           | 33,460           | 335             |
| 2024      | 110,037                        | 5,795           | 0                | 0               |
| 2025-2029 | 111,200                        | 3,762           | 0                | 0               |
| 2030-2034 | 0                              | 0               | 0                | 0               |
| 2035-2036 | 0                              | 0               | 0                | 0               |
| Total     | <u>\$814,515</u>               | <u>\$76,689</u> | <u>\$196,603</u> | <u>\$11,002</u> |

(continued)



**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
For The Year Ended December 31, 2019

| <i>Governmental Activities (continued)</i> |                             |                |                  |                 |                 |
|--|-----------------------------|----------------|------------------|-----------------|-----------------|
| <i>Direct Borrowings</i>                   |                             |                |                  |                 |                 |
|  | Special Assessment<br>Loans |                | Loans Payable    |                 | OPWC<br>Loans   |
|  | Principal                   | Interest       | Principal        | Interest        | Principal       |
| 2020                                       | \$45,596                    | \$1,200        | \$5,744          | \$1,545         | \$2,397         |
| 2021                                       | 0                           | 0              | 11,747           | 2,830           | 4,794           |
| 2022                                       | 0                           | 0              | 12,102           | 2,476           | 4,794           |
| 2023                                       | 0                           | 0              | 12,469           | 2,109           | 4,794           |
| 2024                                       | 0                           | 0              | 12,845           | 1,733           | 4,794           |
| 2025-2029                                  | 0                           | 0              | 45,093           | 2,928           | 17,641          |
| 2030-2034                                  | 0                           | 0              | 0                | 0               | 15,348          |
| 2035-2036                                  | 0                           | 0              | 0                | 0               | 12,500          |
| Total                                      | <u>\$45,596</u>             | <u>\$1,200</u> | <u>\$100,000</u> | <u>\$13,621</u> | <u>\$67,062</u> |

| <i>Business-Type Activities</i> |                                  |              |                    |                  |                         |                             |                 |
|---------------------------------|----------------------------------|--------------|--------------------|------------------|-------------------------|-----------------------------|-----------------|
|                                 | <i>Direct Borrowings</i>         |              |                    |                  | <i>Direct Placement</i> |                             |                 |
|                                 | Special Assessment<br>OWDA Loans |              | OWDA<br>Loans      |                  | OPWC<br>Loans           | General Obligation<br>Bonds |                 |
|                                 | Principal                        | Interest     | Principal          | Interest         | Principal               | Principal                   | Interest        |
| 2020                            | \$10,009                         | \$264        | \$340,659          | \$111,667        | \$29,768                | \$80,146                    | \$17,814        |
| 2021                            | 0                                | 0            | 352,424            | 101,401          | 59,536                  | 80,359                      | 15,199          |
| 2022                            | 0                                | 0            | 346,247            | 90,801           | 40,286                  | 80,568                      | 12,577          |
| 2023                            | 0                                | 0            | 339,641            | 80,641           | 40,286                  | 67,100                      | 9,949           |
| 2024                            | 0                                | 0            | 350,335            | 70,410           | 37,315                  | 67,100                      | 7,738           |
| 2025-2029                       | 0                                | 0            | 1,214,894          | 213,686          | 163,280                 | 201,300                     | 9,948           |
| 2030-2034                       | 0                                | 0            | 833,349            | 71,794           | 145,715                 | 0                           | 0               |
| 2035-2039                       | 0                                | 0            | 0                  | 0                | 56,804                  | 0                           | 0               |
| Total                           | <u>\$10,009</u>                  | <u>\$264</u> | <u>\$3,777,549</u> | <u>\$740,400</u> | <u>\$572,990</u>        | <u>\$576,573</u>            | <u>\$73,225</u> |

**Note 18 – Capital Lease**

In 2019, the City entered into a capitalized lease for an ambulance and had prior leases for a dump truck, police vehicles and a tractor and trailer. These leases meet the criteria for a capital lease and have been recorded on the governmental-wide statements. The original amount capitalized for the capital leases and the book value as of December 31, 2019 for governmental activities follows:

|                                | <u>Governmental<br/>Activities</u> |
|--------------------------------|------------------------------------|
| Asset:                         |                                    |
| Equipment                      | \$211,732                          |
| Vehicles                       | 231,807                            |
| Less: Accumulated depreciation | <u>(34,951)</u>                    |
| Current Book Value             | <u>\$408,588</u>                   |

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:



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| Year Ending December 31,                    | Governmental<br>Activities |
|---|----------------------------|
| 2020  | \$72,659                   |
| 2021  | 72,659                     |
| 2022  | 72,659                     |
| 2023  | 72,659                     |
| 2024  | 72,659                     |
| 2025-2026                                   | 111,323                    |
| Total                                       | 474,618                    |
| Less: Amount Representing Interest          | (63,993)                   |
| Present Value of Net Minimum Lease Payments | \$410,625                  |

**Note 19 - Defined Benefit Pension Plans**

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

***Net Pension Liability (Asset) /Net OPEB Liability***

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

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

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

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

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The proportionate share of each plan's unfunded benefits is presented as a *net pension asset* or a long-term *net pension/OBEB liability* on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 20 for the required OPEB disclosures.

***Plan Description – Ohio Public Employees Retirement System***

Plan Description – City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan.

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

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

| <p style="text-align: center;"><b>Group A</b><br/>Eligible to retire prior to<br/>January 7, 2013 or five years<br/>after January 7, 2013</p>                    | <p style="text-align: center;"><b>Group B</b><br/>20 years of service credit prior to<br/>January 7, 2013 or eligible to retire<br/>ten years after January 7, 2013</p> | <p style="text-align: center;"><b>Group C</b><br/>Members not in other Groups<br/>and members hired on or after<br/>January 7, 2013</p>                          |
|--|---|--|
| <p style="text-align: center;"><b>State and Local</b></p>  | <p style="text-align: center;"><b>State and Local</b></p>   | <p style="text-align: center;"><b>State and Local</b></p>  |
| <p><b>Age and Service Requirements:</b><br/>Age 60 with 60 months of service credit<br/>or Age 55 with 25 years of service credit</p>                            | <p><b>Age and Service Requirements:</b><br/>Age 60 with 60 months of service credit<br/>or Age 55 with 25 years of service credit</p>                                   | <p><b>Age and Service Requirements:</b><br/>Age 57 with 25 years of service credit<br/>or Age 62 with 5 years of service credit</p>                              |
| <p><b>Traditional Plan Formula:</b><br/>2.2% of FAS multiplied by years of<br/>service for the first 30 years and 2.5%<br/>for service years in excess of 30</p> | <p><b>Traditional Plan Formula:</b><br/>2.2% of FAS multiplied by years of<br/>service for the first 30 years and 2.5%<br/>for service years in excess of 30</p>        | <p><b>Traditional Plan Formula:</b><br/>2.2% of FAS multiplied by years of<br/>service for the first 35 years and 2.5%<br/>for service years in excess of 35</p> |
| <p><b>Combined Plan Formula:</b><br/>1% of FAS multiplied by years of<br/>service for the first 30 years and 1.25%<br/>for service years in excess of 30</p>     | <p><b>Combined Plan Formula:</b><br/>1% of FAS multiplied by years of<br/>service for the first 30 years and 1.25%<br/>for service years in excess of 30</p>            | <p><b>Combined Plan Formula:</b><br/>1% of FAS multiplied by years of<br/>service for the first 35 years and 1.25%<br/>for service years in excess of 35</p>     |

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.

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

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

Funding Policy – The ORC provides statutory authority for member and employer contributions as follows:

|  | <u>State<br/>and Local</u> |
|--|----------------------------|
| <b>2019 Statutory Maximum Contribution Rates</b>   |                            |
| Employer   | 14.0 %                     |
| Employee *   | 10.0 %                     |
| <b>2019 Actual Contribution Rates</b>  |                            |
| Employer:  |                            |
| Pension **   | 14.0 %                     |
| Post-employment Health Care Benefits **  | <u>0.0</u>                 |
| Total Employer   | <u>14.0 %</u>              |
| Employee   | <u>10.0 %</u>              |
| * Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.   |                            |
| ** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension. |                            |

For 2019, The City's contractually required contribution was \$437,714 for the traditional plan, \$5,868 for the combined plan and \$3,731 for the member-directed plan. Of these amounts, \$52,576 is reported as an intergovernmental payable for the traditional plan, \$706 for the combined plan, and \$625 for the member-directed plan.

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***Plan Description – Ohio Police & Fire Pension Fund***

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 (COLA), 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 (ORC). 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.

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's annual financial report referenced previously for additional information, including requirements for Deferred Retirement Option Plan (DROP) 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 COLA. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit, surviving beneficiaries, and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either 3 percent or the percent increase, if any, in the Consumer Price Index over the 13 month period ending on September 30<sup>th</sup> of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013, is equal to 3 percent of their base pension or disability benefit.

Funding Policy – The ORC provides statutory authority for member and employer contributions as follows:

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|  | <u>Police</u>  | <u>Firefighters</u> |
|--|----------------|---------------------|
| <b>2019 Statutory Maximum Contribution Rates</b> |                |                     |
| Employer   | 19.50 %        | 24.00 %             |
| Employee   | 12.25 %        | 12.25 %             |
| <b>2019 Actual Contribution Rates</b>            |                |                     |
| Employer:  |                |                     |
| Pension  | 19.00 %        | 23.50 %             |
| Post-employment Health Care Benefits             | <u>0.50</u>    | <u>0.50</u>         |
| Total Employer                                   | <u>19.50 %</u> | <u>24.00 %</u>      |
| Employee   | 12.25 %        | 12.25 %             |

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$370,621 for 2019. Of this amount, \$41,099 is reported as an intergovernmental payable.

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

The net pension liability (asset) for OPERS was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2018, and was determined by rolling forward the total pension liability as of January 1, 2018, to December 31, 2018. The City's proportion of the net pension liability (asset) was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense of the City's defined benefit pension plans:

|  | <u>OPERS<br/>Traditional Plan</u> | <u>OPERS<br/>Combined Plan</u> | <u>OP&amp;F</u>    |              |
|--|-----------------------------------|--------------------------------|--------------------|--------------|
| Proportion of the Net Pension Liability/Asset: |                                   |                                |                    |              |
| Current Measurement Date                       | 0.02188704%                       | 0.01467840%                    | 0.07670900%        |              |
| Prior Measurement Date                         | <u>0.02119392%</u>                | <u>0.01542912%</u>             | <u>0.07649200%</u> |              |
| Change in Proportionate Share                  | <u>0.00069312%</u>                | <u>-0.00075072%</u>            | <u>0.00021700%</u> |              |
| Proportionate Share of the:                    |                                   |                                |                    | <u>Total</u> |
| Net Pension Liability                          | \$5,994,416                       | \$0                            | \$6,261,483        | \$12,255,899 |
| Net Pension Asset                              | 0                                 | 16,413                         | 0                  | 16,413       |
| Pension Expense                                | 1,395,829                         | 4,557                          | 829,766            | 2,230,152    |

2019 pension expense for the member-directed defined contribution plan was \$3,731. The aggregate pension expense for all pension plans was \$2,233,883 for 2019.

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to defined benefit pensions from the following sources:

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|   | OPERS<br>Traditional Plan | OPERS<br>Combined Plan | OP&F               | Total              |
|---|---------------------------|------------------------|--------------------|--------------------|
| <b>Deferred Outflows of Resources</b>   |                           |                        |                    |                    |
| Differences between expected and actual experience  | \$277                     | \$0                    | \$257,260          | \$257,537          |
| Changes of assumptions  | 521,829                   | 3,667                  | 166,000            | 691,496            |
| Net difference between projected and actual earnings on pension plan investments                          | 813,611                   | 3,536                  | 771,409            | 1,588,556          |
| Changes in proportion and differences between City contributions and proportionate share of contributions | 95,396                    | 575                    | 58,597             | 154,568            |
| City contributions subsequent to the measurement date   | 437,714                   | 5,868                  | 370,621            | 814,203            |
| Total Deferred Outflows of Resources  | <u>\$1,868,827</u>        | <u>\$13,646</u>        | <u>\$1,623,887</u> | <u>\$3,506,360</u> |
| <b>Deferred Inflows of Resources</b>  |                           |                        |                    |                    |
| Differences between expected and actual experience  | \$78,711                  | \$6,703                | \$5,847            | \$91,261           |
| Changes in proportion and differences between City contributions and proportionate share of contributions | 0                         | 91                     | 65,529             | 65,620             |
| Total Deferred Inflows of Resources   | <u>\$78,711</u>           | <u>\$6,794</u>         | <u>\$71,376</u>    | <u>\$156,881</u>   |

\$814,203 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 or increase to the net pension asset in 2020. 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<br>Traditional<br>Plan | OPERS<br>Combined<br>Plan | OP&F               | Total              |
|--------------------------|------------------------------|---------------------------|--------------------|--------------------|
| Year Ending December 31: |                              |                           |                    |                    |
| 2020                     | \$598,678                    | \$612                     | \$374,505          | \$973,795          |
| 2021                     | 299,852                      | (94)                      | 205,821            | 505,579            |
| 2022                     | 75,483                       | (17)                      | 225,219            | 300,685            |
| 2023                     | 378,389                      | 1,088                     | 354,973            | 734,450            |
| 2024                     | 0                            | (365)                     | 21,372             | 21,007             |
| Thereafter               | 0                            | (240)                     | 0                  | (240)              |
| Total                    | <u>\$1,352,402</u>           | <u>\$984</u>              | <u>\$1,181,890</u> | <u>\$2,535,276</u> |

**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,



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2018, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2018, are presented as follows:

|   | <u>OPERS Traditional Plan</u>                                | <u>OPERS Combined Plan</u>                                   |
|---|--|--|
| Wage Inflation                                  | 3.25 percent   | 3.25 percent   |
| Future Salary Increases,<br>including inflation | 3.25 to 10.75 percent<br>including wage inflation            | 3.25 to 8.25 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 2.15 percent, simple |
| Investment Rate of Return                       | 7.2 percent  | 7.2 percent  |
| Actuarial Cost Method                           | Individual Entry Age   | Individual Entry Age   |

In October of 2018, the OPERS Board adopted a change in the investment return assumption, reducing it from 7.5 percent to 7.2 percent. This change was effective beginning with the 2018 valuation.

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

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

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

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the traditional pension plan, the defined benefit component of the combined plan and the annuitized accounts of the member-directed plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 2.94 percent for 2018.

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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 following table displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

| Asset Class            | Target<br>Allocation | Weighted Average<br>Long-Term Expected<br>Real Rate of Return<br>(Arithmetic) |
|------------------------|----------------------|---|
| Fixed Income           | 23.00 %              | 2.79 %  |
| Domestic Equities      | 19.00                | 6.21  |
| Real Estate            | 10.00                | 4.90  |
| Private Equity         | 10.00                | 10.81   |
| International Equities | 20.00                | 7.83  |
| Other investments      | 18.00                | 5.50  |
| Total                  | 100.00 %             | 5.95 %  |

**Discount Rate** For 2018, the discount rate used to measure the total pension liability was 7.2 percent for the traditional plan and the combined plan. For 2017, the discount rate used to measure the total pension liability was 7.5 percent for the traditional plan and the combined plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members; therefore, the long-term expected rate of return on pension plan investments for the traditional pension plan, combined plan and member-directed plan 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 (Asset) to Changes in the Discount Rate** The following table presents the City's proportionate share of the net pension liability (asset) calculated using the current period discount rate assumption of 7.2 percent, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

|   | 1% Decrease<br>(6.20%) | Current<br>Discount Rate<br>(7.20%) | 1% Increase<br>(8.20%) |
|---|------------------------|-------------------------------------|------------------------|
| City's proportionate share<br>of the net pension liability (asset): |                        |                                     |                        |
| OPERS Traditional Plan  | \$8,855,496            | \$5,994,416                         | \$3,616,833            |
| OPERS Combined Plan   | (5,431)                | (16,413)                            | (24,366)               |

**Actuarial Assumptions – OP&F**

OP&F's total pension liability as of December 31, 2018, is based on the results of an actuarial valuation date of January 1, 2018, 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.



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

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2018, are presented as follows:

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

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

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

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

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

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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, 2018, are summarized as follows:

| Asset Class                  | Target<br>Allocation | Long-Term Expected<br>Real Rate of Return |
|------------------------------|----------------------|---|
| Cash and Cash Equivalents    | 0.00 %               | 0.80 %                                    |
| Domestic Equity              | 16.00                | 5.50                                      |
| Non-US Equity                | 16.00                | 5.90                                      |
| Private Markets              | 8.00                 | 8.40                                      |
| Core Fixed Income *          | 23.00                | 2.60                                      |
| High Yield Fixed Income      | 7.00                 | 4.80                                      |
| Private Credit               | 5.00                 | 7.50                                      |
| U.S. Inflation Linked Bonds* | 17.00                | 2.30                                      |
| Master Limited Partnerships  | 8.00                 | 6.40                                      |
| Real Assets                  | 8.00                 | 7.00                                      |
| Private Real Estate          | 12.00                | 6.10                                      |
| Total                        | <u>120.00 %</u>      |   |

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 previously disclosed, 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 8.00 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 of 8.00 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members; therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

***Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

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

|  | 1% Decrease<br>(7.00%) | Current<br>Discount Rate<br>(8.00%) | 1% Increase<br>(9.00%) |
|--|------------------------|-------------------------------------|------------------------|
| City's proportionate share<br>of the net pension liability | \$8,230,286            | \$6,261,483                         | \$4,616,261            |

## **Note 20 – Defined Benefit OPEB Plans**

See Note 19 for a description of the net OPEB liability.

### ***Plan Description – 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 with a minimum age of 60, or generally 30 years of qualifying service at any age. 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 No. 75. See OPERS' annual financial report referenced later for additional information.

The Ohio Revised Code (ORC) 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 ORC.

Disclosures for the health care plan are presented separately in the OPERS' annual 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 ORC provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care was no longer being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, 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 ORC. 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. As recommended by OPERS' actuary, beginning January 1, 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan. 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 2019 was 4.0 percent.

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Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$1,493 for 2019. Of this amount, \$179 is reported as an intergovernmental payable.

***Plan Description – Ohio Police & 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 health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

A retiree is eligible for the OP&F health care stipend unless they have access to any other group coverage including employer and retirement coverage. The eligibility of spouses and dependent children could increase the stipend amount. If the spouse or dependents have access to any other group coverage including employer or retirement coverage, they are not eligible for stipend support from OP&F. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

The Ohio Revised Code (ORC) 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 ORC.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2019, 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.

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

The City's contractually required contribution to OP&F was \$8,994 for 2019. Of this amount, \$998 is reported as an intergovernmental payable.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2018, and was determined by rolling forward the total OPEB liability as of January 1, 2018, to December 31, 2018. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

|  | <u>OPERS</u>        | <u>OP&amp;F</u>    |               |
|--|---------------------|--------------------|---------------|
| Proportion of the Net OPEB Liability:            |                     |                    |               |
| Current Measurement Date                         | 0.02106144%         | 0.07670900%        |               |
| Prior Measurement Date                           | <u>0.02132000%</u>  | <u>0.07649200%</u> |               |
| Change in Proportionate Share                    | <u>-0.00025856%</u> | <u>0.00021700%</u> |               |
|  |                     |                    | <u>Total</u>  |
| Proportionate Share of the Net Pension Liability | \$2,745,914         | \$698,554          | \$3,444,468   |
| OPEB Expense                                     | \$279,112           | (\$3,437,027)      | (\$3,157,915) |

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|   | <u>OPERS</u>     | <u>OP&amp;F</u>  | <u>Total</u>     |
|---|------------------|------------------|------------------|
| <b>Deferred Outflows of Resources</b>   |                  |                  |                  |
| Differences between expected and actual experience  | \$930            | \$0              | \$930            |
| Changes of assumptions  | 88,531           | 362,096          | 450,627          |
| Net difference between projected and actual earnings on OPEB plan investments                             | 125,884          | 23,647           | 149,531          |
| Changes in proportion and differences between City contributions and proportionate share of contributions | 51,492           | 11,895           | 63,387           |
| City contributions subsequent to the measurement date   | <u>1,493</u>     | <u>8,994</u>     | <u>10,487</u>    |
| Total Deferred Outflows of Resources  | <u>\$268,330</u> | <u>\$406,632</u> | <u>\$674,962</u> |
| <b>Deferred Inflows of Resources</b>  |                  |                  |                  |
| Differences between expected and actual experience  | \$7,451          | \$18,716         | \$26,167         |
| Changes of assumptions  | <u>0</u>         | <u>193,393</u>   | <u>193,393</u>   |
| Total Deferred Inflows of Resources   | <u>\$7,451</u>   | <u>\$212,109</u> | <u>\$219,560</u> |

\$10,487 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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| Year Ending December 31: | OPERS            | OP&F             | Total            |
|--------------------------|------------------|------------------|------------------|
| 2020                     | \$127,261        | \$32,985         | \$160,246        |
| 2021                     | 47,325           | 32,985           | 80,310           |
| 2022                     | 21,384           | 32,985           | 54,369           |
| 2023                     | 63,416           | 40,137           | 103,553          |
| 2024                     | 0                | 28,861           | 28,861           |
| Thereafter               | 0                | 17,576           | 17,576           |
| Total                    | <u>\$259,386</u> | <u>\$185,529</u> | <u>\$444,915</u> |

**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 health care costs 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 coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

|  |   |
|--|---|
| Wage Inflation                                     | 3.25 percent  |
| Projected Salary Increases,<br>including inflation | 3.25 to 10.75 percent<br>including wage inflation       |
| Single Discount Rate:                              |   |
| Current measurement date                           | 3.96 percent  |
| Prior Measurement date                             | 3.85 percent  |
| Investment Rate of Return                          | 6.00 percent  |
| Municipal Bond Rate:                               |   |
| Current measurement date                           | 3.71 percent  |
| Prior Measurement date                             | 3.31 percent  |
| Health Care Cost Trend Rate:                       |   |
| Current measurement date                           | 10.0 percent, initial<br>3.25 percent, ultimate in 2029 |
| Prior Measurement date                             | 7.25 percent, initial<br>3.25 percent, ultimate in 2028 |
| Actuarial Cost Method                              | Individual Entry Age Normal                             |

In October of 2018, the OPERS Board adopted a change in the investment return assumption, reducing it from 6.5 percent to 6.0 percent. This change was effective for the 2018 valuation.

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was



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

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

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

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a loss of 5.6 percent for 2018.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The following table displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

| Asset Class                  | Target<br>Allocation | Weighted Average<br>Long-Term Expected<br>Real Rate of Return<br>(Arithmetic) |
|------------------------------|----------------------|---|
| Fixed Income                 | 34.00 %              | 2.42 %  |
| Domestic Equities            | 21.00                | 6.21  |
| Real Estate Investment Trust | 6.00                 | 5.98  |
| International Equities       | 22.00                | 7.83  |
| Other investments            | 17.00                | 5.57  |
| Total                        | 100.00 %             | 5.16 %  |

**Discount Rate** A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount



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rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.71 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.

***Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate***

The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.96 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.96 percent) or one-percentage-point higher (4.96 percent) than the current rate:

|   | 1% Decrease<br>(2.96%) | Current<br>Discount Rate<br>(3.96%) | 1% Increase<br>(4.96%) |
|---|------------------------|-------------------------------------|------------------------|
| City's proportionate share<br>of the net OPEB liability | \$3,513,048            | \$2,745,914                         | \$2,135,841            |

***Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate***

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2019 is 10.00 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuary's project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

|   | 1% Decrease | Current Health Care<br>Cost Trend Rate<br>Assumption | 1% Increase |
|---|-------------|--|-------------|
| City's proportionate share<br>of the net OPEB liability | \$2,639,420 | \$2,745,914  | \$2,868,568 |

***Actuarial Assumptions – OP&F***

OP&F's total OPEB liability as of December 31, 2018, is based on the results of an actuarial valuation date of January 1, 2018, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value 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.

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

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

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented as follows:

|                            |  |
|----------------------------|--|
| Valuation Date             | January 1, 2018, with actuarial liabilities<br>rolled forward to December 31, 2018                                   |
| Actuarial Cost Method      | Entry Age Normal   |
| Investment Rate of Return  | 8.0 percent  |
| Projected Salary Increases | 3.75 percent to 10.5 percent   |
| Payroll Growth             | Inflation rate of 2.75 percent plus<br>productivity increase rate of 0.5 percent                                     |
| Single discount rate:      |  |
| Current measurement date   | 4.66 percent   |
| Prior measurement date     | 3.24 percent   |
| Cost of Living Adjustments | 3.00 percent simple; 2.2 percent simple<br>for increased based on the lesser of the<br>increase in CPI and 3 percent |

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

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

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

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

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

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The OP&F health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 19.

**Discount Rate** For 2019, the total OPEB liability was calculated using the discount rate of 4.66 percent. For 2018, the total OPEB liability was calculated using the discount rate of 3.24 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members; therefore, a municipal bond rate of 4.13 percent at December 31, 2018 and 3.16 percent at December 31, 2017, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 4.66 percent for 2018 and 3.24 percent for 2017. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2031. The long-term expected rate of return on health care investments was applied to projected costs through 2031, and the municipal bond rate was applied to all health care costs after that date.

**Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate** Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 4.66 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.66 percent), or one percentage point higher (5.66 percent) than the current rate.

|   | 1% Decrease<br>(3.66%) | Current<br>Discount Rate<br>(4.66%) | 1% Increase<br>(5.66%) |
|---|------------------------|-------------------------------------|------------------------|
| City's proportionate share<br>of the net OPEB liability | \$851,028              | \$698,554                           | \$570,563              |

**Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate** The total OPEB liability is based on a medical benefit that is a flat dollar amount; therefore, it is unaffected by a health care cost trend rate. An increase or decrease in the trend rate would have no effect on the total OPEB liability.

## **Note 21 – Jointly Governed Organizations**

### ***Conneaut Energy Special Improvement District, Inc.***

The Conneaut Energy Special Improvement District, Inc. (the "District") is a jointly governed organization that is to enhance the value of properties within the District and improve the environment by developing and assisting in developing the District special energy improvement projects. The District is governed by a minimum of five Board of Directors including a municipal executive of each participating political subdivision, a person appointed by the legislative authority of each participating political subdivision and Members or executive representatives of Members elected, designated or appointed by the Members of the District. 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 of and on the Board. For 2019, the City did not contribute to the District. There was no financial activity to report for the District at December 31, 2019.

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***Northeast Ohio Public Energy Council***

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 220 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 2019. 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 \$60,000 as of December 31, 2019 for a marina improvement note issued by the City. During 2019, The Port Authority paid the City \$92,935, the amount of the principal and interest on the note. The financial statements reflect \$60,000 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, 2019.

***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:

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2019*

| Governmental Funds       |                 | Proprietary Funds       |           |
|--------------------------|-----------------|-------------------------|-----------|
| General                  | \$50,962        | Water                   | \$191,850 |
| Street Construction,     |                 | Sewer                   | 167,555   |
| Maintenance and Repair   | 300             |                         |           |
| Street Improvement       | 1,447           |                         |           |
| Other Governmental Funds | 33,014          | Total Proprietary Funds | \$359,405 |
| Total                    | <u>\$85,723</u> |                         |           |

## **Note 25 – Transfer of Operations**

Consistent with the provisions of Ohio Revised Code Section 3709.36, the City of Conneaut's health department was reorganized as a legally separate organization (Conneaut Board of Health) rather than continuing to operate as a department of the City. This change was effective January 1, 2019 and is being accounted for by the City as a transfer of operations. The Board is reported as a discretely presented component unit of the City. For 2019, the City is reporting a special item of \$293,055 for the gain on transfer of operations on the statement of activities and \$2,172 for the loss on transfer of operations on the statement of revenues, expenditures and changes in fund balances. Other than the special item, the City did not report any revenues or expenditures/expenses related to the health department.

## **Note 26 – Subsequent Events**

On June 11, 2020, the City rolled over \$60,000 in general obligation bond anticipation notes for the Center Road bridge improvement project. The City retired \$20,000 of the notes that had been outstanding. The notes have a maturity date of June 11, 2021 and have an interest rate of 2.64 percent.

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. The City's investment portfolio and the investments of the pension and other employee benefit plans in which the City participates fluctuate with market conditions, and due to market volatility, the amount of gains or losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the City's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

## **Note 27 – Conneaut Board of Health**

### ***Description of Reporting Entity***

The Conneaut Board of Health, (Board) 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 Board is directed by a five member Board and a Health Commissioner, all of which are appointed by the City. Among its various duties, the Board provides for the prompt diagnosis and control of communicable diseases. The Board may also inspect businesses where food is manufactured, handled, stored, or offered for sale.

### ***Summary of Significant Accounting Policies***

The financial statements of the Board 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.

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2019*

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***Basis of Presentation***

The Board'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.

***Fund Accounting***

The Board 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. All of the Board's general fund is a governmental fund.

***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.

***Measurement Focus***

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and liabilities and deferred inflows of resources associated with the operation of the Board 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.

***Revenues – Exchange and Non-exchange Transactions*** Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place.

Non-exchange transactions, in which the Board receives value without directly giving equal value in return, include grants. Revenue from grants are 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 Board must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Board on a reimbursement basis.

***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 represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

***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.



**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2019*

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***Cash and Cash Equivalents***

The City of Conneaut's Finance Director is custodian for the Board's deposits. The City's deposit and investment pool holds the Board's assets, valued at the Finance Director's reported carrying amount

***Inventory***

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

***Pensions/Other Postemployment Benefits (OPEB)***

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

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

All payables, accrued liabilities and long-term obligations are reported in the government-wide 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, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Net pension/OPEB liabilities should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plans' fiduciary net position is not sufficient for payment of those benefits.

***Transfer of Operations***

Consistent with the provisions of Ohio Revised Code Section 3709.36, the City of Conneaut's health department was reorganized as a legally separate organization rather than continuing to operate as a department of the City. This change was effective January 1, 2019 and is being accounted for as a transfer of operations in 2019. The Board is reported as a discretely presented component unit of the City of Conneaut (See Note 1).

The amounts recognized as of the effective date of the transfer are:

|  | <u>General Fund</u>   |
|--|-----------------------|
| Fund Balance at January 1, 2019                | \$0                   |
| Adjustments:                                   |                       |
| Assets   | 2,194                 |
| Liabilities                                    | <u>(22)</u>           |
| Total Adjusted Fund Balance at January 1, 2019 | <u><u>\$2,172</u></u> |



**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
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|   | Board of Health<br>at 1/1/19 |
|---|------------------------------|
| <b>Assets</b>                               |                              |
| Current and Other Assets                    | \$2,194                      |
| Noncurrent Assets:                          |                              |
| Net Pension Asset                           | 875                          |
| <i>Total Assets</i>                         | <u>3,069</u>                 |
| <b>Deferred Outflows of Resources</b>       |                              |
| Pension                                     | \$34,396                     |
| OPEB  | 7,531                        |
| <i>Total Deferred Outflows of Resources</i> | <u>41,927</u>                |
| <b>Liabilities</b>                          |                              |
| Current Liabilities                         | \$22                         |
| Long-Term Liabilities:                      |                              |
| Due in One Year                             | 9,834                        |
| Due in More than One Year                   |                              |
| Other Amounts                               | 49,453                       |
| Net Pension Liability                       | 138,538                      |
| Net OPEB Liability                          | 92,608                       |
| <i>Total Liabilities</i>                    | <u>290,455</u>               |
| <b>Deferred Inflows of Resources</b>        |                              |
| Pension                                     | 40,697                       |
| OPEB  | 6,899                        |
| <i>Total Deferred Inflows of Resources</i>  | <u>47,596</u>                |
| <b>Net Position</b>                         |                              |
| Unrestricted                                | <u><u>(\$293,055)</u></u>    |

***Long-Term Obligations***

A schedule of changes in long-term obligations of the Board during 2019 follows:

|                                       | Principal<br>Outstanding<br>1/1/2019 | Additions        | Deletions       | Principal<br>Outstanding<br>12/31/2019 | Amounts<br>Due In<br>One Year |
|---------------------------------------|--------------------------------------|------------------|-----------------|--|-------------------------------|
| <b><i>Governmental Activities</i></b> |                                      |                  |                 |  |                               |
| <b>Other Long-term Obligations</b>    |                                      |                  |                 |  |                               |
| Net Pension Liability:                |                                      |                  |                 |  |                               |
| OPERS                                 | \$138,538                            | \$111,229        | \$0             | \$249,767                              | \$0                           |
| Net OPEB Liability:                   |                                      |                  |                 |  |                               |
| OPERS                                 | 92,608                               | 21,806           | 0               | 114,414                                | 0                             |
| Compensated Absences                  | 59,287                               | 0                | 44,084          | 15,203                                 | 15,203                        |
| <i>Total Governmental Activities</i>  | <u>\$290,433</u>                     | <u>\$133,035</u> | <u>\$44,084</u> | <u>\$379,384</u>                       | <u>\$15,203</u>               |

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2019*

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Compensated absences will be paid from the general fund. The Board pays obligations related to employee compensation from the fund benefitting from their service. There is no repayment schedule for the net pension liability and net OPEB liability. However, employer pension and OPEB contributions are made from the general fund. For additional information related to the net pension liability and the net OPEB liability, see Notes 19 and 20.

***Operating Lease***

During 2019, the Board entered into an operating lease with the Conneaut Human Resource Center for the period of December 1, 2019 through November 30, 2021 for the use of office space. The terms of the lease requires monthly payments in the amount of \$775.

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

The Board participates in the Ohio Public Employees Retirement System. See Note 19 for a description of the plan and the related actuarial assumptions.

The Board's contractually required contribution was \$18,238 for the traditional plan, \$244 for the combined plan and \$155 for the member-directed plan. Of these amounts, \$1,867 is reported as an intergovernmental payable for the traditional plan, \$25 for the combined plan, and \$22 for the member-directed plan.

The net pension liability for OPERS was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Board's proportion of the net pension liability was based on the Board'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:

|  | OPERS<br><u>Traditional Plan</u> | OPERS<br><u>Combined Plan</u> | <u>Total</u> |
|--|----------------------------------|-------------------------------|--------------|
| Proportion of the Net Pension Liability/Asset: |                                  |                               |              |
| Current Measurement Date                       | 0.00091196%                      | 0.00061160%                   |              |
| Prior Measurement Date                         | <u>0.00088308%</u>               | <u>0.00064288%</u>            |              |
| Change in Proportionate Share                  | <u>0.00002888%</u>               | <u>-0.00003128%</u>           |              |
| Proportionate Share of the:                    |                                  |                               |              |
| Net Pension Liability                          | \$249,767                        | \$0                           | \$249,767    |
| Net Pension Asset                              | 0                                | 684                           | 684          |
| Pension Expense                                | 50,244                           | 192                           | 50,436       |

2019 pension expense for the member-directed defined contribution plan was \$155. The aggregate pension expense for all pension plans was \$50,591 for 2019.

At December 31, 2019, the Board reported deferred outflows of resources and deferred inflows of resources related to defined benefit pensions from the following sources:

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2019*

|   | OPERS<br>Traditional Plan | OPERS<br>Combined Plan | Total           |
|---|---------------------------|------------------------|-----------------|
| <b>Deferred Outflows of Resources</b>   |                           |                        |                 |
| Differences between expected and actual experience  | \$11                      | \$0                    | \$11            |
| Changes of assumptions  | 21,742                    | 152                    | 21,894          |
| Net difference between projected and actual earnings<br>on pension plan investments                           | 33,900                    | 147                    | 34,047          |
| Changes in proportion and differences between Board<br>contributions and proportionate share of contributions | 3,303                     | 27                     | 3,330           |
| Board contributions subsequent to the<br>measurement date   | 18,238                    | 244                    | 18,482          |
| Total Deferred Outflows of Resources  | <u>\$77,194</u>           | <u>\$570</u>           | <u>\$77,764</u> |
| <b>Deferred Inflows of Resources</b>  |                           |                        |                 |
| Differences between expected and actual experience  | \$3,279                   | \$280                  | \$3,559         |
| Changes in proportion and differences between Board<br>contributions and proportionate share of contributions | 1,040                     | 0                      | 1,040           |
| Total Deferred Inflows of Resources   | <u>\$4,319</u>            | <u>\$280</u>           | <u>\$4,599</u>  |

\$18,482 reported as deferred outflows of resources related to pension resulting from Board contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or increase to the net pension asset in 2020. 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<br>Traditional<br>Plan | OPERS<br>Combined<br>Plan | Total           |
|--------------------------|------------------------------|---------------------------|-----------------|
| Year Ending December 31: |                              |                           |                 |
| 2020                     | \$23,233                     | \$26                      | \$23,259        |
| 2021                     | 12,494                       | (2)                       | 12,492          |
| 2022                     | 3,144                        | (1)                       | 3,143           |
| 2023                     | 15,766                       | 48                        | 15,814          |
| 2024                     | 0                            | (16)                      | (16)            |
| Thereafter               | 0                            | (9)                       | (9)             |
| Total                    | <u>\$54,637</u>              | <u>\$46</u>               | <u>\$54,683</u> |

***Sensitivity of the Board's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate*** The following table presents the Board's proportionate share of the net pension liability (asset) calculated using the current period discount rate assumption of 7.2 percent, as well as what the Board's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

|   | 1% Decrease<br>(6.20%) | Current<br>Discount Rate<br>(7.20%) | 1% Increase<br>(8.20%) |
|---|------------------------|-------------------------------------|------------------------|
| <b>Board's proportionate share<br/>of the net pension liability (asset)</b> |                        |                                     |                        |
| OPERS Traditional Plan  | \$368,979              | \$249,767                           | \$150,701              |
| OPERS Combined Plan   | (226)                  | (684)                               | (1,015)                |

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
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***Net Other Postemployment Benefits Liability***

The Board participates in Ohio Public Employees Retirement System. See Note 19 and 20 for a description of the net OPEB liability. The Board's contractually required contribution was \$62 for 2019. Of this amount, \$22 is reported as an intergovernmental payable.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The Board's proportion of the net OPEB liability was based on the Board's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

|  | <u>OPERS</u>       |
|--|--------------------|
| Proportion of the Net OPEB Liability:            |                    |
| Current Measurement Date                         | 0.00087756%        |
| Prior Measurement Date                           | <u>0.00085280%</u> |
| Change in Proportionate Share                    | <u>0.00002476%</u> |
| Proportionate Share of the Net Pension Liability | \$114,414          |
| OPEB Expense                                     | \$11,630           |

At December 31, 2019, the Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|  | <u>OPERS</u>    |
|--|-----------------|
| <b>Deferred Outflows of Resources</b>  |                 |
| Differences between expected and actual experience   | \$39            |
| Changes of assumptions   | 3,689           |
| Net difference between projected and actual earnings on OPEB plan investments                              | 5,245           |
| Changes in proportion and differences between Board contributions and proportionate share of contributions | 2,145           |
| Board contributions subsequent to the measurement date   | <u>62</u>       |
| Total Deferred Outflows of Resources   | <u>\$11,180</u> |
| <b>Deferred Inflows of Resources</b>   |                 |
| Differences between expected and actual experience   | <u>\$310</u>    |

\$62 reported as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2019*

| Year Ending December 31: | <u>OPERS</u>    |
|--------------------------|-----------------|
| 2020                     | \$5,302         |
| 2021                     | 1,971           |
| 2022                     | 892             |
| 2023                     | <u>2,643</u>    |
| Total                    | <u>\$10,808</u> |

***Sensitivity of the Board's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate***

The following table presents the Board's proportionate share of the net OPEB liability calculated using the single discount rate of 3.96 percent, as well as what the Board's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.96 percent) or one-percentage-point higher (4.96 percent) than the current rate:

|  | <u>1% Decrease<br/>(2.96%)</u> | <u>Current<br/>Discount Rate<br/>(3.96%)</u> | <u>1% Increase<br/>(4.96%)</u> |
|--|--------------------------------|--|--------------------------------|
| Board's proportionate share<br>of the net OPEB liability | \$146,377                      | \$114,414                                    | \$88,993                       |

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

|  | <u>1% Decrease</u> | <u>Current Health Care<br/>Cost Trend Rate<br/>Assumption</u> | <u>1% Increase</u> |
|--|--------------------|---|--------------------|
| Board's proportionate share<br>of the net OPEB liability | \$109,976          | \$114,414   | \$119,524          |

**Note 28 – 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**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2019*

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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. All transactions have been 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 and OPEB.

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2019*

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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 and OPEB.

***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 2019, 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.



**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2019*

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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***

The Governmental Accounting Standards Board (GASB) recently issued GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The Authority evaluated implementing these certain GASB pronouncements based on guidance in GASB 95.

For 2019, the Authority implemented Governmental Accounting Standards Board (GASB) Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*.

For 2019, the Authority also implemented the Governmental Accounting Standards Board's (GASB) *Implementation Guide No. 2018-1*. These changes were incorporated in the City's 2019 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement 88 improves the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. These changes were incorporated in the Authority's fiscal year 2019 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 \$61,770 was covered by federal depository insurance.

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

***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.

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
For The Year Ended December 31, 2019

**Capital Assets**

Capital asset activity for the fiscal year ended December 31, 2019 was as follows:

|  | Balance<br>12/31/2018 | Additions       | Deductions       | Balance<br>12/31/2019 |
|--|-----------------------|-----------------|------------------|-----------------------|
| <b><i>Capital Assets not being Depreciated:</i></b>  |                       |                 |                  |                       |
| Land   | \$89,638              | \$7,300         | \$0              | \$96,938              |
| Land Improvements                                    | 31,021                | 0               | 0                | 31,021                |
| Construction in Progress                             | 60,242                | 0               | (5,230)          | 55,012                |
| <b><i>Capital Assets not being Depreciated</i></b>   | <b>180,901</b>        | <b>7,300</b>    | <b>(5,230)</b>   | <b>182,971</b>        |
| <b><i>Capital Assets being Depreciated:</i></b>      |                       |                 |                  |                       |
| Buildings and Improvements                           | 2,628,625             | 89,189          | 0                | 2,717,814             |
| Dock Improvements                                    | 1,269,189             | 36,000          | 0                | 1,305,189             |
| Vehicles   | 16,823                | 0               | 0                | 16,823                |
| Machinery and Equipment                              | 164,540               | 14,871          | 0                | 179,411               |
| <b><i>Total Capital Assets being Depreciated</i></b> | <b>4,079,177</b>      | <b>140,060</b>  | <b>0</b>         | <b>4,219,237</b>      |
| <b><i>Less Accumulated Depreciation:</i></b>         |                       |                 |                  |                       |
| Buildings and Improvements                           | (2,336,886)           | (10,073)        | 0                | (2,346,959)           |
| Dock Improvements                                    | (459,882)             | (56,394)        | 0                | (516,276)             |
| Vehicles   | (16,823)              | 0               | 0                | (16,823)              |
| Machinery and Equipment                              | (136,258)             | (7,449)         | 0                | (143,707)             |
| <b><i>Total Accumulated Depreciation</i></b>         | <b>(2,949,849)</b>    | <b>(73,916)</b> | <b>0</b>         | <b>(3,023,765)</b>    |
| Total Capital Assets being Depreciated, Net          | 1,129,328             | 66,144          | 0                | 1,195,472             |
| Governmental Activities Capital Assets, Net          | <u>\$1,310,229</u>    | <u>\$73,444</u> | <u>(\$5,230)</u> | <u>\$1,378,443</u>    |

**Long-Term Obligations**

The Port Authority is liable for a note payable to the City of Conneaut. A \$60,000 note was issued on November 13, 2019 with an interest rate of 2.79 percent. The Port Authority is also liable for a zero percent interest note payable to the Conneaut Foundation in the amount of \$78,300.

**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 \$24,719 for 2019. Of this amount, \$703 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, 2018, 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, 2019*

|  | <u>OPERS</u>     |
|--|------------------|
| Proportion of the Net Pension Liability                  |                  |
| Current Measurement Date                                 | 0.012350%        |
| Prior Measurement Date                                   | <u>0.011440%</u> |
| Change in Proportionate Share                            | <u>0.000910%</u> |
| Proportionate Share of the Net Pension Liability (Asset) | \$338,241        |
| Pension Expense  | \$59,553         |

At December 31, 2019, the Port Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | <u>OPERS</u>     |
|---|------------------|
| <b>Deferred Outflows of Resources</b>   |                  |
| Differences between expected and actual experience  | \$16             |
| Changes of assumptions  | 29,445           |
| Net difference between projected and actual earnings on pension plan investments                                    | 45,909           |
| Changes in proportion and differences between Port Authority contributions and proportionate share of contributions | 10,818           |
| Port Authority contributions subsequent to the measurement date   | <u>24,113</u>    |
| Total Deferred Outflows of Resources  | <u>\$110,301</u> |
| <b>Deferred Inflows of Resources</b>  |                  |
| Differences between expected and actual experience  | \$4,441          |
| Changes in proportion and differences between Port Authority contributions and proportionate share of contributions | <u>2,608</u>     |
| Total Deferred Inflows of Resources   | <u>\$7,049</u>   |

\$24,113 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

|                          | <u>OPERS</u>    |
|--------------------------|-----------------|
| Year Ending December 31: |                 |
| 2020                     | \$33,808        |
| 2021                     | 19,721          |
| 2022                     | 4,259           |
| 2023                     | <u>21,351</u>   |
| Total                    | <u>\$79,139</u> |

***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, 2019*

|  | 1% Decrease<br>(6.20%) | Current<br>Discount Rate<br>(7.20%) | 1% Increase<br>(8.20%) |
|--|------------------------|-------------------------------------|------------------------|
| Port Authority proportionate share<br>of the net pension liability | \$499,681              | \$338,241                           | \$204,084              |

***Net Other Postemployment Benefits Liability***

See Note 19 and 20 for a description of the net OPEB liability. The Conneaut Port Authority required contributions to OPERS was \$0 for 2019.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The Authority's proportion of the net OPEB liability was based on the Authority's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

|  | <u>OPERS</u>      |
|--|-------------------|
| Proportion of the net OPEB liability<br>prior measurement date   | 0.0011200%        |
| Proportion of the net OPEB liability<br>current measurement date | <u>0.0012010%</u> |
| Change in proportionate share                                    | <u>0.0000810%</u> |
| Proportionate share of the net<br>OPEB liability                 | \$156,582         |
| OPEB expense   | \$15,464          |

At December 31, 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|   | <u>OPERS</u>    |
|---|-----------------|
| <b>Deferred Outflows of Resources</b>   |                 |
| Differences between expected and actual experience  | \$53            |
| Changes of assumptions  | 5,048           |
| Net difference between projected and actual earnings<br>on OPEB plan investments                        | 7,178           |
| Changes in proportion and differences between<br>contributions and proportionate share of contributions | <u>5,753</u>    |
| Total Deferred Outflows of Resources  | <u>\$18,032</u> |
| <b>Deferred Inflows of Resources</b>  |                 |
| Differences between expected and actual experience  | \$425           |
| Changes in proportion and differences between<br>contributions and proportionate share of contributions | <u>1,855</u>    |
| Total Deferred Inflows of Resources   | <u>\$2,280</u>  |

No amount was reported as deferred outflows of resources related to OPEB resulting from Authority contributions subsequent to the measurement date will not be recognized as a reduction of the net OPEB liability in the year ending December 31, 2020.

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2019*

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

|                          | OPERS           |
|--------------------------|-----------------|
| Year Ending December 31: |                 |
| 2020                     | \$6,747         |
| 2021                     | 4,120           |
| 2022                     | 1,268           |
| 2023                     | 3,617           |
| Total                    | <u>\$15,752</u> |

***Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate*** The following table presents the Authority's proportionate share of the net OPEB liability calculated using the single discount rate of 3.96 percent, as well as what the Authority's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.96 percent) or one-percentage-point higher (4.96 percent) than the current rate:

|  | 1% Decrease<br>(2.96%) | Current<br>Discount Rate<br>(3.96%) | 1% Increase<br>(4.96%) |
|--|------------------------|-------------------------------------|------------------------|
| Authority's proportionate share<br>of the net OPEB liability | \$200,327              | \$156,582                           | \$121,793              |

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

|  | 1% Decrease | Current Health<br>Care Trend Rate<br>Assumption | 1% Increase |
|--|-------------|---|-------------|
| Authority's proportionate share<br>of the net OPEB liability | \$150,509   | \$156,582                                       | \$163,576   |

***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 Insurance Services Group, Inc. (York) 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, 2019, PEP retained \$500,000 for casualty claims and \$250,000 for property claims.

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2019*

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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, 2019:

|              | <u>2019</u>                |
|--------------|----------------------------|
| Assets       | \$54,973,597               |
| Liabilities  | <u>(16,440,940)</u>        |
| Net Position | <u><u>\$38,532,657</u></u> |

At December 31, 2019, the liabilities above include approximately \$14.7 million of estimated incurred claims payable. The assets above also include approximately \$13.7 million of unpaid claims to be billed. The Pool's membership increased to 553 members in 2019. These amounts will be included in future contributions from members when the related claims are due for payment.

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 2019, member contributions amounted to \$22,758.

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, 2019.

**Litigation and Claims**

In the normal course of operations, the Port Authority may be subject to litigation and claims. At December 31, 2019, the Port Authority was not aware of any such matters that would have a material effect on the financial statements.

**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 Six Years (1)\**

|  | 2019        | 2018        | 2017        |
|--|-------------|-------------|-------------|
| City's Proportion of the Net Pension Liability   | 0.02188704% | 0.02119392% | 0.02178200% |
| City's Proportionate Share of the Net Pension Liability  | \$5,994,416 | \$3,324,914 | \$4,946,323 |
| City's Covered Payroll   | \$2,957,678 | \$2,800,800 | \$2,815,825 |
| City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 202.67%     | 118.71%     | 175.66%     |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                     | 74.70%      | 84.66%      | 77.25%      |

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

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

See accompanying notes to required supplementary information



| 2016        | 2015        | 2014        |
|-------------|-------------|-------------|
| 0.02178200% | 0.02104400% | 0.02104400% |
| \$3,772,918 | \$2,538,142 | \$2,480,813 |
| \$2,710,885 | \$2,580,033 | \$2,356,597 |
| 139.18%     | 98.38%      | 105.27%     |
| 81.08%      | 86.45%      | 86.36%      |

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

|  | 2019        | 2018        | 2017        |
|--|-------------|-------------|-------------|
| City's Proportion of the Net Pension Asset   | 0.01467840% | 0.01542912% | 0.01586500% |
| City's Proportionate Share of the Net Pension Asset  | \$16,413    | \$21,004    | \$8,830     |
| City's Covered Payroll   | \$62,779    | \$63,190    | \$61,758    |
| City's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll | 26.14%      | 33.24%      | 14.30%      |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Asset                     | 126.64%     | 137.28%     | 116.55%     |

(1) Although this schedule is intended to reflect information for ten years, information prior to 2016 is not available. An additional column will be added each year.

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

See accompanying notes to required supplementary information

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2016

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0.01158000%

\$7,720

\$42,125

18.33%

116.90%

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

|   | 2019        | 2018        | 2017        |
|---|-------------|-------------|-------------|
| City's Proportion of the Net OPEB Liability   | 0.07670900% | 0.07649200% | 0.07630900% |
| City's Proportionate Share of the Net OPEB Liability  | \$698,554   | \$4,333,929 | \$3,622,217 |
| City's Covered Payroll  | \$1,784,628 | \$1,716,989 | \$1,683,660 |
| City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll | 39.14%      | 252.41%     | 215.14%     |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability                     | 46.57%      | 14.13%      | 15.96%      |

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

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

See accompanying notes to required supplementary information

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

|  | 2019        | 2018        | 2017        |
|--|-------------|-------------|-------------|
| City's Proportion of the Net Pension Liability   | 0.07670900% | 0.07649200% | 0.07630900% |
| City's Proportionate Share of the Net Pension Liability  | \$6,261,483 | \$4,694,660 | \$4,833,336 |
| City's Covered Payroll   | \$1,784,628 | \$1,716,989 | \$1,683,660 |
| City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 350.86%     | 273.42%     | 287.07%     |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                     | 63.07%      | 70.91%      | 68.36%      |

(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.

See accompanying notes to required supplementary information

| 2016        | 2015        | 2014        |
|-------------|-------------|-------------|
| 0.07869500% | 0.07675840% | 0.07675840% |
| \$5,062,505 | \$3,976,405 | \$3,738,375 |
| \$1,621,815 | \$1,552,383 | \$1,524,286 |
| 312.15%     | 256.15%     | 245.25%     |
| 66.77%      | 71.71%      | 73.00%      |



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

|   | 2019        | 2018        | 2017        |
|---|-------------|-------------|-------------|
| City's Proportion of the Net OPEB Liability   | 0.07670900% | 0.07649200% | 0.07630900% |
| City's Proportionate Share of the Net OPEB Liability  | \$698,554   | \$4,333,929 | \$3,622,217 |
| City's Covered Payroll  | \$1,784,628 | \$1,716,989 | \$1,683,660 |
| City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll | 39.14%      | 252.41%     | 215.14%     |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability                     | 46.57%      | 77.25%      | 81.08%      |

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

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

See accompanying notes to required supplementary information

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

|  | 2019             | 2018             | 2017             | 2016             |
|--|------------------|------------------|------------------|------------------|
| <b>Net Pension Liability - Traditional Plan</b>                      |                  |                  |                  |                  |
| Contractually Required Contribution                                  | \$437,714        | \$414,075        | \$364,104        | \$337,899        |
| Contributions in Relation to the Contractually Required Contribution | <u>(437,714)</u> | <u>(414,075)</u> | <u>(364,104)</u> | <u>(337,899)</u> |
| Contribution Deficiency (Excess)                                     | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       |
| City Covered Payroll   | \$3,126,529      | \$2,957,678      | \$2,800,800      | \$2,815,825      |
| Contributions as a Percentage of Covered Payroll                     | 14.00%           | 14.00%           | 13.00%           | 12.00%           |
| <b>Net Pension Asset - Combined Plan</b>                             |                  |                  |                  |                  |
| Contractually Required Contribution (2)                              | \$5,868          | \$8,789          | \$8,215          | \$7,411          |
| Contributions in Relation to the Contractually Required Contribution | <u>(5,868)</u>   | <u>(8,789)</u>   | <u>(8,215)</u>   | <u>(7,411)</u>   |
| Contribution Deficiency (Excess)                                     | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       |
| City Covered Payroll   | \$41,914         | \$62,779         | \$63,190         | \$61,758         |
| Contributions as a Percentage of Covered Payroll                     | 14.00%           | 14.00%           | 13.00%           | 12.00%           |
| <b>Net OPEB Liability - OPERS Plan (3)</b>                           |                  |                  |                  |                  |
| Contractually Required Contribution                                  | \$1,493          | \$1,436          | \$31,295         | \$57,552         |
| Contributions in Relation to the Contractually Required Contribution | <u>(1,493)</u>   | <u>(1,436)</u>   | <u>(31,295)</u>  | <u>(57,552)</u>  |
| Contribution Deficiency (Excess)                                     | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       |
| City Covered Payroll (4)   | \$3,205,768      | \$3,056,357      | \$2,899,040      | \$2,877,583      |
| Contributions as a Percentage of Covered Payroll                     | 0.05%            | 0.05%            | 1.08%            | 2.00%            |

(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.

(2) Prior to 2015, no split between traditional and combined is available.

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

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

See accompanying notes to the required supplementary information

| 2015        | 2014        | 2013        |
|-------------|-------------|-------------|
| \$325,306   | \$309,604   | \$306,358   |
| (325,306)   | (309,604)   | (306,358)   |
| \$0         | \$0         | \$0         |
| \$2,710,885 | \$2,580,033 | \$2,356,597 |
| 12.00%      | 12.00%      | 13.00%      |
| \$5,055     |             |             |
| (5,055)     |             |             |
| \$0         |             |             |
| \$42,125    |             |             |
| 12.00%      |             |             |

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

|  | 2019             | 2018             | 2017             | 2016             |
|--|------------------|------------------|------------------|------------------|
| <b>Net Pension Liability</b>   |                  |                  |                  |                  |
| Contractually Required Contribution                                  | \$370,621        | \$368,299        | \$354,441        | \$346,650        |
| Contributions in Relation to the Contractually Required Contribution | <u>(370,621)</u> | <u>(368,299)</u> | <u>(354,441)</u> | <u>(346,650)</u> |
| Contribution Deficiency (Excess)                                     | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       |
| City Covered Payroll (1)   | \$1,798,764      | \$1,784,628      | \$1,716,989      | \$1,683,660      |
| Contributions as a Percentage of Covered Payroll:                    | <u>20.60%</u>    | <u>20.64%</u>    | <u>20.64%</u>    | <u>20.59%</u>    |
| <b>Net OPEB Liability</b>  |                  |                  |                  |                  |
| Contractually Required Contribution                                  | \$8,994          | \$8,923          | \$8,585          | \$8,419          |
| Contributions in Relation to the Contractually Required Contribution | <u>(8,994)</u>   | <u>(8,923)</u>   | <u>(8,585)</u>   | <u>(8,419)</u>   |
| Contribution Deficiency (Excess)                                     | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       |
| OPEB Contributions as a Percentage of Covered Payroll:               | <u>0.50%</u>     | <u>0.50%</u>     | <u>0.50%</u>     | <u>0.50%</u>     |
| Total Contributions as a Percentage of Covered Payroll:              | <u>21.10%</u>    | <u>21.14%</u>    | <u>21.14%</u>    | <u>21.09%</u>    |

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

See accompanying notes to the required supplementary information

| 2015             | 2014             | 2013             | 2012             | 2011             | 2010             |
|------------------|------------------|------------------|------------------|------------------|------------------|
| \$335,890        | \$321,229        | \$267,948        | \$208,758        | \$200,873        | \$210,141        |
| <u>(335,890)</u> | <u>(321,229)</u> | <u>(267,948)</u> | <u>(208,758)</u> | <u>(200,873)</u> | <u>(210,141)</u> |
| <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       |
| \$1,621,815      | \$1,552,383      | \$1,524,286      | \$1,440,692      | \$1,394,499      | \$1,467,373      |
| <u>20.71%</u>    | <u>20.69%</u>    | <u>17.58%</u>    | <u>14.49%</u>    | <u>14.40%</u>    | <u>14.32%</u>    |
| \$8,109          | \$7,762          | \$55,128         | \$97,247         | \$94,129         | \$99,047         |
| <u>(8,109)</u>   | <u>(7,762)</u>   | <u>(55,128)</u>  | <u>(97,247)</u>  | <u>(94,129)</u>  | <u>(99,047)</u>  |
| <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       |
| <u>0.50%</u>     | <u>0.50%</u>     | <u>3.62%</u>     | <u>6.75%</u>     | <u>6.75%</u>     | <u>6.75%</u>     |
| <u>21.21%</u>    | <u>21.19%</u>    | <u>21.20%</u>    | <u>21.24%</u>    | <u>21.15%</u>    | <u>21.07%</u>    |

**City of Conneaut, Ohio**  
*Notes to the Required Supplementary Information*  
For the year ended December 31, 2019

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**Changes in Assumptions – OPERS Pension– Traditional Plan**

Amounts reported beginning in 2019 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 beginning in 2017 and in 2016 and prior are presented below:

|   | 2019  | 2018 and 2017   | 2016 and prior   |
|---|---|---|--|
| Wage Inflation                                  | 3.25 percent  | 3.25 percent  | 3.75 percent   |
| Future Salary Increases,<br>including inflation | 3.25 to 10.75 percent<br>including wage inflation               | 3.25 to 10.75 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   | 3 percent, simple  |
| Post-January 7, 2013 Retirees                   | 3 percent,<br>simple through 2018,<br>then 2.15 percent, simple | 3 percent,<br>simple through 2018,<br>then 2.15 percent, simple | 3 percent,<br>simple through 2018,<br>then 2.8 percent, simple |
| Investment Rate of Return                       | 7.2 percent   | 7.5 percent   | 8 percent  |
| Actuarial Cost Method                           | Individual Entry Age  | Individual Entry Age  | Individual Entry Age   |

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

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

**Changes in Assumptions – OPERS Pension – Combined Plan**

For 2019, the investment rate of return changed from 7.5 percent to 7.2 percent.



**City of Conneaut, Ohio**  
*Notes to the Required Supplementary Information*  
For the year ended December 31, 2019

**Changes in Assumptions – OP&F Pension**

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

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

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

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

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

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

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

**City of Conneaut, Ohio**  
*Notes to the Required Supplementary Information*  
*For the year ended December 31, 2019*

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**Changes in Assumptions – OPERS OPEB**

For 2019, the single discount rate changed from 3.85 percent to 3.96 percent and the municipal bond rate changed from 3.31 percent to 3.71 percent. For 2019, the health care cost trend rate was 10 percent, initial; 3.25 ultimate in 2029. For 2018, the health care cost trend rate was 7.25 percent, initial; 3.25 percent ultimate in 2028.

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

**Changes in Assumptions – OP&F OPEB**

For 2019, the single discount rate changed from 3.24 percent to 4.66 percent.

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

**Changes in Benefit Terms – OP&F OPEB**

For 2019, OP&F recognized a change in benefit terms. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements. This new model replaced the self-insured health care plan used in prior years.

## **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. The operations of the restaurant fund were transferred to the City of Conneaut Board of Health effective January 2, 2019.

***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.

***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.

(continued)

## **Fund Descriptions – Nonmajor Governmental Funds (continued)**

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

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

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

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

***Deposits on Fire Losses*** The Deposits on Fire Losses Fund accounts for and reports restricted insurance proceeds held for homeowners to be paid when repairs caused by fire are completed. If repairs are not completed by the homeowner, the City will complete the repairs.

***Police Pension Fund*** The Police Pension Fund accounts for and reports restricted property taxes for the payment of current employer's pension contributions.

***Fire Pension Fund*** The Fire Pension Fund accounts for and reports restricted property taxes for the payment of current employer's pension contributions.

### ***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.

***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.

***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.

***Bureau of Workers' Compensation Grant (BWC) Fund*** The BWC Grant Fund accounts for and reports restricted grant monies for the purchase of capital safety equipment for the fire department.

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

***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.

***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, 2019*

|   | Nonmajor<br>Special<br>Revenue<br>Funds | Nonmajor<br>Special<br>Assessment<br>Bond<br>Retirement<br>Fund | Nonmajor<br>Capital<br>Projects<br>Funds | Total<br>Nonmajor<br>Governmental<br>Funds |
|---|---|---|--|--|
| <b>Assets</b>   |   |   |  |  |
| Equity in Pooled Cash and   |   |   |  |  |
| Cash Equivalents  | \$1,056,285                             | \$5,079   | \$403,852                                | \$1,465,216                                |
| Intergovernmental Receivable  | 136,286                                 | 0   | 0  | 136,286                                    |
| Municipal Income Taxes Receivable   | 11,872                                  | 0   | 9,893                                    | 21,765                                     |
| Property Taxes Receivable   | 1,446,501                               | 0   | 0  | 1,446,501                                  |
| Loans Receivable from Component Unit  | 60,000                                  | 0   | 0  | 60,000                                     |
| Special Assessments Receivable  | 0                                       | 108,055   | 0  | 108,055                                    |
| <i>Total Assets</i>   | <u>\$2,710,944</u>                      | <u>\$113,134</u>  | <u>\$413,745</u>                         | <u>\$3,237,823</u>                         |
| <b>Liabilities</b>  |   |   |  |  |
| Accounts Payable  | \$82,318                                | \$0   | \$4,045                                  | \$86,363                                   |
| Contracts Payable   | 9,935                                   | 0   | 35,000                                   | 44,935                                     |
| Accrued Wages   | 7,639                                   | 0   | 1,347                                    | 8,986                                      |
| Intergovernmental Payable   | 47,095                                  | 0   | 145                                      | 47,240                                     |
| Interfund Payable   | 0                                       | 72,907  | 0  | 72,907                                     |
| Accrued Interest Payable  | 215                                     | 0   | 0  | 215  |
| Notes Payable   | 60,000                                  | 0   | 0  | 60,000                                     |
| <i>Total Liabilities</i>  | <u>207,202</u>                          | <u>72,907</u>   | <u>40,537</u>                            | <u>320,646</u>                             |
| <b>Deferred Inflows of Resources</b>  |   |   |  |  |
| Property Taxes  | 1,308,153                               | 0   | 0  | 1,308,153                                  |
| Unavailable Revenue   | 253,866                                 | 108,055   | 6,010                                    | 367,931                                    |
| <i>Total Deferred Inflows of Resources</i>                                    | <u>1,562,019</u>                        | <u>108,055</u>  | <u>6,010</u>                             | <u>1,676,084</u>                           |
| <b>Fund Balances</b>  |   |   |  |  |
| Restricted  | 914,160                                 | 0   | 331,147                                  | 1,245,307                                  |
| Committed   | 90,054                                  | 0   | 70,300                                   | 160,354                                    |
| Unassigned (Deficit)  | (62,491)                                | (67,828)  | (34,249)                                 | (164,568)                                  |
| <i>Total Fund Balances (Deficit)</i>  | <u>941,723</u>                          | <u>(67,828)</u>   | <u>367,198</u>                           | <u>1,241,093</u>                           |
| <i>Total Liabilities, Deferred Inflows of<br/>Resources and Fund Balances</i> | <u>\$2,710,944</u>                      | <u>\$113,134</u>  | <u>\$413,745</u>                         | <u>\$3,237,823</u>                         |

**City of Conneaut, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Year Ended December 31, 2019*

|  | Nonmajor<br>Special<br>Revenue<br>Funds | Nonmajor<br>Special<br>Assessment<br>Bond<br>Retirement<br>Fund | Nonmajor<br>Capital<br>Projects<br>Funds | Total<br>Nonmajor<br>Governmental<br>Funds |
|--|---|---|--|--|
| <b>Revenues</b>  |   |   |  |  |
| Property Taxes   | \$1,362,058                             | \$0   | \$0                                      | \$1,362,058                                |
| Municipal Income Taxes                                     | 62,178                                  | 0   | 51,980                                   | 114,158                                    |
| Special Assessments  | 0                                       | 47,108  | 0  | 47,108                                     |
| Intergovernmental  | 331,712                                 | 0   | 81,110                                   | 412,822                                    |
| Fees, Licenses and Permits                                 | 165,332                                 | 0   | 0  | 165,332                                    |
| Fines and Forfeitures                                      | 13,287                                  | 0   | 73,869                                   | 87,156                                     |
| Charges for Services                                       | 20,575                                  | 0   | 0  | 20,575                                     |
| Contributions and Donations                                | 8,005                                   | 0   | 0  | 8,005                                      |
| Interest   | 398                                     | 0   | 0  | 398  |
| Other  | 3,400                                   | 0   | 0  | 3,400                                      |
| <i>Total Revenues</i>                                      | <u>1,966,945</u>                        | <u>47,108</u>   | <u>206,959</u>                           | <u>2,221,012</u>                           |
| <b>Expenditures</b>  |   |   |  |  |
| Current:   |   |   |  |  |
| General Government   | 0                                       | 1,700   | 0  | 1,700                                      |
| Security of Persons and Property                           | 1,464,412                               | 0   | 0  | 1,464,412                                  |
| Leisure Time Activities                                    | 54,101                                  | 0   | 0  | 54,101                                     |
| Community Development                                      | 23,387                                  | 0   | 0  | 23,387                                     |
| Basic Utility Services                                     | 199,418                                 | 0   | 0  | 199,418                                    |
| Transportation   | 168,199                                 | 0   | 0  | 168,199                                    |
| Capital Outlay   | 0                                       | 0   | 211,025                                  | 211,025                                    |
| Debt Service:  |   |   |  |  |
| Principal Retirement                                       | 23,567                                  | 44,042  | 15,336                                   | 82,945                                     |
| Interest and Fiscal Charges                                | 3,278                                   | 2,362   | 478                                      | 6,118                                      |
| <i>Total Expenditures</i>                                  | <u>1,936,362</u>                        | <u>48,104</u>   | <u>226,839</u>                           | <u>2,211,305</u>                           |
| <i>Excess of Revenues Over<br/>(Under) Expenditures</i>    | 30,583                                  | (996)   | (19,880)                                 | 9,707                                      |
| <b>Other Financing Sources</b>                             |   |   |  |  |
| Transfers In   | 49,000                                  | 0   | 0  | 49,000                                     |
| Special Item - Transfer of<br>Health Department Operations | <u>(2,172)</u>                          | <u>0</u>  | <u>0</u>                                 | <u>(2,172)</u>                             |
| <i>Net Change in Fund Balances</i>                         | 77,411                                  | (996)   | (19,880)                                 | 56,535                                     |
| <i>Fund Balances Beginning of Year</i>                     | <u>864,312</u>                          | <u>(66,832)</u>   | <u>387,078</u>                           | <u>1,184,558</u>                           |
| <i>Fund Balances (Deficit) End of Year</i>                 | <u>\$941,723</u>                        | <u>(\$67,828)</u>   | <u>\$367,198</u>                         | <u>\$1,241,093</u>                         |

**City of Conneaut, Ohio**  
**Combining Balance Sheet**  
*Nonmajor Special Revenue Funds*  
December 31, 2019

|   | Auto<br>Permissive<br>Tax | State<br>Highway | Marina          | Enforcement<br>and<br>Education | Indigent<br>Drivers |
|---|---------------------------|------------------|-----------------|---------------------------------|---------------------|
| <b>Assets</b>   |                           |                  |                 |                                 |                     |
| Equity in Pooled Cash and   |                           |                  |                 |                                 |                     |
| Cash Equivalents  | \$4,248                   | \$7,802          | \$9,944         | \$12,627                        | \$65,662            |
| Intergovernmental Receivable  | 52,888                    | 23,202           | 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                | 60,000          | 0                               | 0                   |
| <i>Total Assets</i>   | <u>\$57,136</u>           | <u>\$31,004</u>  | <u>\$69,944</u> | <u>\$12,627</u>                 | <u>\$65,662</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                | 0               | 0                               | 0                   |
| Accrued Interest Payable  | 0                         | 0                | 215             | 0                               | 0                   |
| Notes Payable   | 0                         | 0                | 60,000          | 0                               | 0                   |
| <i>Total Liabilities</i>  | <u>0</u>                  | <u>0</u>         | <u>60,215</u>   | <u>0</u>                        | <u>0</u>            |
| <b>Deferred Inflows of Resources</b>  |                           |                  |                 |                                 |                     |
| Property Taxes  | 0                         | 0                | 0               | 0                               | 0                   |
| Unavailable Revenue   | 33,319                    | 14,790           | 0               | 0                               | 0                   |
| <i>Total Deferred Inflows of Resources</i>                                    | <u>33,319</u>             | <u>14,790</u>    | <u>0</u>        | <u>0</u>                        | <u>0</u>            |
| <b>Fund Balances</b>  |                           |                  |                 |                                 |                     |
| Restricted  | 23,817                    | 16,214           | 9,729           | 12,627                          | 65,662              |
| Committed   | 0                         | 0                | 0               | 0                               | 0                   |
| Unassigned (Deficit)  | 0                         | 0                | 0               | 0                               | 0                   |
| <i>Total Fund Balances (Deficit)</i>  | <u>23,817</u>             | <u>16,214</u>    | <u>9,729</u>    | <u>12,627</u>                   | <u>65,662</u>       |
| <i>Total Liabilities, Deferred Inflows of<br/>Resources and Fund Balances</i> | <u>\$57,136</u>           | <u>\$31,004</u>  | <u>\$69,944</u> | <u>\$12,627</u>                 | <u>\$65,662</u>     |



| Cemetery        | Police<br>Levy   | Fire<br>Levy     | Indigent<br>Monitoring | Law<br>Enforcement<br>Trust | Municipal<br>Probation<br>Services | Police<br>Levy II  |
|-----------------|------------------|------------------|------------------------|-----------------------------|------------------------------------|--------------------|
| \$65,250        | \$14,453         | \$10,933         | \$25,626               | \$18,380                    | \$25,118                           | \$637,097          |
| 0               | 21,485           | 6,637            | 0                      | 0                           | 0                                  | 13,275             |
| 0               | 0                | 0                | 0                      | 0                           | 0                                  | 0                  |
| 0               | 328,820          | 279,444          | 0                      | 0                           | 0                                  | 558,885            |
| 0               | 0                | 0                | 0                      | 0                           | 0                                  | 0                  |
| <u>\$65,250</u> | <u>\$364,758</u> | <u>\$297,014</u> | <u>\$25,626</u>        | <u>\$18,380</u>             | <u>\$25,118</u>                    | <u>\$1,209,257</u> |
| \$0             | \$0              | \$0              | \$0                    | \$0                         | \$0                                | \$0                |
| 0               | 0                | 0                | 0                      | 9,935                       | 0                                  | 0                  |
| 1,231           | 0                | 0                | 0                      | 0                           | 0                                  | 6,408              |
| 764             | 0                | 0                | 0                      | 0                           | 0                                  | 6,386              |
| 0               | 0                | 0                | 0                      | 0                           | 0                                  | 0                  |
| 0               | 0                | 0                | 0                      | 0                           | 0                                  | 0                  |
| <u>1,995</u>    | <u>0</u>         | <u>0</u>         | <u>0</u>               | <u>9,935</u>                | <u>0</u>                           | <u>12,794</u>      |
| 0               | 297,299          | 252,776          | 0                      | 0                           | 0                                  | 505,548            |
| 0               | 53,006           | 33,305           | 0                      | 0                           | 0                                  | 66,612             |
| <u>0</u>        | <u>350,305</u>   | <u>286,081</u>   | <u>0</u>               | <u>0</u>                    | <u>0</u>                           | <u>572,160</u>     |
| 63,255          | 14,453           | 10,933           | 25,626                 | 8,445                       | 25,118                             | 624,303            |
| 0               | 0                | 0                | 0                      | 0                           | 0                                  | 0                  |
| 0               | 0                | 0                | 0                      | 0                           | 0                                  | 0                  |
| <u>63,255</u>   | <u>14,453</u>    | <u>10,933</u>    | <u>25,626</u>          | <u>8,445</u>                | <u>25,118</u>                      | <u>624,303</u>     |
| <u>\$65,250</u> | <u>\$364,758</u> | <u>\$297,014</u> | <u>\$25,626</u>        | <u>\$18,380</u>             | <u>\$25,118</u>                    | <u>\$1,209,257</u> |

(continued)

**City of Conneaut, Ohio**  
**Combining Balance Sheet**  
*Nonmajor Special Revenue Funds (continued)*  
December 31, 2019

|   | Drug<br>Task Force | Street<br>Lighting | Community<br>Housing | Recreation      | Deposits on<br>Fire Losses |
|---|--------------------|--------------------|----------------------|-----------------|----------------------------|
| <b>Assets</b>   |                    |                    |                      |                 |                            |
| Equity in Pooled Cash and   |                    |                    |                      |                 |                            |
| Cash Equivalents  | \$0                | \$3,983            | \$13,978             | \$89,117        | \$39,348                   |
| Intergovernmental Receivable  | 0                  | 0                  | 0                    | 0               | 0                          |
| Municipal Income Taxes Receivable   | 0                  | 6,431              | 0                    | 5,441           | 0                          |
| Property Taxes Receivable   | 0                  | 0                  | 0                    | 0               | 0                          |
| Loans Receivable from Component Unit  | 0                  | 0                  | 0                    | 0               | 0                          |
| <i>Total Assets</i>   | <u>\$0</u>         | <u>\$10,414</u>    | <u>\$13,978</u>      | <u>\$94,558</u> | <u>\$39,348</u>            |
| <b>Liabilities</b>  |                    |                    |                      |                 |                            |
| Accounts Payable  | \$652              | \$41,155           | \$0                  | \$1,163         | \$39,348                   |
| Contracts Payable   | 0                  | 0                  | 0                    | 0               | 0                          |
| Accrued Wages   | 0                  | 0                  | 0                    | 0               | 0                          |
| Intergovernmental Payable   | 2,163              | 0                  | 0                    | 35              | 0                          |
| Accrued Interest Payable  | 0                  | 0                  | 0                    | 0               | 0                          |
| Notes Payable   | 0                  | 0                  | 0                    | 0               | 0                          |
| <i>Total Liabilities</i>  | <u>2,815</u>       | <u>41,155</u>      | <u>0</u>             | <u>1,198</u>    | <u>39,348</u>              |
| <b>Deferred Inflows of Resources</b>  |                    |                    |                      |                 |                            |
| Property Taxes  | 0                  | 0                  | 0                    | 0               | 0                          |
| Unavailable Revenue   | 0                  | 3,907              | 0                    | 3,306           | 0                          |
| <i>Total Deferred Inflows of Resources</i>                                    | <u>0</u>           | <u>3,907</u>       | <u>0</u>             | <u>3,306</u>    | <u>0</u>                   |
| <b>Fund Balances</b>  |                    |                    |                      |                 |                            |
| Restricted  | 0                  | 0                  | 13,978               | 0               | 0                          |
| Committed   | 0                  | 0                  | 0                    | 90,054          | 0                          |
| Unassigned (Deficit)  | (2,815)            | (34,648)           | 0                    | 0               | 0                          |
| <i>Total Fund Balances (Deficit)</i>  | <u>(2,815)</u>     | <u>(34,648)</u>    | <u>13,978</u>        | <u>90,054</u>   | <u>0</u>                   |
| <i>Total Liabilities, Deferred Inflows of<br/>Resources and Fund Balances</i> | <u>\$0</u>         | <u>\$10,414</u>    | <u>\$13,978</u>      | <u>\$94,558</u> | <u>\$39,348</u>            |

| Police<br>Pension | Fire<br>Pension  | Total<br>Nonmajor<br>Special<br>Revenue<br>Funds |
|-------------------|------------------|--|
| \$5,744           | \$6,975          | \$1,056,285                                      |
| 10,380            | 8,419            | 136,286  |
| 0                 | 0                | 11,872   |
| 154,244           | 125,108          | 1,446,501  |
| 0                 | 0                | 60,000   |
| <u>\$170,368</u>  | <u>\$140,502</u> | <u>\$2,710,944</u>                               |
| \$0               | \$0              | \$82,318   |
| 0                 | 0                | 9,935  |
| 0                 | 0                | 7,639  |
| 20,856            | 16,891           | 47,095   |
| 0                 | 0                | 215  |
| 0                 | 0                | 60,000   |
| <u>20,856</u>     | <u>16,891</u>    | <u>207,202</u>                                   |
| 139,434           | 113,096          | 1,308,153  |
| 25,190            | 20,431           | 253,866  |
| <u>164,624</u>    | <u>133,527</u>   | <u>1,562,019</u>                                 |
| 0                 | 0                | 914,160  |
| 0                 | 0                | 90,054   |
| <u>(15,112)</u>   | <u>(9,916)</u>   | <u>(62,491)</u>                                  |
| <u>(15,112)</u>   | <u>(9,916)</u>   | <u>941,723</u>                                   |
| <u>\$170,368</u>  | <u>\$140,502</u> | <u>\$2,710,944</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, 2019

|  | 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  | 135,168                   | 43,858           | 0                     | 2,935          | 0                               |
| Fees, Licenses and Permits                                 | 0                         | 0                | 0                     | 480            | 0                               |
| Fines and Forfeitures                                      | 0                         | 0                | 0                     | 0              | 568                             |
| Charges for Services                                       | 0                         | 0                | 0                     | 0              | 0                               |
| Contributions and Donations                                | 0                         | 0                | 0                     | 0              | 0                               |
| Interest   | 25                        | 9                | 0                     | 0              | 0                               |
| Other  | 0                         | 0                | 0                     | 0              | 0                               |
| <i>Total Revenues</i>                                      | <u>135,193</u>            | <u>43,867</u>    | <u>0</u>              | <u>3,415</u>   | <u>568</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                | 0                     | 0              | 0                               |
| Basic Utility Services                                     | 0                         | 0                | 0                     | 0              | 0                               |
| Transportation   | 133,999                   | 34,200           | 0                     | 0              | 0                               |
| Debt Service:  |                           |                  |                       |                |                                 |
| Principal Retirement                                       | 0                         | 0                | 0                     | 0              | 0                               |
| Interest and Fiscal Charges                                | 0                         | 0                | 0                     | 2,780          | 0                               |
| <i>Total Expenditures</i>                                  | <u>133,999</u>            | <u>34,200</u>    | <u>0</u>              | <u>2,780</u>   | <u>0</u>                        |
| <i>Excess of Revenues Over<br/>(Under) Expenditures</i>    | 1,194                     | 9,667            | 0                     | 635            | 568                             |
| <b>Other Financing Sources</b>                             |                           |                  |                       |                |                                 |
| Transfers In   | 0                         | 0                | 0                     | 0              | 0                               |
| Special Item - Transfer of<br>Health Department Operations | 0                         | 0                | (2,172)               | 0              | 0                               |
| <i>Net Change in Fund Balances</i>                         | 1,194                     | 9,667            | (2,172)               | 635            | 568                             |
| <i>Fund Balance (Deficit) Beginning of Year</i>            | <u>22,623</u>             | <u>6,547</u>     | <u>2,172</u>          | <u>9,094</u>   | <u>12,059</u>                   |
| <i>Fund Balance (Deficit) End of Year</i>                  | <u>\$23,817</u>           | <u>\$16,214</u>  | <u>\$0</u>            | <u>\$9,729</u> | <u>\$12,627</u>                 |

| Indigent<br>Drivers | Cemetery | Police<br>Levy | Fire<br>Levy | Indigent<br>Monitoring | Law<br>Enforcement<br>Trust | Municipal<br>Probation<br>Services |
|---------------------|----------|----------------|--------------|------------------------|-----------------------------|------------------------------------|
| \$0                 | \$0      | \$310,339      | \$262,538    | \$0                    | \$0                         | \$0                                |
| 0                   | 0        | 0              | 0            | 0                      | 0                           | 0                                  |
| 0                   | 0        | 43,065         | 13,349       | 0                      | 0                           | 0                                  |
| 0                   | 180      | 0              | 0            | 0                      | 0                           | 0                                  |
| 2,354               | 0        | 0              | 0            | 555                    | 1,802                       | 8,008                              |
| 0                   | 20,575   | 0              | 0            | 0                      | 0                           | 0                                  |
| 0                   | 0        | 0              | 0            | 0                      | 0                           | 0                                  |
| 0                   | 108      | 0              | 0            | 0                      | 98                          | 0                                  |
| 1,013               | 1,706    | 0              | 0            | 547                    | 0                           | 0                                  |
| 3,367               | 22,569   | 353,404        | 275,887      | 1,102                  | 1,900                       | 8,008                              |
| 0                   | 0        | 371,599        | 276,299      | 0                      | 9,935                       | 0                                  |
| 0                   | 0        | 0              | 0            | 0                      | 0                           | 0                                  |
| 0                   | 23,387   | 0              | 0            | 0                      | 0                           | 0                                  |
| 0                   | 0        | 0              | 0            | 0                      | 0                           | 0                                  |
| 0                   | 0        | 0              | 0            | 0                      | 0                           | 0                                  |
| 0                   | 0        | 0              | 0            | 0                      | 0                           | 0                                  |
| 0                   | 0        | 0              | 0            | 0                      | 0                           | 0                                  |
| 0                   | 23,387   | 371,599        | 276,299      | 0                      | 9,935                       | 0                                  |
| 3,367               | (818)    | (18,195)       | (412)        | 1,102                  | (8,035)                     | 8,008                              |
| 0                   | 0        | 0              | 0            | 0                      | 0                           | 0                                  |
| 0                   | 0        | 0              | 0            | 0                      | 0                           | 0                                  |
| 3,367               | (818)    | (18,195)       | (412)        | 1,102                  | (8,035)                     | 8,008                              |
| 62,295              | 64,073   | 32,648         | 11,345       | 24,524                 | 16,480                      | 17,110                             |
| \$65,662            | \$63,255 | \$14,453       | \$10,933     | \$25,626               | \$8,445                     | \$25,118                           |

(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, 2019

|  | Police<br>Levy II | Drug<br>Task Force | Street<br>Lighting | Community<br>Housing | Recreation      |
|--|-------------------|--------------------|--------------------|----------------------|-----------------|
| <b>Revenues</b>  |                   |                    |                    |                      |                 |
| Property Taxes   | \$525,077         | \$0                | \$0                | \$0                  | \$0             |
| Municipal Income Taxes                                     | 0                 | 0                  | 33,557             | 0                    | 28,621          |
| Intergovernmental  | 37,162            | 13,124             | 0                  | 5,374                | 0               |
| Fees, Licenses and Permits                                 | 0                 | 0                  | 164,372            | 0                    | 300             |
| Fines and Forfeitures                                      | 0                 | 0                  | 0                  | 0                    | 0               |
| Charges for Services                                       | 0                 | 0                  | 0                  | 0                    | 0               |
| Contributions and Donations                                | 0                 | 0                  | 0                  | 0                    | 8,005           |
| Interest   | 0                 | 0                  | 0                  | 158                  | 0               |
| Other  | 0                 | 0                  | 0                  | 0                    | 134             |
| <i>Total Revenues</i>                                      | <u>562,239</u>    | <u>13,124</u>      | <u>197,929</u>     | <u>5,532</u>         | <u>37,060</u>   |
| <b>Expenditures</b>  |                   |                    |                    |                      |                 |
| Current:   |                   |                    |                    |                      |                 |
| Security of Persons and Property                           | 435,023           | 15,939             | 0                  | 0                    | 0               |
| Leisure Time Activities                                    | 0                 | 0                  | 0                  | 0                    | 54,101          |
| Community Development                                      | 0                 | 0                  | 0                  | 0                    | 0               |
| Basic Utility Services                                     | 0                 | 0                  | 199,418            | 0                    | 0               |
| Transportation   | 0                 | 0                  | 0                  | 0                    | 0               |
| Debt Service:  |                   |                    |                    |                      |                 |
| Principal Retirement                                       | 23,567            | 0                  | 0                  | 0                    | 0               |
| Interest and Fiscal Charges                                | 498               | 0                  | 0                  | 0                    | 0               |
| <i>Total Expenditures</i>                                  | <u>459,088</u>    | <u>15,939</u>      | <u>199,418</u>     | <u>0</u>             | <u>54,101</u>   |
| <i>Excess of Revenues Over<br/>(Under) Expenditures</i>    | 103,151           | (2,815)            | (1,489)            | 5,532                | (17,041)        |
| <b>Other Financing Sources</b>                             |                   |                    |                    |                      |                 |
| Transfers In   | 0                 | 0                  | 0                  | 0                    | 0               |
| Special Item - Transfer of<br>Health Department Operations | <u>0</u>          | <u>0</u>           | <u>0</u>           | <u>0</u>             | <u>0</u>        |
| <i>Net Change in Fund Balances</i>                         | 103,151           | (2,815)            | (1,489)            | 5,532                | (17,041)        |
| <i>Fund Balance (Deficit) Beginning of Year</i>            | <u>521,152</u>    | <u>0</u>           | <u>(33,159)</u>    | <u>8,446</u>         | <u>107,095</u>  |
| <i>Fund Balances (Deficit) End of Year</i>                 | <u>\$624,303</u>  | <u>(\$2,815)</u>   | <u>(\$34,648)</u>  | <u>\$13,978</u>      | <u>\$90,054</u> |

| Police<br>Pension | Fire<br>Pension | Total<br>Nonmajor<br>Special<br>Revenue<br>Funds |
|-------------------|-----------------|--|
| \$145,824         | \$118,280       | \$1,362,058                                      |
| 0                 | 0               | 62,178   |
| 20,803            | 16,874          | 331,712  |
| 0                 | 0               | 165,332  |
| 0                 | 0               | 13,287   |
| 0                 | 0               | 20,575   |
| 0                 | 0               | 8,005  |
| 0                 | 0               | 398  |
| 0                 | 0               | 3,400  |
| 166,627           | 135,154         | 1,966,945  |
| 192,637           | 162,980         | 1,464,412  |
| 0                 | 0               | 54,101   |
| 0                 | 0               | 23,387   |
| 0                 | 0               | 199,418  |
| 0                 | 0               | 168,199  |
| 0                 | 0               | 23,567   |
| 0                 | 0               | 3,278  |
| 192,637           | 162,980         | 1,936,362  |
| (26,010)          | (27,826)        | 30,583   |
| 25,000            | 24,000          | 49,000   |
| 0                 | 0               | (2,172)  |
| (1,010)           | (3,826)         | 77,411   |
| (14,102)          | (6,090)         | 864,312  |
| (\$15,112)        | (\$9,916)       | \$941,723  |

**City of Conneaut, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*December 31, 2019*

|   | Municipal<br>Court<br>Improvement | Bureau of<br>Workers'<br>Compensation<br>Grant | Capital<br>Improvement |
|---|-----------------------------------|--|------------------------|
| <b>Assets</b>   |                                   |  |                        |
| Equity in Pooled Cash and   |                                   |  |                        |
| Cash Equivalents  | \$328,063                         | \$8,621  | \$66,417               |
| Intergovernmental Receivable  | 0                                 | 0  | 0                      |
| Municipal Income Taxes Receivable   | 0                                 | 0  | 9,893                  |
| Property Taxes Receivable   | 0                                 | 0  | 0                      |
| <i>Total Assets</i>   | <u>\$328,063</u>                  | <u>\$8,621</u>                                 | <u>\$76,310</u>        |
| <b>Liabilities</b>  |                                   |  |                        |
| Accounts Payable  | \$4,045                           | \$0  | \$0                    |
| Contracts Payable   | 0                                 | 0  | 0                      |
| Accrued Wages   | 1,347                             | 0  | 0                      |
| Intergovernmental Payable   | 145                               | 0  | 0                      |
| <i>Total Liabilities</i>  | <u>5,537</u>                      | <u>0</u>                                       | <u>0</u>               |
| <b>Deferred Inflows of Resources</b>  |                                   |  |                        |
| Property Taxes  | 0                                 | 0  | 0                      |
| Unavailable Revenue   | 0                                 | 0  | 6,010                  |
| <i>Total Deferred Inflows of Resources</i>                                    | <u>0</u>                          | <u>0</u>                                       | <u>6,010</u>           |
| <b>Fund Balances</b>  |                                   |  |                        |
| Restricted  | 322,526                           | 8,621  | 0                      |
| Committed   | 0                                 | 0  | 70,300                 |
| Unassigned (Deficit)  | 0                                 | 0  | 0                      |
| <i>Total Fund Balances (Deficit)</i>  | <u>322,526</u>                    | <u>8,621</u>                                   | <u>70,300</u>          |
| <i>Total Liabilities, Deferred Inflows of<br/>Resources and Fund Balances</i> | <u>\$328,063</u>                  | <u>\$8,621</u>                                 | <u>\$76,310</u>        |



| Industrial<br>Park | Total<br>Nonmajor<br>Capital Projects<br>Funds |
|--------------------|--|
| \$751              | \$403,852                                      |
| 0                  | 0  |
| 0                  | 9,893  |
| 0                  | 0  |
| <u>\$751</u>       | <u>\$413,745</u>                               |
| \$0                | \$4,045  |
| 35,000             | 35,000   |
| 0                  | 1,347  |
| 0                  | 145  |
| <u>35,000</u>      | <u>40,537</u>                                  |
| 0                  | 0  |
| 0                  | 6,010  |
| <u>0</u>           | <u>6,010</u>                                   |
| 0                  | 331,147  |
| 0                  | 70,300   |
| <u>(34,249)</u>    | <u>(34,249)</u>                                |
| <u>(34,249)</u>    | <u>367,198</u>                                 |
| <u>\$751</u>       | <u>\$413,745</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, 2019*

|  | Municipal<br>Court<br>Improvement | Bureau of<br>Workers'<br>Compensation<br>Grant | ODNR<br>Natureworks<br>Grant |
|--|-----------------------------------|--|------------------------------|
| <b>Revenues</b>                                  |                                   |  |                              |
| Property Taxes                                   | \$0                               | \$0  | \$0                          |
| Municipal Income Taxes                           | 0                                 | 0  | 0                            |
| Intergovernmental                                | 0                                 | 13,022   | 24,919                       |
| Fines and Forfeitures                            | 73,869                            | 0  | 0                            |
| <i>Total Revenues</i>                            | 73,869                            | 13,022   | 24,919                       |
| <b>Expenditures</b>                              |                                   |  |                              |
| Capital Outlay                                   | 99,318                            | 4,401  | 0                            |
| Debt Service:                                    |                                   |  |                              |
| Principal Retirement                             | 0                                 | 0  | 0                            |
| Interest and Fiscal Charges                      | 0                                 | 0  | 0                            |
| <i>Total Expenditures</i>                        | 99,318                            | 4,401  | 0                            |
| <i>Net Change in Fund Balances</i>               | (25,449)                          | 8,621  | 24,919                       |
| <i>Fund Balances (Deficit) Beginning of Year</i> | 347,975                           | 0  | (24,919)                     |
| <i>Fund Balance (Deficit) End of Year</i>        | \$322,526                         | \$8,621  | \$0                          |

| Office of<br>Justice<br>Grant | Capital<br>Improvement | Industrial<br>Park | Total<br>Nonmajor<br>Capital Projects<br>Funds |
|-------------------------------|------------------------|--------------------|--|
| \$0                           | \$0                    | \$0                | \$0  |
| 0                             | 51,980                 | 0                  | 51,980   |
| 2,197                         | 0                      | 40,972             | 81,110   |
| 0                             | 0                      | 0                  | 73,869   |
| 2,197                         | 51,980                 | 40,972             | 206,959  |
| 2,197                         | 29,137                 | 75,972             | 211,025  |
| 0                             | 15,336                 | 0                  | 15,336   |
| 0                             | 478                    | 0                  | 478  |
| 2,197                         | 44,951                 | 75,972             | 226,839  |
| 0                             | 7,029                  | (35,000)           | (19,880)                                       |
| 0                             | 63,271                 | 751                | 387,078  |
| \$0                           | \$70,300               | (\$34,249)         | \$367,198                                      |

**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, 2019*

|                             | Budgeted Amounts |                  |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-----------------------------|------------------|------------------|------------------|---|
|                             | Original         | Final            | Actual           |   |
| <b>Revenues</b>             |                  |                  |                  |   |
| Property Taxes              | \$327,000        | \$327,000        | \$324,054        | (\$2,946)   |
| Municipal Income Taxes      | 2,477,980        | 2,477,980        | 2,589,216        | 111,236   |
| Hotel Taxes                 | 26,000           | 26,000           | 42,681           | 16,681  |
| Intergovernmental           | 405,000          | 405,000          | 554,091          | 149,091   |
| Fees, Licenses and Permits  | 125,909          | 125,909          | 80,027           | (45,882)  |
| Fines and Forfeitures       | 190,450          | 190,450          | 146,997          | (43,453)  |
| Rentals                     | 42,137           | 42,137           | 48,061           | 5,924   |
| Charges for Services        | 409,000          | 409,000          | 341,494          | (67,506)  |
| Contributions and Donations | 3,600            | 3,600            | 11,774           | 8,174   |
| Interest                    | 85,000           | 85,000           | 103,087          | 18,087  |
| Franchise Taxes             | 161,000          | 161,000          | 169,322          | 8,322   |
| Other                       | 101,700          | 101,700          | 67,097           | (34,603)  |
| <i>Total Revenues</i>       | <i>4,354,776</i> | <i>4,354,776</i> | <i>4,477,901</i> | <i>123,125</i>  |
| <b>Expenditures</b>         |                  |                  |                  |   |
| Current:                    |                  |                  |                  |   |
| General Government:         |                  |                  |                  |   |
| Council                     |                  |                  |                  |   |
| Personal Services           | 51,800           | 51,800           | 51,207           | 593   |
| Materials and Supplies      | 700              | 700              | 468              | 232   |
| Contractual Services        | 7,567            | 7,567            | 4,245            | 3,322   |
| Total Council               | 60,067           | 60,067           | 55,920           | 4,147   |
| Clerk of Council            |                  |                  |                  |   |
| Personal Services           | 8,424            | 8,424            | 8,136            | 288   |
| City Manager                |                  |                  |                  |   |
| Personal Services           | 127,788          | 123,788          | 119,555          | 4,233   |
| Materials and Supplies      | 2,750            | 2,750            | 699              | 2,051   |
| Contractual Services        | 4,600            | 4,600            | 4,214            | 386   |
| Capital Outlay              | 750              | 1,650            | 1,482            | 168   |
| Total City Manager          | 135,888          | 132,788          | 125,950          | 6,838   |
| Finance Office              |                  |                  |                  |   |
| Personal Services           | 239,796          | 243,646          | 242,659          | 987   |
| Materials and Supplies      | 27,566           | 27,566           | 22,403           | 5,163   |
| Contractual Services        | 5,071            | 5,071            | 3,518            | 1,553   |
| Capital Outlay              | 1,000            | 1,000            | 1,000            | 0   |
| Total Finance Office        | \$273,433        | \$277,283        | \$269,580        | \$7,703   |

(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, 2019*

|                           | Budgeted Amounts |           |           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------|------------------|-----------|-----------|---|
|                           | Original         | Final     | Actual    |   |
| Law Director              |                  |           |           |   |
| Personal Services         | \$158,732        | \$158,732 | \$149,136 | \$9,596   |
| Materials and Supplies    | 2,800            | 2,800     | 1,087     | 1,713   |
| Contractual Services      | 6,280            | 36,280    | 35,007    | 1,273   |
| Capital Outlay            | 2,500            | 2,500     | 734       | 1,766   |
| Total Law Director        | 170,312          | 200,312   | 185,964   | 14,348  |
| Civil Service             |                  |           |           |   |
| Personal Services         | 5,470            | 5,470     | 5,415     | 55  |
| Materials and Supplies    | 2,500            | 2,500     | 1,043     | 1,457   |
| Contractual Services      | 1,885            | 1,885     | 1,885     | 0   |
| Total Civil Service       | 9,855            | 9,855     | 8,343     | 1,512   |
| Court                     |                  |           |           |   |
| Personal Services         | 348,832          | 360,082   | 351,571   | 8,511   |
| Materials and Supplies    | 19,414           | 19,414    | 17,361    | 2,053   |
| Contractual Services      | 22,182           | 22,182    | 16,109    | 6,073   |
| Purchased Services        | 1,100            | 1,100     | 380       | 720   |
| Capital Outlay            | 2,000            | 2,000     | 1,355     | 645   |
| Total Court               | 393,528          | 404,778   | 386,776   | 18,002  |
| City Hall                 |                  |           |           |   |
| Personal Services         | 10,300           | 10,300    | 9,559     | 741   |
| Materials and Supplies    | 26,913           | 26,913    | 20,870    | 6,043   |
| Contractual Services      | 8,500            | 8,500     | 6,318     | 2,182   |
| Purchased Services        | 7,000            | 7,000     | 1,991     | 5,009   |
| Capital Outlay            | 5,000            | 2,000     | 585       | 1,415   |
| Total City Hall           | 57,713           | 54,713    | 39,323    | 15,390  |
| Planning Commission       |                  |           |           |   |
| Personal Services         | 5,200            | 5,200     | 2,489     | 2,711   |
| Materials and Supplies    | 900              | 900       | 0         | 900   |
| Total Planning Commission | 6,100            | 6,100     | 2,489     | 3,611   |
| Demolition                |                  |           |           |   |
| Purchased Services        | 0                | 0         | 0         | 0   |
| Reserve Fund              |                  |           |           |   |
| Contractual Services      | 53,970           | 88,970    | 80,580    | 8,390   |
| Purchased Services        | 74,395           | 84,395    | 67,842    | 16,553  |
| Capital Outlay            | 26,746           | 29,747    | 28,663    | 1,084   |
| Total Reserve Fund        | \$155,111        | \$203,112 | \$177,085 | \$26,027  |

(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, 2019*

|  | Budgeted Amounts |             |             | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|-------------|-------------|---|
|  | Original         | Final       | Actual      |   |
| Unclaimed Funds                        |                  |             |             |   |
| Other                                  | \$1,000          | \$1,000     | \$32        | \$968   |
| General Services                       |                  |             |             |   |
| Contractual Services                   | 122,200          | 109,200     | 90,895      | 18,305  |
| Capital Outlay                         | 32,696           | 32,696      | 25,723      | 6,973   |
| Other                                  | 102,061          | 142,060     | 123,810     | 18,250  |
| Total General Services                 | 256,957          | 283,956     | 240,428     | 43,528  |
| Total General Government               | 1,528,388        | 1,642,388   | 1,500,026   | 142,362   |
| Security of Persons and Property       |                  |             |             |   |
| Police Department                      |                  |             |             |   |
| Personal Services                      | 1,102,172        | 1,118,672   | 1,092,240   | 26,432  |
| Materials and Supplies                 | 77,480           | 77,480      | 65,649      | 11,831  |
| Contractual Services                   | 39,186           | 39,186      | 27,324      | 11,862  |
| Purchased Services                     | 39,776           | 39,776      | 22,102      | 17,674  |
| Capital Outlay                         | 17,996           | 23,735      | 22,657      | 1,078   |
| Other                                  | 5,000            | 5,000       | 1,845       | 3,155   |
| Total Police Department                | 1,281,610        | 1,303,849   | 1,231,817   | 72,032  |
| Jail                                   |                  |             |             |   |
| Materials and Supplies                 | 4,000            | 5,000       | 3,615       | 1,385   |
| Purchased Services                     | 10,189           | 10,189      | 8,099       | 2,090   |
| Capital Outlay                         | 5,000            | 5,000       | 681         | 4,319   |
| Other                                  | 6,100            | 6,100       | 827         | 5,273   |
| Total Jail                             | 25,289           | 26,289      | 13,222      | 13,067  |
| Dispatch                               |                  |             |             |   |
| Personal Services                      | 266,100          | 281,100     | 277,691     | 3,409   |
| Fire Department                        |                  |             |             |   |
| Personal Services                      | 845,472          | 920,473     | 870,861     | 49,612  |
| Materials and Supplies                 | 82,247           | 86,247      | 71,877      | 14,370  |
| Contractual Services                   | 35,884           | 35,884      | 30,391      | 5,493   |
| Purchased Services                     | 69,241           | 65,240      | 51,743      | 13,497  |
| Capital Outlay                         | 263,800          | 263,800     | 259,065     | 4,735   |
| Total Fire Department                  | 1,296,644        | 1,371,644   | 1,283,937   | 87,707  |
| Ambulance Fund                         |                  |             |             |   |
| Capital Outlay                         | 3,000            | 3,000       | 0           | 3,000   |
| Total Security of Persons and Property | \$2,872,643      | \$2,985,882 | \$2,806,667 | \$179,215   |

(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, 2019*

|                               | Budgeted Amounts |           |           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-------------------------------|------------------|-----------|-----------|---|
|                               | Original         | Final     | Actual    |   |
| Public Health Services:       |                  |           |           |   |
| Health Department             |                  |           |           |   |
| Intergovernmental Expense     | \$0              | \$189,861 | \$189,861 | \$0   |
| Leisure Time Activities:      |                  |           |           |   |
| Museum Railroad               |                  |           |           |   |
| Purchased Service             | 5,111            | 5,111     | 2,868     | 2,243   |
| Bureau of Tourism             |                  |           |           |   |
| Personal Services             | 8,000            | 8,000     | 8,000     | 0   |
| Materials and Supplies        | 8,600            | 8,600     | 8,600     | 0   |
| Contractual Services          | 2,400            | 2,400     | 1,837     | 563   |
| Purchased Services            | 12,890           | 12,890    | 12,324    | 566   |
| Total Bureau of Tourism       | 31,890           | 31,890    | 30,761    | 1,129   |
| Cable Advisory Board          |                  |           |           |   |
| Personal Services             | 23,850           | 23,850    | 21,450    | 2,400   |
| Materials and Supplies        | 550              | 550       | 480       | 70  |
| Contractual Services          | 350              | 350       | 0         | 350   |
| Capital Outlay                | 21,968           | 21,968    | 21,967    | 1   |
| Total Cable Advisory Board    | 46,718           | 46,718    | 43,897    | 2,821   |
| Total Leisure Time Activities | 83,719           | 83,719    | 77,526    | 6,193   |
| Community Development:        |                  |           |           |   |
| Housing and Zoning:           |                  |           |           |   |
| Personal Services             | 103,480          | 111,330   | 107,954   | 3,376   |
| Materials and Supplies        | 3,801            | 7,801     | 3,885     | 3,916   |
| Contractual Services          | 1,625            | 9,125     | 4,089     | 5,036   |
| Purchased Services            | 4,770            | 4,770     | 3,210     | 1,560   |
| Capital Outlay                | 2,000            | 2,000     | 1,563     | 437   |
| Other                         | 30,000           | 30,000    | 1,400     | 28,600  |
| Total Community Development   | \$145,676        | \$165,026 | \$122,101 | \$42,925  |

(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, 2019*

|  | Budgeted Amounts |                    |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|--------------------|------------------|---|
|  | Original         | Final              | Actual           |   |
| Debt Service                                 |                  |                    |                  |   |
| Principal Retirement                         | \$262,636        | \$262,636          | \$262,634        | \$2   |
| Interest and Fiscal Charges                  | 31,467           | 31,467             | 31,152           | 315   |
| Total Debt Service                           | 294,103          | 294,103            | 293,786          | 317   |
| <i>Total Expenditures</i>                    | <u>4,924,529</u> | <u>5,360,979</u>   | <u>4,989,967</u> | <u>371,012</u>  |
| <i>Excess of Revenues Under Expenditures</i> | <u>(569,753)</u> | <u>(1,006,203)</u> | <u>(512,066)</u> | <u>494,137</u>  |
| <b>Other Financing Sources (Uses)</b>        |                  |                    |                  |   |
| General Obligation Notes Issued              | 60,000           | 60,000             | 60,000           | 0   |
| Capital Lease Issued                         | 235,000          | 235,000            | 231,807          | (3,193)   |
| Advances In                                  | 24,919           | 24,919             | 24,919           | 0   |
| Transfers Out                                | (220,500)        | (193,450)          | (49,000)         | 144,450   |
| <i>Total Other Financing Sources (Uses)</i>  | <u>99,419</u>    | <u>126,469</u>     | <u>267,726</u>   | <u>141,257</u>  |
| <i>Net Change in Fund Balance</i>            | <u>(470,334)</u> | <u>(879,734)</u>   | <u>(244,340)</u> | <u>635,394</u>  |
| <i>Fund Balance Beginning of Year</i>        | 873,633          | 873,633            | 873,633          | 0   |
| Prior Year Encumbrances Appropriated         | 72,450           | 72,450             | 72,450           | 0   |
| <i>Fund Balance End of Year</i>              | <u>\$475,749</u> | <u>\$66,349</u>    | <u>\$701,743</u> | <u>\$635,394</u>  |

**City of Conneaut, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Street Construction, Maintenance and Repair Fund*  
*For the Year Ended December 31, 2019*

|  | Budgeted Amounts   |                    |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|--------------------|--------------------|------------------|---|
|  | Original           | Final              | Actual           |   |
| <b>Revenues</b>                              |                    |                    |                  |   |
| Municipal Income Taxes                       | \$560,100          | \$560,100          | \$585,395        | \$25,295  |
| Special Assessments                          | 7,000              | 7,000              | 3,356            | (3,644)   |
| Intergovernmental                            | 464,200            | 464,200            | 474,516          | 10,316  |
| Fees, Licenses and Permits                   | 414,000            | 414,000            | 333,404          | (80,596)  |
| Interest                                     | 100                | 100                | 0                | (100)   |
| Other  | 41,500             | 41,500             | 43,431           | 1,931   |
| <i>Total Revenues</i>                        | <u>1,486,900</u>   | <u>1,486,900</u>   | <u>1,440,102</u> | <u>(46,798)</u>   |
| <b>Expenditures</b>                          |                    |                    |                  |   |
| Current:                                     |                    |                    |                  |   |
| Transportation:                              |                    |                    |                  |   |
| Street Department                            |                    |                    |                  |   |
| Personal Services                            | 768,466            | 773,366            | 764,700          | 8,666   |
| Materials and Supplies                       | 176,000            | 181,000            | 147,416          | 33,584  |
| Contractual Services                         | 456,195            | 451,295            | 47,143           | 404,152   |
| Purchased Services                           | 110,011            | 110,011            | 89,579           | 20,432  |
| Other  | 42,001             | 292,001            | 250,269          | 41,732  |
| Total Transportation                         | <u>1,552,673</u>   | <u>1,807,673</u>   | <u>1,299,107</u> | <u>508,566</u>  |
| Debt Service:                                |                    |                    |                  |   |
| Principal Retirement                         | 72,947             | 75,447             | 74,338           | 1,109   |
| Interest and Fiscal Charges                  | 15,832             | 15,832             | 15,677           | 155   |
| Total Debt Service                           | <u>88,779</u>      | <u>91,279</u>      | <u>90,015</u>    | <u>1,264</u>  |
| Capital Outlay:                              |                    |                    |                  |   |
| Street Department                            |                    |                    |                  |   |
| Capital Outlay                               | <u>1,764,240</u>   | <u>2,081,545</u>   | <u>936,909</u>   | <u>1,144,636</u>  |
| <i>Total Expenditures</i>                    | <u>3,405,692</u>   | <u>3,980,497</u>   | <u>2,326,031</u> | <u>1,654,466</u>  |
| <i>Excess of Revenues Under Expenditures</i> | <u>(1,918,792)</u> | <u>(2,493,597)</u> | <u>(885,929)</u> | <u>1,607,668</u>  |
| <b>Other Financing Sources</b>               |                    |                    |                  |   |
| Capital Lease Issued                         | 188,200            | 188,200            | 179,799          | (8,401)   |
| State Infrastructure Bank Loan Issued        | 1,505,000          | 2,140,000          | 652,633          | (1,487,367)   |
| OPWC Loan Issued                             | 100,000            | 100,000            | 50,000           | (50,000)  |
| Transfers In                                 | 145,000            | 145,000            | 0                | (145,000)   |
| <i>Total Other Financing Sources</i>         | <u>1,938,200</u>   | <u>2,573,200</u>   | <u>882,432</u>   | <u>(1,690,768)</u>                                      |
| <i>Net Change in Fund Balance</i>            | <u>19,408</u>      | <u>79,603</u>      | <u>(3,497)</u>   | <u>(83,100)</u>   |
| <i>Fund Balance Beginning of Year</i>        | <u>22,696</u>      | <u>22,696</u>      | <u>22,696</u>    | <u>0</u>  |
| Prior Year Encumbrances Appropriated         | <u>551</u>         | <u>551</u>         | <u>551</u>       | <u>0</u>  |
| <i>Fund Balance End of Year</i>              | <u>\$42,655</u>    | <u>\$102,850</u>   | <u>\$19,750</u>  | <u>(\$83,100)</u>                                       |

**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, 2019*

|                                       | Budgeted Amounts |                 |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|-----------------|------------------|---|
|                                       | Original         | Final           | Actual           |   |
| <b>Revenues</b>                       |                  |                 |                  |   |
| Property Taxes                        | \$464,886        | \$464,886       | \$481,321        | \$16,435  |
| Intergovernmental                     | 999,702          | 999,702         | 783,870          | (215,832)   |
| <i>Total Revenues</i>                 | 1,464,588        | 1,464,588       | 1,265,191        | (199,397)   |
| <b>Expenditures</b>                   |                  |                 |                  |   |
| Capital Outlay:                       |                  |                 |                  |   |
| Street Improvement                    |                  |                 |                  |   |
| Capital Outlay                        | 1,550,911        | 1,550,911       | 1,224,674        | 326,237   |
| <i>Net Change in Fund Balance</i>     | (86,323)         | (86,323)        | 40,517           | 126,840   |
| <i>Fund Balance Beginning of Year</i> | 29,481           | 29,481          | 29,481           | 0   |
| Prior Year Encumbrances Appropriated  | 82,311           | 82,311          | 82,311           | 0   |
| <i>Fund Balance End of Year</i>       | <u>\$25,469</u>  | <u>\$25,469</u> | <u>\$152,309</u> | <u>\$126,840</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, 2019*

|  | Budgeted Amounts |                  |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|------------------|------------------|---|
|  | Original         | Final            | Actual           |   |
| <b>Revenues</b>  |                  |                  |                  |   |
| Charges for Services   | \$2,380,250      | \$2,380,250      | \$2,357,570      | (\$22,680)  |
| Tap-In Fees  | 3,000            | 3,000            | 4,655            | 1,655   |
| Special Assessments  | 4,000            | 4,000            | 3,192            | (808)   |
| Intergovernmental  | 184,450          | 484,450          | 30,059           | (454,391)   |
| Rentals  | 4,000            | 4,000            | 6,400            | 2,400   |
| Other  | 13,500           | 13,500           | 32,744           | 19,244  |
| OPWC Loans Issued  | 100,000          | 100,000          | 49,204           | (50,796)  |
| OWDA Loans Issued  | 1,068,000        | 1,069,050        | 270,804          | (798,246)   |
| <i>Total Revenues</i>  | <u>3,757,200</u> | <u>4,058,250</u> | <u>2,754,628</u> | <u>(1,303,622)</u>                                      |
| <b>Expenses</b>  |                  |                  |                  |   |
| Personal Services  | 1,285,865        | 1,291,865        | 1,253,657        | 38,208  |
| Purchased Services   | 363,006          | 361,005          | 253,419          | 107,586   |
| Contractual Services   | 186,951          | 189,451          | 145,018          | 44,433  |
| Materials and Supplies   | 216,855          | 219,856          | 162,149          | 57,707  |
| Capital Outlay   | 2,059,501        | 2,063,503        | 895,202          | 1,168,301   |
| Other  | 2,800            | 2,800            | 1,196            | 1,604   |
| Debt Service:  |                  |                  |                  |   |
| Principal Retirement   | 149,989          | 152,447          | 151,202          | 1,245   |
| Interest and Fiscal Charges                                      | 52,490           | 53,540           | 53,527           | 13  |
| <i>Total Expenses</i>  | <u>4,317,457</u> | <u>4,334,467</u> | <u>2,915,370</u> | <u>1,419,097</u>  |
| <i>Excess of Revenues Under Expenses<br/>    Before Advances</i> | (560,257)        | (276,217)        | (160,742)        | 115,475   |
| <b>Other Financing Sources</b>                                   |                  |                  |                  |   |
| Sale of Capital Assets   | 5,000            | 5,000            | 0                | (5,000)   |
| <i>Net Change in Fund Equity</i>                                 | (555,257)        | (271,217)        | (160,742)        | 110,475   |
| <i>Fund Equity Beginning of Year</i>                             | 586,073          | 586,073          | 586,073          | 0   |
| Prior Year Encumbrances Appropriated                             | 223,063          | 223,063          | 223,063          | 0   |
| <i>Fund Equity End of Year</i>                                   | <u>\$253,879</u> | <u>\$537,919</u> | <u>\$648,394</u> | <u>\$110,475</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, 2019*

|  | Budgeted Amounts   |                    |                    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|--------------------|--------------------|--------------------|---|
|  | Original           | Final              | Actual             |   |
| <b>Revenues</b>  |                    |                    |                    |   |
| Charges for Services   | \$2,372,103        | \$2,372,103        | \$2,385,628        | \$13,525  |
| Tap-In Fees  | 5,000              | 5,000              | 35,983             | 30,983  |
| Special Assessments  | 2,500              | 2,500              | 2,088              | (412)   |
| Other  | 24,300             | 24,300             | 52,900             | 28,600  |
| <i>Total Revenues</i>  | <u>2,403,903</u>   | <u>2,403,903</u>   | <u>2,476,599</u>   | <u>72,696</u>   |
| <b>Expenses</b>  |                    |                    |                    |   |
| Personal Services  | 1,066,279          | 1,097,079          | 1,067,452          | 29,627  |
| Purchased Services   | 533,985            | 543,984            | 411,758            | 132,226   |
| Contractual Services   | 225,727            | 215,728            | 142,331            | 73,397  |
| Materials and Supplies                                       | 160,940            | 184,940            | 133,545            | 51,395  |
| Capital Outlay   | 655,652            | 705,652            | 614,591            | 91,061  |
| Other  | 6,250              | 6,250              | 2,455              | 3,795   |
| Debt Service:  |                    |                    |                    |   |
| Principal Retirement   | 449,343            | 456,313            | 451,226            | 5,087   |
| Interest and Fiscal Charges                                  | 123,587            | 123,587            | 123,352            | 235   |
| <i>Total Expenses</i>  | <u>3,221,763</u>   | <u>3,333,533</u>   | <u>2,946,710</u>   | <u>386,823</u>  |
| <i>Excess of Revenues Under Expenses<br/>before Advances</i> | (817,860)          | (929,630)          | (470,111)          | 459,519   |
| <b>Other Financing Sources (Uses)</b>                        |                    |                    |                    |   |
| Advances Out   | (20,000)           | (20,000)           | 0                  | 20,000  |
| <i>Net Change in Fund Equity</i>                             | (837,860)          | (949,630)          | (470,111)          | 479,519   |
| <i>Fund Equity Beginning of Year</i>                         | 2,024,315          | 2,024,315          | 2,024,315          | 0   |
| Prior Year Encumbrances Appropriated                         | 351,360            | 351,360            | 351,360            | 0   |
| <i>Fund Equity End of Year</i>                               | <u>\$1,537,815</u> | <u>\$1,426,045</u> | <u>\$1,905,564</u> | <u>\$479,519</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, 2019*

|                                       | Budgeted Amounts      |                       |                       | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-----------------------|-----------------------|-----------------------|---|
|                                       | Original              | Final                 | Actual                |   |
| <b>Revenues</b>                       |                       |                       |                       |   |
| Intergovernmental                     | \$133,500             | \$133,500             | \$134,441             | \$941   |
| Interest                              | 100                   | 100                   | 25                    | (75)  |
| <i>Total Revenues</i>                 | <u>133,600</u>        | <u>133,600</u>        | <u>134,466</u>        | <u>866</u>  |
| <b>Expenditures</b>                   |                       |                       |                       |   |
| Current:                              |                       |                       |                       |   |
| Transportation:                       |                       |                       |                       |   |
| Auto Permissive                       |                       |                       |                       |   |
| Personal Services                     | 119,000               | 121,998               | 121,998               | 0   |
| Materials and Supplies                | 15,000                | 12,002                | 12,001                | 1   |
| <i>Total Expenditures</i>             | <u>134,000</u>        | <u>134,000</u>        | <u>133,999</u>        | <u>1</u>  |
| <i>Net Change in Fund Balance</i>     | (400)                 | (400)                 | 467                   | 867   |
| <i>Fund Balance Beginning of Year</i> | <u>3,781</u>          | <u>3,781</u>          | <u>3,781</u>          | <u>0</u>  |
| <i>Fund Balance End of Year</i>       | <u><u>\$3,381</u></u> | <u><u>\$3,381</u></u> | <u><u>\$4,248</u></u> | <u><u>\$867</u></u>                                     |

**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, 2019*

|                                       | Budgeted Amounts |          |          | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|----------|----------|---|
|                                       | Original         | Final    | Actual   |   |
| <b>Revenues</b>                       |                  |          |          |   |
| Intergovernmental                     | \$34,000         | \$34,000 | \$40,937 | \$6,937   |
| Interest                              | 100              | 100      | 9        | (91)  |
| <i>Total Revenues</i>                 | 34,100           | 34,100   | 40,946   | 6,846   |
| <b>Expenditures</b>                   |                  |          |          |   |
| Current:                              |                  |          |          |   |
| Transportation:                       |                  |          |          |   |
| State Highway                         |                  |          |          |   |
| Personal Services                     | 34,200           | 34,200   | 34,200   | 0   |
| <i>Net Change in Fund Balance</i>     | (100)            | (100)    | 6,746    | 6,846   |
| <i>Fund Balance Beginning of Year</i> | 1,056            | 1,056    | 1,056    | 0   |
| <i>Fund Balance End of Year</i>       | \$956            | \$956    | \$7,802  | \$6,846   |

**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, 2019*

|  | Budgeted Amounts      |                       |                       | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-----------------------|-----------------------|-----------------------|---|
|  | Original              | Final                 | Actual                |   |
| <b>Revenues</b>                              |                       |                       |                       |   |
| Intergovernmental                            | \$33,000              | \$33,000              | \$32,935              | (\$65)  |
| Fees, Licenses and Permits                   | 585                   | 585                   | 480                   | (105)   |
| <i>Total Revenues</i>                        | <u>33,585</u>         | <u>33,585</u>         | <u>33,415</u>         | <u>(170)</u>  |
| <b>Expenditures</b>                          |                       |                       |                       |   |
| Current:                                     |                       |                       |                       |   |
| Leisure Time Activities:                     |                       |                       |                       |   |
| Marina                                       |                       |                       |                       |   |
| Contractual Services                         | 500                   | 500                   | 0                     | 500   |
| Debt Service:                                |                       |                       |                       |   |
| Principal Retirement                         | 90,000                | 90,000                | 90,000                | 0   |
| Interest and Fiscal Charges                  | 3,000                 | 3,000                 | 2,935                 | 65  |
| <i>Total Debt Service</i>                    | <u>93,000</u>         | <u>93,000</u>         | <u>92,935</u>         | <u>65</u>   |
| <i>Total Expenditures</i>                    | <u>93,500</u>         | <u>93,500</u>         | <u>92,935</u>         | <u>565</u>  |
| <i>Excess of Revenues Under Expenditures</i> | <u>(59,915)</u>       | <u>(59,915)</u>       | <u>(59,520)</u>       | <u>395</u>  |
| <b>Other Financing Sources</b>               |                       |                       |                       |   |
| General Obligation Notes Issued              | 60,000                | 60,000                | 60,000                | 0   |
| <i>Net Change in Fund Balance</i>            | <u>85</u>             | <u>85</u>             | <u>480</u>            | <u>395</u>  |
| <i>Fund Balance Beginning of Year</i>        | <u>9,464</u>          | <u>9,464</u>          | <u>9,464</u>          | <u>0</u>  |
| <i>Fund Balance End of Year</i>              | <u><u>\$9,549</u></u> | <u><u>\$9,549</u></u> | <u><u>\$9,944</u></u> | <u><u>\$395</u></u>                                     |



**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, 2019*

|                                       | Budgeted Amounts |                 |                 | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|-----------------|-----------------|---|
|                                       | Original         | Final           | Actual          |   |
| <b>Revenues</b>                       |                  |                 |                 |   |
| Fines and Forfeitures                 | \$1,300          | \$1,300         | \$488           | (\$812)   |
| <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>     | 300              | 300             | 488             | 188   |
| <i>Fund Balance Beginning of Year</i> | 12,059           | 12,059          | 12,059          | 0   |
| <i>Fund Balance End of Year</i>       | <u>\$12,359</u>  | <u>\$12,359</u> | <u>\$12,547</u> | <u>\$188</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, 2019*

|                                       | Budgeted Amounts |                 |                 | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|-----------------|-----------------|---|
|                                       | Original         | Final           | Actual          |   |
| <b>Revenues</b>                       |                  |                 |                 |   |
| Fines and Forfeitures                 | \$4,000          | \$4,000         | \$2,377         | (\$1,623)   |
| Other                                 | 1,000            | 1,000           | 1,013           | 13  |
| <i>Total Revenues</i>                 | 5,000            | 5,000           | 3,390           | (1,610)   |
| <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>     | 4,000            | 4,000           | 3,390           | (610)   |
| <i>Fund Balance Beginning of Year</i> | 62,135           | 62,135          | 62,135          | 0   |
| <i>Fund Balance End of Year</i>       | <u>\$66,135</u>  | <u>\$66,135</u> | <u>\$65,525</u> | <u>(\$610)</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, 2019*

|  | Budgeted Amounts |                 |                 | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|-----------------|-----------------|---|
|  | Original         | Final           | Actual          |   |
| <b>Revenues</b>                          |                  |                 |                 |   |
| Fees, Licenses and Permits               | \$100            | \$100           | \$180           | \$80  |
| Charges for Services                     | 24,000           | 24,000          | 20,575          | (3,425)   |
| Interest                                 | 80               | 80              | 108             | 28  |
| Other                                    | 1,000            | 1,000           | 1,706           | 706   |
| <i>Total Revenues</i>                    | <u>25,180</u>    | <u>25,180</u>   | <u>22,569</u>   | <u>(2,611)</u>  |
| <b>Expenditures</b>                      |                  |                 |                 |   |
| Current:                                 |                  |                 |                 |   |
| Community Development:                   |                  |                 |                 |   |
| Cemetery                                 |                  |                 |                 |   |
| Personal Services                        | 19,365           | 19,365          | 19,265          | 100   |
| Materials and Supplies                   | 1,200            | 1,200           | 812             | 388   |
| Contractual Services                     | 3,000            | 3,000           | 2,500           | 500   |
| Purchased Services                       | 3,800            | 3,800           | 1,751           | 2,049   |
| <i>Total Expenditures</i>                | <u>27,365</u>    | <u>27,365</u>   | <u>24,328</u>   | <u>3,037</u>  |
| <i>Net Change in Fund Balance</i>        | (2,185)          | (2,185)         | (1,759)         | 426   |
| <i>Fund Balance at Beginning of Year</i> | <u>67,115</u>    | <u>67,115</u>   | <u>67,115</u>   | <u>0</u>  |
| <i>Fund Balance End of Year</i>          | <u>\$64,930</u>  | <u>\$64,930</u> | <u>\$65,356</u> | <u>\$426</u>  |

**City of Conneaut, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Police Levy Fund*  
*For the Year Ended December 31, 2019*

|                                       | Budgeted Amounts |                |                 | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|----------------|-----------------|---|
|                                       | Original         | Final          | Actual          |   |
| <b>Revenues</b>                       |                  |                |                 |   |
| Property Taxes                        | \$297,415        | \$297,415      | \$310,339       | \$12,924  |
| Intergovernmental                     | 41,570           | 41,570         | 42,970          | 1,400   |
| <i>Total Revenues</i>                 | <u>338,985</u>   | <u>338,985</u> | <u>353,309</u>  | <u>14,324</u>   |
| <b>Expenditures</b>                   |                  |                |                 |   |
| Current:                              |                  |                |                 |   |
| Security of Persons and Property:     |                  |                |                 |   |
| Police Levy                           |                  |                |                 |   |
| Personal Services                     | 301,000          | 305,561        | 305,561         | 0   |
| Capital Outlay                        | 46,000           | 59,779         | 59,779          | 0   |
| Other                                 | 7,000            | 6,260          | 6,259           | 1   |
| <i>Total Expenditures</i>             | <u>354,000</u>   | <u>371,600</u> | <u>371,599</u>  | <u>1</u>  |
| <i>Net Change in Fund Balance</i>     | (15,015)         | (32,615)       | (18,290)        | 14,325  |
| <i>Fund Balance Beginning of Year</i> | <u>32,648</u>    | <u>32,648</u>  | <u>32,648</u>   | <u>0</u>  |
| <i>Fund Balance End of Year</i>       | <u>\$17,633</u>  | <u>\$33</u>    | <u>\$14,358</u> | <u>\$14,325</u>   |

**City of Conneaut, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Fire Levy Fund*  
*For the Year Ended December 31, 2019*

|                                       | Budgeted Amounts      |                     |                        | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-----------------------|---------------------|------------------------|---|
|                                       | Original              | Final               | Actual                 |   |
| <b>Revenues</b>                       |                       |                     |                        |   |
| Property Taxes                        | \$255,400             | \$255,400           | \$262,538              | \$7,138   |
| Intergovernmental                     | 11,640                | 11,640              | 13,275                 | 1,635   |
| <i>Total Revenues</i>                 | <u>267,040</u>        | <u>267,040</u>      | <u>275,813</u>         | <u>8,773</u>  |
| <b>Expenditures</b>                   |                       |                     |                        |   |
| Current:                              |                       |                     |                        |   |
| Security of Persons and Property:     |                       |                     |                        |   |
| Fire Levy                             |                       |                     |                        |   |
| Personal Services                     | 265,000               | 272,000             | 271,322                | 678   |
| Other                                 | 6,000                 | 6,000               | 4,977                  | 1,023   |
| <i>Total Expenditures</i>             | <u>271,000</u>        | <u>278,000</u>      | <u>276,299</u>         | <u>1,701</u>  |
| <i>Net Change in Fund Balance</i>     | (3,960)               | (10,960)            | (486)                  | 10,474  |
| <i>Fund Balance Beginning of Year</i> | <u>11,345</u>         | <u>11,345</u>       | <u>11,345</u>          | <u>0</u>  |
| <i>Fund Balance End of Year</i>       | <u><u>\$7,385</u></u> | <u><u>\$385</u></u> | <u><u>\$10,859</u></u> | <u><u>\$10,474</u></u>                                  |

**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, 2019*

|                                       | Budgeted Amounts |                 |                 | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|-----------------|-----------------|---|
|                                       | Original         | Final           | Actual          |   |
| <b>Revenues</b>                       |                  |                 |                 |   |
| Fines and Forfeitures                 | \$900            | \$900           | \$555           | (\$345)   |
| Other                                 | 600              | 600             | 547             | (53)  |
| <i>Total Revenues</i>                 | 1,500            | 1,500           | 1,102           | (398)   |
| <b>Expenditures</b>                   | 0                | 0               | 0               | 0   |
| <i>Net Change in Fund Balance</i>     | 1,500            | 1,500           | 1,102           | (398)   |
| <i>Fund Balance Beginning of Year</i> | 24,524           | 24,524          | 24,524          | 0   |
| <i>Fund Balance End of Year</i>       | <u>\$26,024</u>  | <u>\$26,024</u> | <u>\$25,626</u> | <u>(\$398)</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, 2019*

|                                       | Budgeted Amounts |                |                | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|----------------|----------------|---|
|                                       | Original         | Final          | Actual         |   |
| <b>Revenues</b>                       |                  |                |                |   |
| Fines and Forfeitures                 | \$3,000          | \$3,000        | \$1,802        | (\$1,198)   |
| Interest                              | 0                | 0              | 98             | 98  |
| <i>Total Revenues</i>                 | 3,000            | 3,000          | 1,900          | (1,100)   |
| <b>Expenditures</b>                   |                  |                |                |   |
| Current:                              |                  |                |                |   |
| Security of Persons and Property:     |                  |                |                |   |
| Law Enforcement Trust:                |                  |                |                |   |
| Capital Outlay                        | 14,935           | 14,935         | 9,935          | 5,000   |
| <i>Net Change in Fund Balance</i>     | (11,935)         | (11,935)       | (8,035)        | 3,900   |
| <i>Fund Balance Beginning of Year</i> | 16,480           | 16,480         | 16,480         | 0   |
| <i>Fund Balance End of Year</i>       | <u>\$4,545</u>   | <u>\$4,545</u> | <u>\$8,445</u> | <u>\$3,900</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, 2019*

|                                       | Budgeted Amounts |                 |                 | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|-----------------|-----------------|---|
|                                       | Original         | Final           | Actual          |   |
| <b>Revenues</b>                       |                  |                 |                 |   |
| Fines and Forfeitures                 | \$100            | \$100           | \$8,273         | \$8,173   |
| <b>Expenditures</b>                   |                  |                 |                 |   |
|                                       | 0                | 0               | 0               | 0   |
| <i>Net Change in Fund Balance</i>     | 100              | 100             | 8,273           | 8,173   |
| <i>Fund Balance Beginning of Year</i> | 16,430           | 16,430          | 16,430          | 0   |
| <i>Fund Balance End of Year</i>       | <u>\$16,530</u>  | <u>\$16,530</u> | <u>\$24,703</u> | <u>\$8,173</u>  |



**City of Conneaut, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Police Levy II Fund*  
*For the Year Ended December 31, 2019*

|  | Budgeted Amounts |                  |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|------------------|------------------|---|
|  | Original         | Final            | Actual           |   |
| <b>Revenues</b>                        |                  |                  |                  |   |
| Property Taxes                         | \$501,097        | \$501,097        | \$525,077        | \$23,980  |
| Intergovernmental                      | 28,060           | 28,060           | 37,019           | 8,959   |
| <i>Total Revenues</i>                  | <u>529,157</u>   | <u>529,157</u>   | <u>562,096</u>   | <u>32,939</u>   |
| <b>Expenditures</b>                    |                  |                  |                  |   |
| Current:                               |                  |                  |                  |   |
| Security of Persons and Property:      |                  |                  |                  |   |
| Police Levy                            |                  |                  |                  |   |
| Personal Services                      | 517,100          | 523,100          | 438,544          | 84,556  |
| Other                                  | 10,500           | 10,500           | 9,953            | 547   |
| Total Security of Persons and Property | <u>527,600</u>   | <u>533,600</u>   | <u>448,497</u>   | <u>85,103</u>   |
| Debt Service:                          |                  |                  |                  |   |
| Principal Retirement                   | 50,000           | 44,000           | 23,567           | 20,433  |
| Interest and Fiscal Charges            | 5,000            | 5,000            | 498              | 4,502   |
| Total Debt Service                     | <u>55,000</u>    | <u>49,000</u>    | <u>24,065</u>    | <u>24,935</u>   |
| <i>Total Expenditures</i>              | <u>582,600</u>   | <u>582,600</u>   | <u>472,562</u>   | <u>110,038</u>  |
| <i>Net Change in Fund Balance</i>      | (53,443)         | (53,443)         | 89,534           | 142,977   |
| <i>Fund Balance Beginning of Year</i>  | <u>547,420</u>   | <u>547,420</u>   | <u>547,420</u>   | <u>0</u>  |
| <i>Fund Balance End of Year</i>        | <u>\$493,977</u> | <u>\$493,977</u> | <u>\$636,954</u> | <u>\$142,977</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, 2019*

|                                       | Budgeted Amounts |               |               | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|---------------|---------------|---|
|                                       | Original         | Final         | Actual        |   |
| <b>Revenues</b>                       |                  |               |               |   |
| Intergovernmental                     | \$17,500         | \$50,000      | \$13,124      | (\$36,876)  |
| <b>Expenditures</b>                   |                  |               |               |   |
| Current:                              |                  |               |               |   |
| Security of Persons and Property:     |                  |               |               |   |
| Drug Task Force                       |                  |               |               |   |
| Personal Services                     | 17,500           | 26,000        | 0             | 26,000  |
| Other                                 |                  | 24,000        | 13,124        | 10,876  |
| <i>Total Expenditures</i>             | <u>17,500</u>    | <u>50,000</u> | <u>13,124</u> | <u>36,876</u>   |
| <i>Net Change in Fund Balance</i>     | 0                | 0             | 0             | 0   |
| <i>Fund Balance Beginning of Year</i> | <u>0</u>         | <u>0</u>      | <u>0</u>      | <u>0</u>  |
| <i>Fund Balance End of Year</i>       | <u>\$0</u>       | <u>\$0</u>    | <u>\$0</u>    | <u>\$0</u>  |

**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, 2019*

|                                       | Budgeted Amounts |            |                | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|------------|----------------|---|
|                                       | Original         | Final      | Actual         |   |
| <b>Revenues</b>                       |                  |            |                |   |
| Municipal Income Taxes                | \$32,235         | \$32,235   | \$33,545       | \$1,310   |
| Fees, Licenses and Permits            | 160,000          | 160,000    | 164,372        | 4,372   |
| Other                                 | 1,700            | 1,700      | 0              | (1,700)   |
| <i>Total Revenues</i>                 | 193,935          | 193,935    | 197,917        | 3,982   |
| <b>Expenditures</b>                   |                  |            |                |   |
| Current:                              |                  |            |                |   |
| Basic Utility Services:               |                  |            |                |   |
| Street Lighting                       |                  |            |                |   |
| Purchased Services                    | 176,000          | 194,715    | 194,715        | 0   |
| <i>Net Change in Fund Balance</i>     | 17,935           | (780)      | 3,202          | 3,982   |
| <i>Fund Balance Beginning of Year</i> | 781              | 781        | 781            | 0   |
| <i>Fund Balance End of Year</i>       | <u>\$18,716</u>  | <u>\$1</u> | <u>\$3,983</u> | <u>\$3,982</u>  |

**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, 2019*

|                                       | Budgeted Amounts |         |          | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|---------|----------|---|
|                                       | Original         | Final   | Actual   |   |
| <b>Revenues</b>                       |                  |         |          |   |
| Intergovernmental                     | \$3,000          | \$3,000 | \$5,374  | \$2,374   |
| Interest                              | 40               | 40      | 158      | 118   |
| <i>Total Revenues</i>                 | 3,040            | 3,040   | 5,532    | 2,492   |
| <b>Expenditures</b>                   |                  |         |          |   |
| Current:                              |                  |         |          |   |
| Community Development:                |                  |         |          |   |
| Community Housing                     |                  |         |          |   |
| Capital Outlay                        | 5,000            | 5,000   | 0        | 5,000   |
| <i>Net Change in Fund Balance</i>     | (1,960)          | (1,960) | 5,532    | 7,492   |
| <i>Fund Balance Beginning of Year</i> | 8,446            | 8,446   | 8,446    | 0   |
| <i>Fund Balance End of Year</i>       | \$6,486          | \$6,486 | \$13,978 | \$7,492   |

**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, 2019*

|                                       | Budgeted Amounts |                 |                 | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|-----------------|-----------------|---|
|                                       | Original         | Final           | Actual          |   |
| <b>Revenues</b>                       |                  |                 |                 |   |
| Municipal Income Taxes                | \$31,167         | \$31,167        | \$28,612        | (\$2,555)   |
| Fees, Licenses and Permits            | 900              | 900             | 300             | (600)   |
| Rentals                               | 150              | 150             | 0               | (150)   |
| Contributions and Donations           | 7,800            | 7,800           | 8,005           | 205   |
| Other                                 | 200              | 200             | 134             | (66)  |
| <i>Total Revenues</i>                 | <u>40,217</u>    | <u>40,217</u>   | <u>37,051</u>   | <u>(3,166)</u>  |
| <b>Expenditures</b>                   |                  |                 |                 |   |
| Current:                              |                  |                 |                 |   |
| Leisure Time Activities:              |                  |                 |                 |   |
| Recreation                            |                  |                 |                 |   |
| Personal Services                     | 16,635           | 16,635          | 12,130          | 4,505   |
| Materials and Supplies                | 11,300           | 11,300          | 9,283           | 2,017   |
| Contractual Services                  | 270              | 270             | 0               | 270   |
| Purchased Services                    | 3,672            | 3,672           | 2,000           | 1,672   |
| Other                                 | 3,500            | 3,500           | 800             | 2,700   |
| Total Recreation                      | <u>35,377</u>    | <u>35,377</u>   | <u>24,213</u>   | <u>11,164</u>   |
| Parks                                 |                  |                 |                 |   |
| Personal Services                     | 17,050           | 17,050          | 6,619           | 10,431  |
| Materials and Supplies                | 5,506            | 5,506           | 3,434           | 2,072   |
| Contractual Services                  | 900              | 900             | 0               | 900   |
| Purchased Services                    | 11,200           | 11,200          | 8,028           | 3,172   |
| Capital Outlay                        | 8,000            | 28,000          | 24,250          | 3,750   |
| Total Parks                           | <u>42,656</u>    | <u>62,656</u>   | <u>42,331</u>   | <u>20,325</u>   |
| <i>Total Expenditures</i>             | <u>78,033</u>    | <u>98,033</u>   | <u>66,544</u>   | <u>31,489</u>   |
| <i>Net Change in Fund Balance</i>     | <u>(37,816)</u>  | <u>(57,816)</u> | <u>(29,493)</u> | <u>28,323</u>   |
| <i>Fund Balance Beginning of Year</i> | <u>105,925</u>   | <u>105,925</u>  | <u>105,925</u>  | <u>0</u>  |
| <i>Fund Balance End of Year</i>       | <u>\$68,109</u>  | <u>\$48,109</u> | <u>\$76,432</u> | <u>\$28,323</u>   |

**City of Conneaut, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Deposits on Fire Losses Fund*  
*For the Year Ended December 31, 2019*

|                                       | Budgeted Amounts |                 |                 | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|-----------------|-----------------|---|
|                                       | Original         | Final           | Actual          |   |
| <b>Revenues</b>                       |                  |                 |                 |   |
| Other                                 | \$50,000         | \$50,000        | 0               | (50,000)  |
| <b>Expenditures</b>                   |                  |                 |                 |   |
| Current:                              |                  |                 |                 |   |
| Security of Persons and Property:     |                  |                 |                 |   |
| Fire Losses                           |                  |                 |                 |   |
| Other                                 | 50,000           | 50,000          | 4,088           | 45,912  |
| <i>Net Change in Fund Balance</i>     | 0                | 0               | (4,088)         | (4,088)   |
| <i>Fund Balance Beginning of Year</i> | 43,436           | 43,436          | 43,436          | 0   |
| <i>Fund Balance End of Year</i>       | <u>\$43,436</u>  | <u>\$43,436</u> | <u>\$39,348</u> | <u>(\$4,088)</u>  |

**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, 2019*

|  | Budgeted Amounts      |                       |                       | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-----------------------|-----------------------|-----------------------|---|
|  | Original              | Final                 | Actual                |   |
| <b>Revenues</b>                              |                       |                       |                       |   |
| Property Taxes                               | \$140,125             | \$140,125             | \$145,824             | \$5,699   |
| Intergovernmental                            | 20,120                | 20,120                | 20,759                | 639   |
| <i>Total Revenues</i>                        | <u>160,245</u>        | <u>160,245</u>        | <u>166,583</u>        | <u>6,338</u>  |
| <b>Expenditures</b>                          |                       |                       |                       |   |
| Current:                                     |                       |                       |                       |   |
| Security of Persons and Property:            |                       |                       |                       |   |
| Police Pension                               |                       |                       |                       |   |
| Personal Services                            | 195,000               | 195,000               | 189,113               | 5,887   |
| Other  | 3,800                 | 3,800                 | 2,957                 | 843   |
| <i>Total Expenditures</i>                    | <u>198,800</u>        | <u>198,800</u>        | <u>192,070</u>        | <u>6,730</u>  |
| <i>Excess of Revenues Under Expenditures</i> | <u>(38,555)</u>       | <u>(38,555)</u>       | <u>(25,487)</u>       | <u>13,068</u>   |
| <b>Other Financing Sources</b>               |                       |                       |                       |   |
| Transfers In                                 | 40,000                | 40,000                | 25,000                | (15,000)  |
| <i>Net Change in Fund Balance</i>            | <u>1,445</u>          | <u>1,445</u>          | <u>(487)</u>          | <u>(1,932)</u>  |
| <i>Fund Balance Beginning of Year</i>        | <u>6,187</u>          | <u>6,187</u>          | <u>6,187</u>          | <u>0</u>  |
| <i>Fund Balance End of Year</i>              | <u><u>\$7,632</u></u> | <u><u>\$7,632</u></u> | <u><u>\$5,700</u></u> | <u><u>(\$1,932)</u></u>                                 |

**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, 2019*

|  | Budgeted Amounts      |                       |                       | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-----------------------|-----------------------|-----------------------|---|
|  | Original              | Final                 | Actual                |   |
| <b>Revenues</b>                              |                       |                       |                       |   |
| Property Taxes                               | \$116,100             | \$116,100             | \$118,280             | \$2,180   |
| Intergovernmental                            | 16,300                | 16,300                | 16,838                | 538   |
| <i>Total Revenues</i>                        | <u>132,400</u>        | <u>132,400</u>        | <u>135,118</u>        | <u>2,718</u>  |
| <b>Expenditures</b>                          |                       |                       |                       |   |
| Current:                                     |                       |                       |                       |   |
| Security of Persons and Property:            |                       |                       |                       |   |
| Fire Pension                                 |                       |                       |                       |   |
| Personal Services                            | 161,500               | 161,500               | 159,855               | 1,645   |
| Other  | 2,800                 | 2,800                 | 2,399                 | 401   |
| <i>Total Expenditures</i>                    | <u>164,300</u>        | <u>164,300</u>        | <u>162,254</u>        | <u>2,046</u>  |
| <i>Excess of Revenues Under Expenditures</i> | (31,900)              | (31,900)              | (27,136)              | 4,764   |
| <b>Other Financing Sources</b>               |                       |                       |                       |   |
| Transfers In                                 | 30,000                | 30,000                | 24,000                | (6,000)   |
| <i>Net Change in Fund Balance</i>            | (1,900)               | (1,900)               | (3,136)               | (1,236)   |
| <i>Fund Balance Beginning of Year</i>        | <u>10,075</u>         | <u>10,075</u>         | <u>10,075</u>         | <u>0</u>  |
| <i>Fund Balance End of Year</i>              | <u><u>\$8,175</u></u> | <u><u>\$8,175</u></u> | <u><u>\$6,939</u></u> | <u><u>(\$1,236)</u></u>                                 |



**City of Conneaut, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Special Assessment Bond Retirement Fund*  
*For the Year Ended December 31, 2019*

|  | Budgeted Amounts |                 |                | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|-----------------|----------------|---|
|  | Original         | Final           | Actual         |   |
| <b>Revenues</b>                              |                  |                 |                |   |
| Special Assessments                          | \$46,000         | \$46,000        | \$47,108       | \$1,108   |
| <b>Expenditures</b>                          |                  |                 |                |   |
| Current:                                     |                  |                 |                |   |
| General Government:                          |                  |                 |                |   |
| Special Assessment Bond Retirement           |                  |                 |                |   |
| Other  | 4,000            | 4,000           | 1,700          | 2,300   |
| Debt Service:                                |                  |                 |                |   |
| Principal Retirement                         | 44,045           | 44,045          | 44,042         | 3   |
| Interest and Fiscal Charges                  | 2,760            | 2,760           | 2,362          | 398   |
| Total Debt Service                           | 46,805           | 46,805          | 46,404         | 401   |
| <i>Total Expenditures</i>                    | <i>50,805</i>    | <i>50,805</i>   | <i>48,104</i>  | <i>2,701</i>  |
| <i>Excess of Revenues Under Expenditures</i> | <i>(4,805)</i>   | <i>(4,805)</i>  | <i>(996)</i>   | <i>3,809</i>  |
| <b>Other Financing Sources</b>               |                  |                 |                |   |
| Advances In                                  | 25,000           | 25,000          | 0              | (25,000)  |
| <i>Net Change in Fund Balance</i>            | <i>20,195</i>    | <i>20,195</i>   | <i>(996)</i>   | <i>(21,191)</i>   |
| <i>Fund Balance Beginning of Year</i>        | <i>6,075</i>     | <i>6,075</i>    | <i>6,075</i>   | <i>0</i>  |
| <i>Fund Balance End of Year</i>              | <i>\$26,270</i>  | <i>\$26,270</i> | <i>\$5,079</i> | <i>(\$21,191)</i>                                       |

**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, 2019*

|                                       | Budgeted Amounts |                  |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|------------------|------------------|---|
|                                       | Original         | Final            | Actual           |   |
| <b>Revenues</b>                       |                  |                  |                  |   |
| Fines and Forfeitures                 | \$102,800        | \$102,800        | \$74,870         | (\$27,930)  |
| <b>Expenditures</b>                   |                  |                  |                  |   |
| Capital Outlay:                       |                  |                  |                  |   |
| Municipal Court Improvement           |                  |                  |                  |   |
| Capital Outlay                        | 141,961          | 168,961          | 106,737          | 62,224  |
| <i>Net Change in Fund Balance</i>     | (39,161)         | (66,161)         | (31,867)         | 34,294  |
| <i>Fund Balance Beginning of Year</i> | 353,307          | 353,307          | 353,307          | 0   |
| Prior Year Encumbrances Appropriated  | 865              | 865              | 865              | 0   |
| <i>Fund Balance End of Year</i>       | <u>\$315,011</u> | <u>\$288,011</u> | <u>\$322,305</u> | <u>\$34,294</u>   |

**City of Conneaut, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Bureau of Workers' Compensation Grant Fund*  
*For the Year Ended December 31, 2019*

|                                       | Budgeted Amounts |          |          | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|----------|----------|---|
|                                       | Original         | Final    | Actual   |   |
| <b>Revenues</b>                       |                  |          |          |   |
| Intergovernmental                     | \$13,022         | \$13,022 | \$13,022 | \$0   |
| <b>Expenditures</b>                   |                  |          |          |   |
| Capital Outlay:                       |                  |          |          |   |
| Fire Safety Equipment Grant           |                  |          |          |   |
| Capital Outlay                        | 13,022           | 13,022   | 13,022   | 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 Natureworks Grant Fund*  
*For the Year Ended December 31, 2019*

|   | Budgeted Amounts |            |            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------|------------|------------|---|
|   | Original         | Final      | Actual     |   |
| <b>Revenues</b>                             |                  |            |            |   |
| Intergovernmental                           | \$24,919         | \$24,919   | \$24,919   | \$0   |
| <b>Expenditures</b>                         | 0                | 0          | 0          | 0   |
| <i>Excess of Revenues Over Expenditures</i> | 24,919           | 24,919     | 24,919     | 0   |
| <b>Other Financing Uses</b>                 |                  |            |            |   |
| Advances Out                                | (24,919)         | (24,919)   | (24,919)   | 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>             | <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*  
*Office of Justice Grant Fund*  
*For the Year Ended December 31, 2019*

|                                       | Budgeted Amounts |          |         | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|----------|---------|---|
|                                       | Original         | Final    | Actual  |   |
| <b>Revenues</b>                       |                  |          |         |   |
| Intergovernmental                     | \$10,000         | \$10,000 | \$2,197 | (\$7,803)   |
| <b>Expenditures</b>                   |                  |          |         |   |
| Capital Outlay:                       |                  |          |         |   |
| OCJS Technology Replacement Grant     |                  |          |         |   |
| Capital Outlay                        | 10,000           | 10,000   | 2,197   | 7,803   |
| <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*  
*Capital Improvement Fund*  
*For the Year Ended December 31, 2019*

|                                       | Budgeted Amounts |          |          | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|----------|----------|---|
|                                       | Original         | Final    | Actual   |   |
| <b>Revenues</b>                       |                  |          |          |   |
| Municipal Income Taxes                | \$49,590         | \$49,590 | \$51,962 | \$2,372   |
| <b>Expenditures</b>                   |                  |          |          |   |
| Capital Outlay:                       |                  |          |          |   |
| Capital Improvement                   |                  |          |          |   |
| Capital Outlay                        | 20,000           | 30,000   | 29,137   | 863   |
| Debt Service:                         |                  |          |          |   |
| Principal Retirement                  | 15,333           | 15,336   | 15,336   | 0   |
| Interest and Fiscal Charges           | 482              | 479      | 478      | 1   |
| Total Debt Service                    | 15,815           | 15,815   | 15,814   | 1   |
| <i>Total Expenditures</i>             | 35,815           | 45,815   | 44,951   | 864   |
| <i>Net Change in Fund Balance</i>     | 13,775           | 3,775    | 7,011    | 3,236   |
| <i>Fund Balance Beginning of Year</i> | 59,406           | 59,406   | 59,406   | 0   |
| <i>Fund Balance End of Year</i>       | \$73,181         | \$63,181 | \$66,417 | \$3,236   |

**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, 2019*

|                                       | Budgeted Amounts |          |          | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|----------|----------|---|
|                                       | Original         | Final    | Actual   |   |
| <b>Revenues</b>                       |                  |          |          |   |
| Intergovernmental                     | \$42,000         | \$81,000 | \$40,972 | (\$40,028)  |
| <b>Expenditures</b>                   |                  |          |          |   |
| Capital Outlay:                       |                  |          |          |   |
| Rural Industrial Park                 |                  |          |          |   |
| Capital Outlay                        | 42,000           | 81,000   | 40,972   | 40,028  |
| <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. |                         |

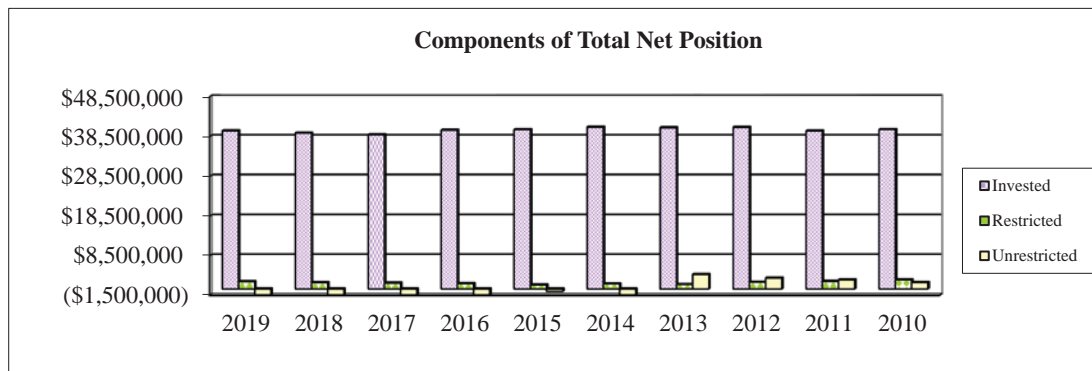
**Sources:** Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

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

|  | 2019                | 2018 (2)            | 2017                | 2016                |
|--|---------------------|---------------------|---------------------|---------------------|
| <b>Governmental Activities</b>                     |                     |                     |                     |                     |
| Net Investment in Capital Assets                   | \$23,758,469        | \$23,893,913        | \$24,342,868        | \$25,201,005        |
| Restricted:  |                     |                     |                     |                     |
| Capital Projects                                   | 350,247             | 266,923             | 167,262             | 148,285             |
| Debt Service                                       | 0                   | 0                   | 0                   | 9,204               |
| Street Construction, Maintenance and Repair        | 464,941             | 377,934             | 413,941             | 494,648             |
| Police and Fire Operations                         | 823,205             | 733,662             | 736,057             | 520,364             |
| Drug and Alcohol Enforcement                       | 78,289              | 74,354              | 69,761              | 64,271              |
| Cemetery Operations                                | 63,255              | 64,073              | 52,271              | 52,507              |
| Community Housing                                  | 0                   | 0                   | 0                   | 0                   |
| Economic Development                               | 23,707              | 19,712              | 10,436              | 46,956              |
| USEPA  | 0                   | 0                   | 0                   | 0                   |
| Other Purposes                                     | 80,855              | 71,603              | 53,926              | 47,501              |
| Unrestricted (Deficit)                             | (8,184,475)         | (10,617,413)        | (9,341,123)         | (3,932,829)         |
| <b>Total Governmental Activities Net Position</b>  | <b>17,458,493</b>   | <b>14,884,761</b>   | <b>16,505,399</b>   | <b>22,651,912</b>   |
| <b>Business-Type - Activities</b>                  |                     |                     |                     |                     |
| Net Investment in Capital Assets                   | 16,134,759          | 15,419,190          | 14,549,006          | 14,833,885          |
| Unrestricted                                       | 488,414             | 1,285,859           | 1,860,325           | 2,058,500           |
| <b>Total Business-Type Activities Net Position</b> | <b>16,623,173</b>   | <b>16,705,049</b>   | <b>16,409,331</b>   | <b>16,892,385</b>   |
| <b>Primary Government</b>                          |                     |                     |                     |                     |
| Net Investment in Capital Assets                   | 39,893,228          | 39,313,103          | 38,891,874          | 40,034,890          |
| Restricted   | 1,884,499           | 1,608,261           | 1,503,654           | 1,383,736           |
| Unrestricted                                       | (7,696,061)         | (9,331,554)         | (7,480,798)         | (1,874,329)         |
| <b>Total Primary Government Net Position</b>       | <b>\$34,081,666</b> | <b>\$31,589,810</b> | <b>\$32,914,730</b> | <b>\$39,544,297</b> |

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

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



| 2015 (1)     | 2014         | 2013         | 2012         | 2011         | 2010         |
|--------------|--------------|--------------|--------------|--------------|--------------|
| \$26,060,414 | \$26,506,355 | \$26,751,490 | \$27,886,020 | \$27,936,348 | \$28,696,100 |
| 0            | 17,713       | 84,680       | 791,699      | 625,348      | 616,736      |
| 0            | 0            | 0            | 0            | 0            | 576,190      |
| 605,531      | 768,474      | 575,566      | 347,209      | 241,401      | 342,702      |
| 218,313      | 296,491      | 270,622      | 220,558      | 0            | 0            |
| 68,248       | 76,755       | 69,654       | 62,277       | 0            | 0            |
| 59,495       | 49,172       | 52,533       | 45,156       | 0            | 0            |
| 0            | 0            | 0            | 0            | 0            | 4,778        |
| 23,647       | 55,086       | 0            | 72,220       | 223,944      | 223,752      |
| 0            | 0            | 0            | 0            | 60,223       | 184,960      |
| 48,683       | 46,645       | 72,817       | 197,930      | 803,024      | 395,117      |
| (2,507,776)  | (2,863,943)  | 2,101,712    | 1,288,417    | 1,134,968    | 400,613      |
| 24,576,555   | 24,952,748   | 29,979,074   | 30,911,486   | 31,025,256   | 31,440,948   |
| 14,125,413   | 14,298,798   | 13,880,043   | 12,848,459   | 11,935,329   | 11,515,121   |
| 1,931,779    | 1,089,207    | 1,580,056    | 1,452,234    | 1,191,639    | 1,243,770    |
| 16,057,192   | 15,388,005   | 15,460,099   | 14,300,693   | 13,126,968   | 12,758,891   |
| 40,185,827   | 40,805,153   | 40,631,533   | 40,734,479   | 39,871,677   | 40,211,221   |
| 1,023,917    | 1,310,336    | 1,125,872    | 1,737,049    | 1,953,940    | 2,344,235    |
| (575,997)    | (1,774,736)  | 3,681,768    | 2,740,651    | 2,326,607    | 1,644,383    |
| \$40,633,747 | \$40,340,753 | \$45,439,173 | \$45,212,179 | \$44,152,224 | \$44,199,839 |

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

|   | 2019               | 2018 (2)           | 2017               | 2016               |
|---|--------------------|--------------------|--------------------|--------------------|
| <b>Program Revenues</b>                       |                    |                    |                    |                    |
| Governmental Activities:                      |                    |                    |                    |                    |
| Charges for Services and Assessments:         |                    |                    |                    |                    |
| General Government                            | \$295,566          | \$336,197          | \$332,884          | \$150,111          |
| Security of Persons and Property              | 395,419            | 427,336            | 399,930            | 191,510            |
| Public Health Services                        | 2,909              | 37,927             | 36,581             | 15,264             |
| Leisure Time Activities                       | 11,392             | 16,189             | 13,906             | 51,692             |
| Community Development                         | 38,323             | 74,660             | 62,113             | 50,346             |
| Basic Utility Services                        | 164,372            | 161,149            | 157,202            | 129,363            |
| Transportation                                | 340,891            | 42,094             | 111,935            | 93,937             |
| Subtotal - Charges for Services               | <u>1,248,872</u>   | <u>1,095,552</u>   | <u>1,114,551</u>   | <u>682,223</u>     |
| Operating Grants and Contributions:           |                    |                    |                    |                    |
| General Government                            | 0                  | 0                  | 0                  | 15,252             |
| Security of Persons and Property              | 143,610            | 121,002            | 184,347            | 109,401            |
| Public Health Services                        | 0                  | 3,775              | 6,124              | 0                  |
| Leisure Time Activities                       | 10,940             | 29,670             | 43,598             | 31,052             |
| Community Development                         | 14,374             | 47,273             | 27,400             | 14,414             |
| Transportation                                | 720,590            | 607,588            | 512,243            | 531,166            |
| Subtotal - Operating Grants and Contributions | <u>889,514</u>     | <u>809,308</u>     | <u>773,712</u>     | <u>701,285</u>     |
| Capital Grants and Assessments:               |                    |                    |                    |                    |
| General Government                            | 0                  | 0                  | 0                  | 0                  |
| Security of Persons and Property              | 15,219             | 0                  | 2,093              | 10,071             |
| Leisure Time Activities                       | 0                  | 6,719              | 18,200             | 0                  |
| Community Development                         | 40,972             | 0                  | 0                  | 0                  |
| Transportation                                | 783,726            | 24,621             | 0                  | 0                  |
| Subtotal - Capital Grants and Assessments     | <u>839,917</u>     | <u>31,340</u>      | <u>20,293</u>      | <u>10,071</u>      |
| <i>Total Governmental Activities</i>          |                    |                    |                    |                    |
| <i>Program Revenues</i>                       | <u>2,978,303</u>   | <u>1,936,200</u>   | <u>1,908,556</u>   | <u>1,393,579</u>   |
| Business-Type Activities:                     |                    |                    |                    |                    |
| Charges for Services:                         |                    |                    |                    |                    |
| Water   | 2,337,153          | 2,353,501          | 2,333,830          | 2,274,899          |
| Sewer   | 2,375,526          | 2,399,516          | 2,422,437          | 2,398,051          |
| Capital Grants and Assessments                |                    |                    |                    |                    |
| Water   | 30,059             | 111,853            | 125,000            | 50,233             |
| Sewer   | <u>0</u>           | <u>193,399</u>     | <u>326,417</u>     | <u>26,764</u>      |
| <i>Total Business-Type Activities</i>         |                    |                    |                    |                    |
| <i>Program Revenues</i>                       | <u>4,742,738</u>   | <u>5,058,269</u>   | <u>5,207,684</u>   | <u>4,749,947</u>   |
| <i>Total Primary Government</i>               |                    |                    |                    |                    |
| <i>Program Revenues</i>                       | <u>\$7,721,041</u> | <u>\$6,994,469</u> | <u>\$7,116,240</u> | <u>\$6,143,526</u> |

| 2015 (1)    | 2014        | 2013        | 2012        | 2011        | 2010        |
|-------------|-------------|-------------|-------------|-------------|-------------|
| \$352,705   | \$359,075   | \$342,133   | \$318,582   | \$348,583   | \$302,039   |
| 474,037     | 453,367     | 495,024     | 428,794     | 556,754     | 457,176     |
| 36,955      | 37,215      | 41,973      | 39,160      | 58,426      | 64,244      |
| 43,425      | 45,825      | 43,477      | 42,852      | 46,378      | 52,911      |
| 61,928      | 54,221      | 65,248      | 56,373      | 54,225      | 65,170      |
| 127,334     | 123,698     | 123,056     | 124,708     | 124,473     | 125,004     |
| 24,618      | 91,847      | 138,364     | 52,031      | 53,406      | 58,621      |
| 1,121,002   | 1,165,248   | 1,249,275   | 1,062,500   | 1,242,245   | 1,125,165   |
| 0           | 0           | 0           | 0           | 0           | 0           |
| 156,610     | 123,178     | 126,853     | 85,931      | 156,429     | 175,617     |
| 0           | 0           | 0           | 0           | 0           | 44,121      |
| 3,364       | 3,287       | 3,600       | 4,946       | 302,750     | 1,940       |
| 209,277     | 317,792     | 272,528     | 102,036     | 255,725     | 219,613     |
| 595,399     | 521,060     | 307,256     | 615,517     | 626,342     | 361,059     |
| 964,650     | 965,317     | 710,237     | 808,430     | 1,341,246   | 802,350     |
| 107,000     | 48,351      | 55,455      | 55,455      | 23,750      | 0           |
| 41,491      | 0           | 3,800       | 4,000       | 0           | 0           |
| 0           | 0           | 0           | 0           | 0           | 0           |
| 0           | 0           | 6,000       | 431,453     | 179,640     | 0           |
| 311,480     | 102,866     | 115,180     | 89,492      | 25,283      | 24,626      |
| 459,971     | 151,217     | 180,435     | 580,400     | 228,673     | 24,626      |
| 2,545,623   | 2,281,782   | 2,139,947   | 2,451,330   | 2,812,164   | 1,952,141   |
| 2,244,357   | 2,234,837   | 2,164,625   | 2,126,057   | 2,063,031   | 2,116,230   |
| 2,404,611   | 2,381,691   | 2,299,651   | 2,247,383   | 2,383,343   | 2,408,925   |
| 14,268      | 360         | 411,285     | 64,346      | 0           | 91,414      |
| 23,364      | 256,461     | 133,803     | 235,283     | 67,973      | 112,476     |
| 4,686,600   | 4,873,349   | 5,009,364   | 4,673,069   | 4,514,347   | 4,729,045   |
| \$7,232,223 | \$7,155,131 | \$7,149,311 | \$7,124,399 | \$7,326,511 | \$6,681,186 |

(continued)

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

|  | 2019 (3)                    | 2018 (3)                    | 2017                        | 2016                        |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>Expenses</b>                                  |                             |                             |                             |                             |
| Governmental Activities:                         |                             |                             |                             |                             |
| General Government                               | \$1,813,569                 | \$1,735,723                 | \$1,623,407                 | \$1,574,431                 |
| Security of Persons and Property                 | 1,714,741                   | 4,772,997                   | 4,219,555                   | 4,386,740                   |
| Public Health Services                           | 181,513                     | 232,483                     | 218,089                     | 202,382                     |
| Leisure Time Activities                          | 161,214                     | 130,195                     | 145,635                     | 114,558                     |
| Community Development                            | 185,934                     | 181,611                     | 261,048                     | 139,890                     |
| Basic Utility Services                           | 199,418                     | 204,919                     | 200,724                     | 162,842                     |
| Transportation                                   | 2,900,301                   | 2,247,526                   | 2,680,196                   | 2,391,079                   |
| Interest and Fiscal Charges                      | 50,707                      | 56,681                      | 70,393                      | 78,960                      |
| <i>Total Governmental Activities Expenses</i>    | <u>7,207,397</u>            | <u>9,562,135</u>            | <u>9,419,047</u>            | <u>9,050,882</u>            |
| Business-Type Activities                         |                             |                             |                             |                             |
| Water  | 2,210,030                   | 2,368,947                   | 2,564,360                   | 2,009,333                   |
| Sewer  | 2,702,728                   | 2,437,995                   | 2,458,780                   | 1,920,961                   |
| <i>Total Business-Type Activities Expenses</i>   | <u>4,912,758</u>            | <u>4,806,942</u>            | <u>5,023,140</u>            | <u>3,930,294</u>            |
| <i>Total Primary Government Program Expenses</i> | <u>12,120,155</u>           | <u>14,369,077</u>           | <u>14,442,187</u>           | <u>12,981,176</u>           |
| <b>Net (Expense)/Revenue</b>                     |                             |                             |                             |                             |
| Governmental Activities                          | (4,229,094)                 | (7,625,935)                 | (7,510,491)                 | (7,657,303)                 |
| Business-Type Activities                         | <u>(170,020)</u>            | <u>251,327</u>              | <u>184,544</u>              | <u>819,653</u>              |
| <i>Total Primary Government Net Expense</i>      | <u><u>(\$4,399,114)</u></u> | <u><u>(\$7,374,608)</u></u> | <u><u>(\$7,325,947)</u></u> | <u><u>(\$6,837,650)</u></u> |



| 2015 (2)      | 2014          | 2013          | 2012          | 2011          | 2010          |
|---------------|---------------|---------------|---------------|---------------|---------------|
| \$1,586,680   | \$1,292,248   | \$1,228,286   | \$1,184,781   | \$1,424,515   | \$1,226,765   |
| 3,634,530     | 3,322,801     | 3,275,647     | 3,061,292     | 3,043,520     | 3,362,411     |
| 185,703       | 176,534       | 177,336       | 190,035       | 211,538       | 312,558       |
| 122,354       | 121,622       | 124,444       | 125,943       | 141,303       | 136,287       |
| 156,956       | 362,079       | 463,946       | 376,556       | 513,096       | 310,981       |
| 348,553       | 159,031       | 157,911       | 141,999       | 155,121       | 109,837       |
| 2,455,888     | 2,544,047     | 2,492,999     | 1,812,092     | 2,628,167     | 2,321,555     |
| 89,634        | 78,000        | 84,250        | 80,138        | 111,373       | 132,375       |
| 8,580,298     | 8,056,362     | 8,004,819     | 6,972,836     | 8,228,633     | 7,912,769     |
| 2,149,651     | 2,276,702     | 1,959,425     | 2,069,126     | 2,183,135     | 1,576,246     |
| 1,900,079     | 1,846,843     | 2,069,309     | 1,926,287     | 1,982,892     | 1,959,232     |
| 4,049,730     | 4,123,545     | 4,028,734     | 3,995,413     | 4,166,027     | 3,535,478     |
| 12,630,028    | 12,179,907    | 12,033,553    | 10,968,249    | 12,394,660    | 11,448,247    |
| (6,034,675)   | (5,774,580)   | (5,864,872)   | (4,521,506)   | (5,416,469)   | (5,960,628)   |
| 636,870       | 749,804       | 980,630       | 677,656       | 348,320       | 1,193,567     |
| (\$5,397,805) | (\$5,024,776) | (\$4,884,242) | (\$3,843,850) | (\$5,068,149) | (\$4,767,061) |

(continued)

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

|  | 2019 (3)           | 2018 (3)             | 2017               | 2016                 |
|--|--------------------|----------------------|--------------------|----------------------|
| <b>General Revenues and Other Changes in Net Position</b>                          |                    |                      |                    |                      |
| Governmental Activities  |                    |                      |                    |                      |
| Taxes:   |                    |                      |                    |                      |
| Property Taxes Levied For:   |                    |                      |                    |                      |
| General Purposes   | \$326,498          | \$309,057            | \$319,487          | \$311,464            |
| Debt Service   | 0                  | 0                    | 26                 | 85,082               |
| Capital Outlay   | 485,056            | 457,588              | 492,228            | 444,849              |
| Other Purposes   | 1,372,660          | 1,294,704            | 1,392,266          | 1,370,348            |
| Municipal Income Taxes levied for:   |                    |                      |                    |                      |
| General Purposes   | 2,619,713          | 2,386,131            | 2,528,319          | 2,122,639            |
| Capital Outlay   | 52,572             | 47,895               | 50,738             | 42,617               |
| Street Construction,   |                    |                      |                    |                      |
| Maintenance and Repair   | 592,288            | 539,489              | 571,624            | 479,927              |
| Other Purposes   | 62,889             | 57,281               | 60,698             | 50,953               |
| Hotel Taxes  | 42,681             | 28,137               | 22,877             | 24,138               |
| Grants and Entitlements not Restricted   |                    |                      |                    |                      |
| to Specific Programs   | 569,256            | 389,868              | 418,681            | 416,296              |
| Franchise Taxes  | 159,801            | 168,471              | 145,056            | 164,729              |
| Unrestricted Contributions   | 11,774             | 6,639                | 24,650             | 17,873               |
| Investment Earnings  | 103,155            | 95,672               | 49,920             | 24,033               |
| Gain on Sale of Capital Assets   | 0                  | 0                    | 0                  | 0                    |
| Miscellaneous  | 113,928            | 215,070              | 162,255            | 180,212              |
| Special Item - Transfer of   |                    |                      |                    |                      |
| Health Department Operations (3)   | 293,055            | 0                    | 0                  | 0                    |
| Transfers  | (2,500)            | 9,295                | (2,500)            | (2,500)              |
| <i>Total Governmental Activities</i>   | <u>6,802,826</u>   | <u>6,005,297</u>     | <u>6,236,325</u>   | <u>5,732,660</u>     |
| Business-Type Activities   |                    |                      |                    |                      |
| Gain on Sale of Capital Assets   | 0                  | 0                    | 120,470            | 0                    |
| Miscellaneous  | 85,644             | 53,686               | 48,574             | 13,040               |
| Transfers  | 2,500              | (9,295)              | 2,500              | 2,500                |
| <i>Total Business-Type Activities</i>  | <u>88,144</u>      | <u>44,391</u>        | <u>171,544</u>     | <u>15,540</u>        |
| <i>Total Primary Government General Revenues and Other Changes in Net Position</i> | <u>6,890,970</u>   | <u>6,049,688</u>     | <u>6,407,869</u>   | <u>5,748,200</u>     |
| <b>Change in Net Position</b>  |                    |                      |                    |                      |
| Governmental Activities  | 2,573,732          | (1,620,638)          | (1,274,166)        | (1,924,643)          |
| Business-Type Activities   | (81,876)           | 295,718              | 356,088            | 835,193              |
| <i>Total Primary Government Change in Net Position</i>                             | <u>\$2,491,856</u> | <u>(\$1,324,920)</u> | <u>(\$918,078)</u> | <u>(\$1,089,450)</u> |

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

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

(3) Effective January 1, 2019, the City transferred the operations of their Health Department to the City of Conneaut Board of Health.

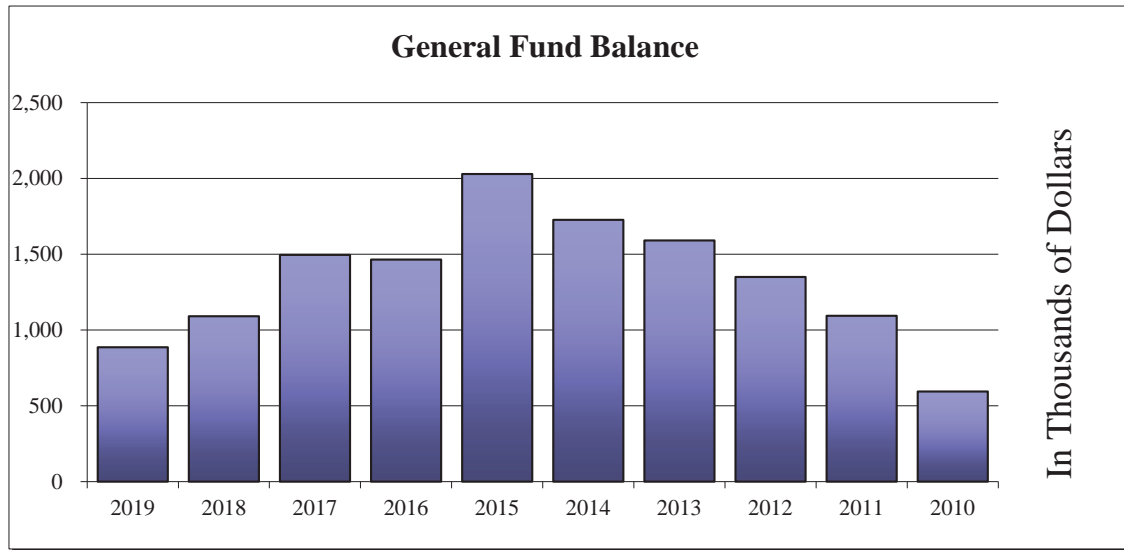
| 2015 (2)  | 2014      | 2013      | 2012        | 2011       | 2010        |
|-----------|-----------|-----------|-------------|------------|-------------|
| \$316,065 | \$365,055 | \$357,968 | \$303,604   | \$355,721  | \$345,426   |
| 85,313    | 84,961    | 99,499    | 94,984      | 146,123    | 198,163     |
| 473,019   | 563,092   | 0         | 0           | 0          | 0           |
| 722,423   | 710,714   | 694,993   | 589,108     | 756,686    | 626,793     |
| 2,589,415 | 2,337,586 | 2,305,411 | 2,243,409   | 2,028,347  | 1,913,724   |
| 51,963    | 61,935    | 42,449    | 303,620     | 274,515    | 258,999     |
| 585,435   | 528,499   | 521,201   | 506,860     | 458,270    | 133,594     |
| 62,164    | 56,118    | 55,323    | 53,766      | 48,613     | 45,862      |
| 20,392    | 21,381    | 20,655    | 20,477      | 18,744     | 15,925      |
| 479,906   | 409,787   | 658,227   | 480,529     | 675,631    | 897,681     |
| 133,313   | 139,189   | 145,370   | 145,880     | 130,915    | 125,997     |
| 19,609    | 17,098    | 23,085    | 22,173      | 0          | 0           |
| 6,819     | 5,253     | 5,101     | 3,716       | 2,935      | 4,071       |
| 18,582    | 0         | 0         | 0           | 20,056     | 0           |
| 95,314    | 174,638   | 141,150   | 77,092      | 84,221     | 62,040      |
| 0         | 0         | 0         | 0           | 0          | 0           |
| (1,250)   | 296,789   | (137,972) | (437,482)   | 0          | 0           |
| 5,658,482 | 5,772,095 | 4,932,460 | 4,407,736   | 5,000,777  | 4,628,275   |
| 0         | 0         | 0         | 0           | 4,768      | 0           |
| 31,067    | 39,405    | 40,804    | 58,587      | 14,989     | 8,952       |
| 1,250     | (296,789) | 137,972   | 437,482     | 0          | 0           |
| 32,317    | (257,384) | 178,776   | 496,069     | 19,757     | 8,952       |
| 5,690,799 | 5,514,711 | 5,111,236 | 4,903,805   | 5,020,534  | 4,637,227   |
| (376,193) | (2,485)   | (932,412) | (113,770)   | (415,692)  | (1,332,353) |
| 669,187   | 492,420   | 1,159,406 | 1,173,725   | 368,077    | 1,202,519   |
| \$292,994 | \$489,935 | \$226,994 | \$1,059,955 | (\$47,615) | (\$129,834) |

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

|   | 2019               | 2018               | 2017               | 2016               |
|---|--------------------|--------------------|--------------------|--------------------|
| <b>General Fund</b>                       |                    |                    |                    |                    |
| Nondisposable                             | \$43,846           | \$34,876           | \$43,821           | \$27,140           |
| Assigned                                  | 369,229            | 637,520            | 661,488            | 886,245            |
| Unassigned                                | 473,253            | 418,490            | 790,303            | 551,341            |
| Reserved                                  | n/a                | n/a                | n/a                | n/a                |
| Unreserved                                | n/a                | n/a                | n/a                | n/a                |
| <b>Total General Fund</b>                 | <b>886,328</b>     | <b>1,090,886</b>   | <b>1,495,612</b>   | <b>1,464,726</b>   |
| <b>All Other Governmental Funds</b>       |                    |                    |                    |                    |
| Nondisposable                             | 91,042             | 65,282             | 56,228             | 49,479             |
| Restricted                                | 1,520,847          | 1,379,612          | 1,324,704          | 1,410,639          |
| Committed                                 | 160,354            | 170,366            | 143,904            | 120,361            |
| Unassigned (Deficit)                      | (164,568)          | (145,102)          | (139,151)          | (105,918)          |
| 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                    | n/a                | n/a                | n/a                | n/a                |
| <b>Total All Other Governmental Funds</b> | <b>1,607,675</b>   | <b>1,470,158</b>   | <b>1,385,685</b>   | <b>1,474,561</b>   |
| <b>Total Governmental Funds</b>           | <b>\$2,494,003</b> | <b>\$2,561,044</b> | <b>\$2,881,297</b> | <b>\$2,939,287</b> |

Note: The City implemented GASB 54 during 2011.

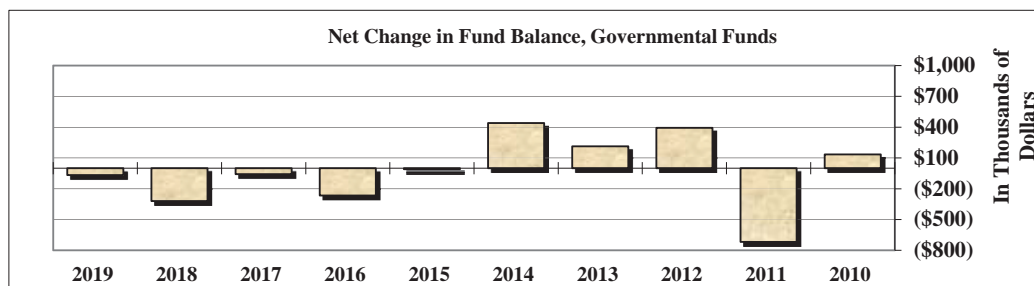
n/a - Information not available.



| 2015        | 2014        | 2013        | 2012        | 2011        | 2010        |
|-------------|-------------|-------------|-------------|-------------|-------------|
| \$33,281    | \$47,130    | \$43,139    | \$40,845    | \$52,597    | \$53,077    |
| 822,244     | 679,916     | 383,150     | 343,253     | 345,329     | 18,035      |
| 1,173,552   | 999,680     | 1,164,537   | 965,912     | 695,947     | 523,368     |
| n/a         | n/a         | n/a         | n/a         | n/a         | n/a         |
| n/a         | n/a         | n/a         | n/a         | n/a         | n/a         |
| 2,029,077   | 1,726,726   | 1,590,826   | 1,350,010   | 1,093,873   | 594,480     |
| 50,738      | 61,601      | 51,723      | 66,015      | 59,912      | 66,205      |
| 1,152,337   | 1,406,367   | 1,209,060   | 1,171,627   | 1,398,644   | 2,055,894   |
| 77,864      | 75,403      | 38,707      | 30,049      | 46,874      | 14,153      |
| (104,614)   | (55,005)    | (115,317)   | (55,840)    | (430,812)   | (144,163)   |
| n/a         | n/a         | n/a         | n/a         | n/a         | n/a         |
| n/a         | n/a         | n/a         | n/a         | n/a         | n/a         |
| n/a         | n/a         | n/a         | n/a         | n/a         | n/a         |
| n/a         | n/a         | n/a         | n/a         | n/a         | n/a         |
| 1,176,325   | 1,488,366   | 1,184,173   | 1,211,851   | 1,074,618   | 1,992,089   |
| \$3,205,402 | \$3,215,092 | \$2,774,999 | \$2,561,861 | \$2,168,491 | \$2,586,569 |

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

|   | 2019              | 2018               | 2017              | 2016               |
|---|-------------------|--------------------|-------------------|--------------------|
| <b>Revenues</b>   |                   |                    |                   |                    |
| Property Taxes  | \$2,167,433       | \$2,154,234        | \$2,175,269       | \$2,228,798        |
| Municipal Income Taxes                                  | 3,289,860         | 3,129,270          | 3,111,685         | 2,839,766          |
| Hotel Taxes   | 42,681            | 28,137             | 22,877            | 24,138             |
| Special Assessments                                     | 50,464            | 46,335             | 88,436            | 104,042            |
| Intergovernmental                                       | 2,273,543         | 1,193,129          | 1,164,899         | 1,156,616          |
| Fees, Licenses and Permits                              | 578,763           | 349,550            | 402,943           | 421,606            |
| Fines and Forfeitures                                   | 233,855           | 367,508            | 318,365           | 271,665            |
| Rentals   | 48,061            | 30,608             | 25,500            | 67,231             |
| Charges for Services                                    | 362,069           | 344,141            | 384,055           | 417,825            |
| Contributions and Donations                             | 19,779            | 33,421             | 65,255            | 21,358             |
| Interest  | 103,155           | 95,672             | 49,920            | 24,033             |
| Franchise Taxes   | 169,322           | 170,370            | 131,414           | 127,503            |
| Other   | 113,928           | 215,070            | 162,255           | 180,212            |
| <b>Total Revenues</b>                                   | <b>9,452,913</b>  | <b>8,157,445</b>   | <b>8,102,873</b>  | <b>7,884,793</b>   |
| <b>Expenditures</b>                                     |                   |                    |                   |                    |
| Current:  |                   |                    |                   |                    |
| General Government                                      | 1,487,778         | 1,543,626          | 1,407,467         | 1,486,438          |
| Security of Persons and Property                        | 4,252,568         | 3,932,977          | 3,686,376         | 3,865,687          |
| Public Health Services                                  | 181,513           | 218,143            | 190,285           | 184,504            |
| Leisure Time Activities                                 | 130,788           | 100,201            | 114,268           | 90,088             |
| Community Development                                   | 145,283           | 168,693            | 243,395           | 131,772            |
| Basic Utilities Services                                | 199,418           | 204,919            | 200,724           | 162,842            |
| Transportation  | 1,464,039         | 1,281,653          | 1,230,353         | 1,149,087          |
| Capital Outlay  | 2,188,464         | 726,623            | 682,739           | 615,544            |
| Debt Service:   |                   |                    |                   |                    |
| Principal Retirement                                    | 327,417           | 513,352            | 514,418           | 675,992            |
| Interest and Fiscal Charges                             | 52,454            | 59,559             | 72,338            | 82,230             |
| Principal Retirement - Current Refunding                | 20,000            | 30,000             | 30,000            | 0                  |
| <b>Total Expenditures</b>                               | <b>10,449,722</b> | <b>8,779,746</b>   | <b>8,372,363</b>  | <b>8,444,184</b>   |
| <b>Excess of Revenues Over (Under) Expenditures</b>     | <b>(996,809)</b>  | <b>(622,301)</b>   | <b>(269,490)</b>  | <b>(559,391)</b>   |
| <b>Other Financing Sources (Uses)</b>                   |                   |                    |                   |                    |
| Sale of Capital Assets                                  | 0                 | 0                  | 0                 | 0                  |
| General Obligation Bonds Issued                         | 0                 | 0                  | 214,000           | 0                  |
| General Obligation Notes Issued                         | 40,000            | 60,000             | 90,000            | 120,000            |
| Current Refunding                                       | (40,000)          | (60,000)           | (90,000)          | 0                  |
| Capital Lease Issued                                    | 231,807           | 204,548            | 0                 | 175,776            |
| State Infrastructure Bank Loan Issued                   | 652,633           | 100,000            | 0                 | 0                  |
| OPWC Loans Issued                                       | 50,000            | 0                  | 0                 | 0                  |
| Transfer of Health Department Operations                | (2,172)           | 0                  | 0                 | 0                  |
| Transfers In  | 49,000            | 56,922             | 96,000            | 70,750             |
| Transfers Out   | (51,500)          | (59,422)           | (98,500)          | (73,250)           |
| <b>Total Other Financing Sources (Uses)</b>             | <b>929,768</b>    | <b>302,048</b>     | <b>211,500</b>    | <b>293,276</b>     |
| <b>Net Change in Fund Balances</b>                      | <b>(\$67,041)</b> | <b>(\$320,253)</b> | <b>(\$57,990)</b> | <b>(\$266,115)</b> |
| Debt Service as a Percentage of Noncapital Expenditures | 5.0%              | 8.1%               | 8.2%              | 10.1%              |



| 2015        | 2014        | 2013        | 2012        | 2011        | 2010        |
|-------------|-------------|-------------|-------------|-------------|-------------|
| \$1,617,111 | \$1,632,504 | \$1,155,333 | \$1,021,308 | \$1,047,455 | \$1,285,434 |
| 3,163,103   | 3,021,077   | 2,931,872   | 3,067,806   | 2,771,887   | 2,392,978   |
| 23,409      | 18,364      | 20,655      | 20,477      | 18,744      | 15,925      |
| 94,534      | 113,575     | 142,659     | 149,561     | 125,719     | 117,447     |
| 1,860,461   | 1,616,276   | 1,534,596   | 2,145,486   | 2,015,466   | 1,960,327   |
| 324,522     | 354,471     | 338,594     | 251,207     | 686,084     | 698,995     |
| 301,696     | 316,332     | 321,006     | 281,892     | 316,679     | 256,964     |
| 51,650      | 51,725      | 58,661      | 40,464      | 89,720      | 51,000      |
| 418,461     | 420,540     | 480,371     | 456,002     | 47,210      | 31,000      |
| 20,569      | 17,598      | 23,885      | 23,963      | 26,036      | 27,917      |
| 6,819       | 5,253       | 5,101       | 3,716       | 2,935       | 4,071       |
| 153,209     | 135,793     | 128,870     | 145,880     | 144,227     | 125,799     |
| 95,314      | 174,638     | 141,150     | 77,092      | 84,221      | 62,040      |
| 8,130,858   | 7,878,146   | 7,282,753   | 7,684,854   | 7,376,383   | 7,029,897   |
| 1,504,861   | 1,215,590   | 1,132,241   | 1,110,431   | 1,346,573   | 1,205,449   |
| 3,634,608   | 3,212,086   | 3,111,589   | 2,867,862   | 2,847,980   | 3,205,587   |
| 188,370     | 174,357     | 172,451     | 186,860     | 223,038     | 312,852     |
| 95,671      | 98,353      | 100,758     | 103,469     | 112,259     | 113,391     |
| 353,683     | 369,484     | 453,549     | 374,504     | 505,419     | 302,117     |
| 156,956     | 163,261     | 155,068     | 141,999     | 155,125     | 109,837     |
| 1,236,421   | 1,269,511   | 1,114,909   | 1,174,367   | 1,129,878   | 1,090,117   |
| 1,126,461   | 836,317     | 340,170     | 1,168,624   | 1,402,792   | 538,330     |
| 476,410     | 400,430     | 478,715     | 619,379     | 1,283,255   | 439,156     |
| 85,703      | 81,164      | 90,358      | 76,581      | 117,198     | 127,253     |
| 0           | 7,500       | 7,500       | 26,000      | 26,000      | 26,000      |
| 8,859,144   | 7,828,053   | 7,157,308   | 7,850,076   | 9,149,517   | 7,470,089   |
| (728,286)   | 50,093      | 125,445     | (165,222)   | (1,773,134) | (440,192)   |
| 18,582      | 0           | 0           | 0           | 20,056      | 0           |
| 450,000     | 360,000     | 0           | 544,352     | 735,000     | 0           |
| 150,000     | 37,500      | 15,000      | 73,000      | 399,000     | 125,000     |
| 0           | (7,500)     | (15,000)    | (73,000)    | (99,000)    | (125,000)   |
| 101,264     | 0           | 88,485      | 0           | 0           | 0           |
| 0           | 0           | 0           | 0           | 0           | 574,435     |
| 0           | 0           | 0           | 14,240      | 0           | 0           |
| 0           | 0           | 0           | 0           | 0           | 0           |
| 30,750      | 161,234     | 176,308     | 200,750     | 36,250      | 60,750      |
| (32,000)    | (161,234)   | (177,100)   | (200,750)   | (36,250)    | (60,750)    |
| 718,596     | 390,000     | 87,693      | 558,592     | 1,055,056   | 574,435     |
| (\$9,690)   | \$440,093   | \$213,138   | \$393,370   | (\$718,078) | \$134,243   |
| 7.5%        | 6.3%        | 10.0%       | 10.8%       | 16.7%       | 9.8%        |

**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 |
| 2019               | \$123,089,140                | \$53,629,670                | \$504,910,886                | \$9,669,320                | \$10,987,864                 |
| 2018               | 123,141,820                  | 53,647,390                  | 505,112,029                  | 8,879,990                  | 10,090,898                   |
| 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                    |

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

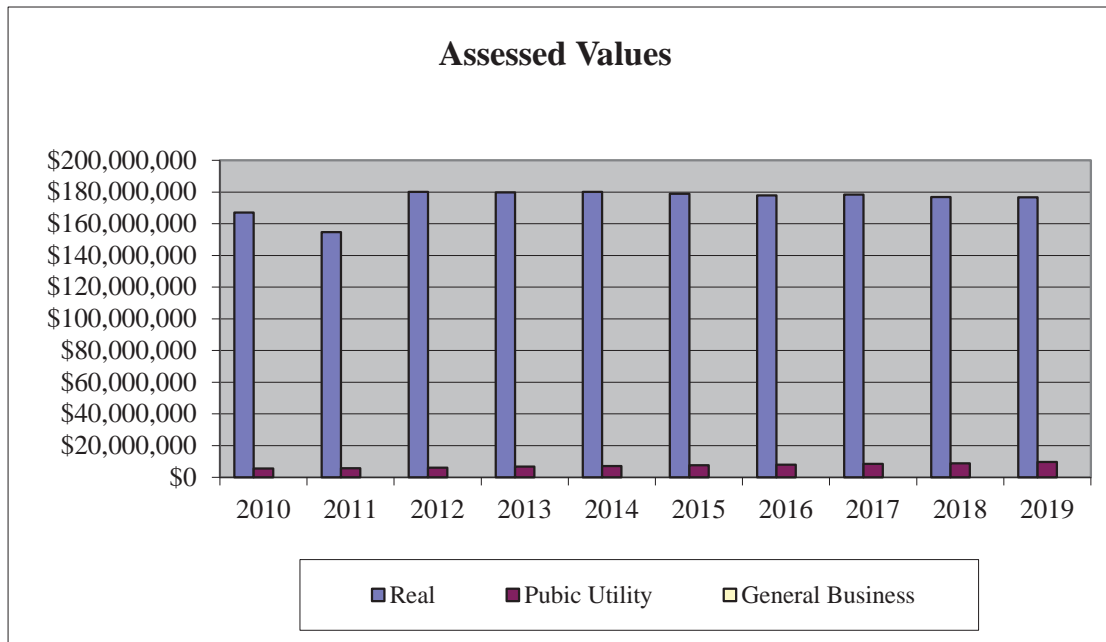
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. Beginning 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. The last year telephone companies paid personal property tax 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                          | \$186,388,130     | \$515,898,749                | 36.13% | \$12.8418  |
| 0                          | 0                            | 185,669,200       | 515,202,926                  | 36.04  | 12.8404  |
| 0                          | 0                            | 186,848,220       | 519,226,587                  | 35.99  | 12.8341  |
| 0                          | 0                            | 185,836,650       | 517,249,105                  | 35.93  | 12.8352  |
| 0                          | 0                            | 186,385,450       | 519,544,565                  | 35.87  | 13.4615  |
| 0                          | 0                            | 187,290,380       | 522,834,119                  | 35.82  | 9.8012   |
| 0                          | 0                            | 186,664,810       | 521,546,352                  | 35.79  | 7.7511   |
| 0                          | 0                            | 186,327,820       | 521,745,755                  | 35.71  | 7.0926   |
| 0                          | 0                            | 160,449,260       | 448,608,981                  | 35.77  | 7.1727   |
| 0                          | 0                            | 172,598,510       | 483,626,614                  | 35.69  | 7.5075   |



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

|  | 2019             | 2018             | 2017             | 2016             | 2015             |
|--|------------------|------------------|------------------|------------------|------------------|
| <b>Unvoted Millage</b>                         |                  |                  |                  |                  |                  |
| Operating                                      | \$2.0000         | \$2.0000         | \$2.0000         | \$2.0000         | \$2.0000         |
| Fire Pension                                   | 0.7300           | 0.7300           | 0.7300           | 0.7300           | 0.7300           |
| Police Pension                                 | 0.9000           | 0.9000           | 0.9000           | 0.9000           | 0.9000           |
| <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           | 0.0000           | 0.0000           | 0.6300           |
| 2003 Police Operating                          |                  |                  |                  |                  |                  |
| Residential/Agricultural Real                  | 2.0000           | 2.0000           | 2.0000           | 2.0000           | 2.0000           |
| Commercial/Industrial and Public Utility Real  | 1.8673           | 1.8628           | 1.8553           | 1.8506           | 1.8466           |
| General Business and Public Utility Personal   | 2.0000           | 2.0000           | 1.9835           | 2.0000           | 2.0000           |
| 2005 Fire                                      |                  |                  |                  |                  |                  |
| Residential/Agricultural Real                  | 0.0000           | 0.0000           | 0.0000           | 0.0000           | 0.0000           |
| Commercial/Industrial and Public Utility Real  | 0.0000           | 0.0000           | 0.0000           | 0.0000           | 0.0000           |
| General Business and Public Utility Personal   | 0.0000           | 0.0000           | 0.0000           | 0.0000           | 0.0000           |
| 2013 Road and Bridge                           |                  |                  |                  |                  |                  |
| Residential/Agricultural Real                  | 2.7500           | 2.7500           | 2.7500           | 2.7500           | 2.7500           |
| Commercial/Industrial and Public Utility Real  | 2.7500           | 2.7500           | 2.7500           | 2.7455           | 2.7395           |
| General Business and Public Utility Personal   | 2.7500           | 2.7500           | 2.7273           | 2.7500           | 2.7500           |
| 2015 Fire                                      |                  |                  |                  |                  |                  |
| Residential/Agricultural Real                  | 1.5000           | 1.5000           | 1.5000           | 1.5000           | 1.5000           |
| Commercial/Industrial and Public Utility Real  | 1.5000           | 1.5000           | 1.5000           | 1.5000           | 1.5000           |
| General Business and Public Utility Personal   | 1.5000           | 1.5000           | 1.4876           | 1.5000           | 1.5000           |
| 2015 Police                                    |                  |                  |                  |                  |                  |
| Residential/Agricultural Real                  | 3.0000           | 3.0000           | 3.0000           | 3.0000           | 3.0000           |
| Commercial/Industrial and Public Utility Real  | 3.0000           | 3.0000           | 3.0000           | 3.0000           | 3.0000           |
| General Business and Public Utility Personal   | 3.0000           | 3.0000           | 2.9752           | 3.0000           | 3.0000           |
| <i>Total Voted Millage by Type of Property</i> |                  |                  |                  |                  |                  |
| Residential/Agricultural Real                  | \$9.2500         | \$9.2500         | \$9.2500         | \$9.2500         | \$9.8800         |
| Commercial/Industrial and Public Utility Real  | 9.1173           | 9.1128           | 9.1053           | 9.0961           | 9.7160           |
| General Business and Public Utility Personal   | 9.2500           | 9.2500           | 9.1736           | 9.2500           | 9.8800           |
| <i>Total Millage by Type of Property</i>       |                  |                  |                  |                  |                  |
| Residential/Agricultural Real                  | \$12.8800        | \$12.8800        | \$12.8800        | \$12.8800        | \$13.5100        |
| Commercial/Industrial and Public Utility Real  | 12.7473          | 12.7428          | 12.7353          | 12.7261          | 13.3460          |
| General Business and Public Utility Personal   | 12.8800          | 12.8800          | 12.8036          | 12.8800          | 13.5100          |
| <i>Total Weighted Average Tax Rate</i>         | <u>\$12.8418</u> | <u>\$12.8404</u> | <u>\$12.8341</u> | <u>\$12.8352</u> | <u>\$13.4615</u> |

| 2014     | 2013     | 2012     | 2011     | 2010     |
|----------|----------|----------|----------|----------|
| \$2.0000 | \$2.2000 | \$2.2000 | \$2.2000 | \$2.0000 |
| 0.7300   | 0.6300   | 0.6300   | 0.6300   | 0.6300   |
| 0.9000   | 0.8000   | 0.8000   | 0.8000   | 1.0000   |
| 3.6300   | 3.6300   | 3.6300   | 3.6300   | 3.6300   |
| 0.0000   | 0.0000   | 0.0000   | 0.0000   | 0.4400   |
| 0.5300   | 0.5300   | 0.6300   | 0.7300   | 0.8300   |
| 2.0000   | 1.8534   | 1.8537   | 1.8527   | 1.7258   |
| 1.8065   | 1.9704   | 1.9510   | 1.9387   | 1.7440   |
| 2.0000   | 2.0000   | 2.0000   | 2.0000   | 2.0000   |
| 1.0000   | 0.9267   | 0.9268   | 0.9264   | 0.8629   |
| 0.9033   | 0.9852   | 0.9755   | 0.9693   | 0.8720   |
| 1.0000   | 1.0000   | 1.0000   | 1.0000   | 1.0000   |
| 2.7500   | 2.7496   | 0.0000   | 0.0000   | 0.0000   |
| 2.6801   | 2.7500   | 0.0000   | 0.0000   | 0.0000   |
| 2.7500   | 2.7500   | 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   |
| \$6.2800 | \$6.0597 | \$3.4105 | \$3.5091 | \$3.8587 |
| 5.9199   | 6.2356   | 3.5565   | 3.6380   | 3.8860   |
| 6.2800   | 6.2800   | 3.6300   | 3.7300   | 4.2700   |
| \$9.9100 | \$9.6897 | \$7.0405 | \$7.1391 | \$7.4887 |
| 9.5499   | 9.8656   | 7.1865   | 7.2680   | 7.5160   |
| 9.9100   | 9.9100   | 7.2600   | 7.3600   | 7.9000   |
| \$9.8012 | \$7.7511 | \$7.0926 | \$7.1727 | \$7.5075 |

(continued)

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

|   | 2019      | 2018      | 2017      | 2016      | 2015      |
|---|-----------|-----------|-----------|-----------|-----------|
| <b>Overlapping Rates by Taxing District</b>   |           |           |           |           |           |
| Conneaut City School District                 |           |           |           |           |           |
| Residential/Agricultural Real                 | \$40.5900 | \$40.5900 | \$40.5900 | \$36.3900 | \$36.3900 |
| Commercial/Industrial and Public Utility Real | 28.2171   | 28.1750   | 28.1145   | 23.9602   | 23.9227   |
| General Business and Public Utility Personal  | 31.2111   | 31.1646   | 30.7731   | 26.7154   | 26.6232   |
| Ashtabula County                              |           |           |           |           |           |
| Residential/Agricultural Real                 | 11.5200   | 11.5200   | 11.5200   | 11.5200   | 9.5530    |
| Commercial/Industrial and Public Utility Real | 9.8224    | 9.8182    | 9.7962    | 10.0306   | 8.0465    |
| General Business and Public Utility Personal  | 11.2552   | 11.2384   | 11.2001   | 11.2176   | 9.2017    |
| Special Taxing Districts (1)                  |           |           |           |           |           |
| Residential/Agricultural Real                 | 8.6500    | 7.1500    | 7.1500    | 8.7600    | 7.6500    |
| Commercial/Industrial and Public Utility Real | 6.8981    | 5.4105    | 5.4034    | 8.3339    | 5.9616    |
| General Business and Public Utility Personal  | 7.3524    | 5.8405    | 5.7964    | 8.1487    | 6.2914    |

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

| 2014      | 2013      | 2012      | 2011      | 2010      |
|-----------|-----------|-----------|-----------|-----------|
| \$26.0683 | \$24.3233 | \$25.5513 | \$25.5424 | \$24.4838 |
| 23.5787   | 25.5875   | 26.6359   | 26.5549   | 24.5714   |
| 36.3900   | 39.3900   | 37.6300   | 37.6300   | 37.6300   |
| 10.8876   | 9.0012    | 8.9962    | 8.9922    | 8.5409    |
| 9.4306    | 9.9622    | 9.9304    | 9.9223    | 9.4041    |
| 11.5200   | 11.0200   | 11.0200   | 11.0200   | 11.0200   |
| 3.5383    | 3.5917    | 3.5894    | 2.5972    | 3.3998    |
| 3.8581    | 3.6610    | 3.6489    | 2.6574    | 3.3966    |
| 5.2500    | 5.2500    | 5.2500    | 4.2600    | 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) |
|------|-------------------------------|-------------------------------|---|----------------------------------|---------------------------------|
| 2019 | \$2,371,505                   | \$2,275,777                   | 95.96 %   | \$74,255                         | \$2,350,032                     |
| 2018 | 2,373,473                     | 2,268,203                     | 95.56   | 73,412                           | 2,341,615                       |
| 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                       |

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 |
|--|---|--|
| 99.09 %  | \$220,150   | 9.28 %   |
| 98.66  | 203,369   | 8.57   |
| 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   |

**City of Conneaut, Ohio**  
*Principal Real Property Taxpayers*  
2019 and 2010

| <i>2019</i>                             |                                     |  |
|---|-------------------------------------|--|
| Taxpayer                                | Real Property<br>Assessed Valuation | Percentage of Total<br>Real Assessed Valuation |
| CCA Western Properties                  | \$25,051,460                        | 14.18 %  |
| Cleveland Electric Illuminating Company | 6,686,730                           | 3.78   |
| American Transmission                   | 1,994,660                           | 1.13   |
| Millwork Properties                     | 1,415,580                           | 0.80   |
| Villa At the Lake                       | 1,332,240                           | 0.75   |
| East Ohio Gas                           | 987,930                             | 0.56   |
| CSP of Ohio, LLC                        | 984,450                             | 0.56   |
| ES Realty                               | 840,630                             | 0.48   |
| Kolman Properties                       | 825,870                             | 0.47   |
| Overhead Door                           | 816,490                             | 0.46   |
| Total                                   | \$40,936,040                        | 23.17 %  |
| Total Real Assessed Valuation           | \$176,718,810                       |  |
| <i>2010</i>                             |                                     |  |
| Taxpayer                                | Real Property<br>Assessed Valuation | Percentage of Total<br>Real Assessed Valuation |
| Cleveland Electric Illuminating Company | \$4,740,060                         | 2.84 %   |
| Millwork Properties                     | 1,653,720                           | 0.99   |
| Navigroup Venture 1                     | 1,563,140                           | 0.94   |
| CSP of Ohio, LLC                        | 1,418,280                           | 0.85   |
| Emster XV, LLC                          | 1,256,900                           | 0.75   |
| CVS                                     | 1,163,590                           | 0.70   |
| ES Realty, LLC                          | 952,850                             | 0.57   |
| Highland Place                          | 889,010                             | 0.53   |
| Mobile Grove Limited                    | 879,730                             | 0.53   |
| Kolman Properties                       | 874,380                             | 0.52   |
| Lukjan Metal                            | 741,760                             | 0.44   |
| Total                                   | \$16,133,420                        | 9.66 %   |
| Total Real Assessed Valuation           | \$167,070,790                       |  |

Source: Ashtabula County Auditor



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

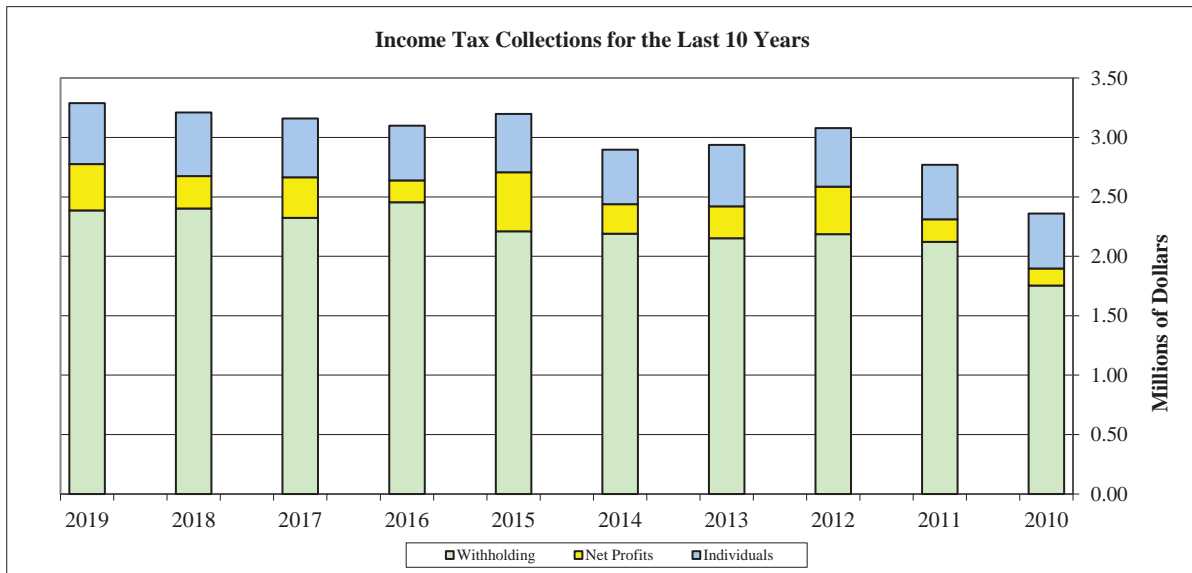
| Tax Year | Tax Rate (2) | Total Tax Collected (1) | Taxes from Withholding | Percentage of Taxes from Withholding | Taxes From Net Profits | Percentage of Taxes from Net Profits | Taxes From Individuals | Percentage of Taxes from Individuals |
|----------|--------------|-------------------------|------------------------|--------------------------------------|------------------------|--------------------------------------|------------------------|--------------------------------------|
| 2019     | 1.65%        | \$3,288,730             | \$2,385,388            | 72.53%                               | \$389,934              | 11.86%                               | \$513,408              | 15.61%                               |
| 2018     | 1.65         | 3,208,973               | 2,403,041              | 74.89                                | 272,228                | 8.48                                 | 533,704                | 16.63                                |
| 2017     | 1.65         | 3,158,615               | 2,323,420              | 73.56                                | 340,677                | 10.78                                | 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                                |

(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 |
| 2019 | \$814,515                      | \$45,596      | \$949,236 | \$67,062      | \$40,000                      | \$410,625         |
| 2018 | 970,875                        | 89,638        | 363,142   | 20,606        | 60,000                        | 235,750           |
| 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            |

(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 | Total<br>Debt | Percentage<br>of Personal<br>Income (1) | Per<br>Capita (1) |
| \$6,001,227              | \$572,990     | \$576,573                      | \$0       | \$0                           | \$9,477,824   | 4.33%                                   | \$738.09          |
| 6,169,922                | 578,606       | 656,518                        | 30,664    | 0                             | 9,175,721     | 4.19                                    | 714.56            |
| 6,366,372                | 517,729       | 807,947                        | 61,331    | 0                             | 9,732,194     | 4.44                                    | 757.90            |
| 4,796,560                | 501,022       | 218,995                        | 116,289   | 0                             | 7,942,099     | 3.62                                    | 618.50            |
| 5,172,255                | 549,341       | 298,825                        | 376,228   | 0                             | 9,086,098     | 4.15                                    | 707.58            |
| 4,801,507                | 596,410       | 376,498                        | 626,509   | 72,500                        | 8,938,019     | 4.08                                    | 696.05            |
| 4,207,834                | 550,350       | 452,075                        | 867,539   | 135,000                       | 8,695,323     | 3.97                                    | 677.15            |
| 3,582,226                | 383,167       | 525,615                        | 1,099,707 | 160,000                       | 8,630,970     | 3.94                                    | 672.14            |
| 3,441,654                | 364,657       | 460,000                        | 1,178,287 | 200,000                       | 8,611,640     | 3.93                                    | 670.64            |
| 3,750,911                | 305,621       | 530,895                        | 1,379,949 | 240,000                       | 9,448,673     | 4.31                                    | 735.82            |

**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       |   |                               |
| 2019 | 12,841         | \$515,898,749  | \$814,515             | \$576,573         | \$1,391,088 | 0.27 %  | \$108.33                      |
| 2018 | 12,841         | 515,202,926  | 970,875               | 656,518           | 1,627,393   | 0.32  | 126.73                        |
| 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                        |

Sources:

- (1) 2019 - 2010 The U.S. Bureau of Census, 2010 Federal Census of Population  
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, 2019*

| 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      | \$814,515                          | 100.00 %                                | \$814,515                                      |
| OWDA Loans                    | 45,596                             | 100.00                                  | 45,596   |
| Loans                         | 949,236                            | 100.00                                  | 949,236  |
| OPWC Loans                    | 67,062                             | 100.00                                  | 67,062   |
| Bond Anticipation Notes       | 40,000                             | 100.00                                  | 40,000   |
| Capital Leases                | 410,625                            | 100.00                                  | 410,625  |
| <i>Total Direct Debt</i>      | 2,327,034                          |   | 2,327,034                                      |
| <b>Overlapping</b>            |                                    |   |  |
| Ashtabula County              |                                    |   |  |
| General Obligation Bonds      | 15,390,860                         | 10.32                                   | 1,588,337                                      |
| OPWC Loans                    | 148,535                            | 10.32                                   | 15,329   |
| Conneaut City School District |                                    |   |  |
| General Obligation Bonds      | 3,070,000                          | 85.55                                   | 2,626,385                                      |
| <i>Total Overlapping Debt</i> | 18,609,395                         |   | 4,230,053                                      |
| <b>Total</b>                  | \$20,936,429                       |   | \$6,557,087                                    |

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*

|   | 2019                 | 2018                 | 2017                 | 2016                 |
|---|----------------------|----------------------|----------------------|----------------------|
| Total Assessed Property Value   | <u>\$186,388,130</u> | <u>\$185,669,200</u> | <u>\$186,848,220</u> | <u>\$185,836,650</u> |
| General Bonded Debt Outstanding:  |                      |                      |                      |                      |
| General Obligation Bonds  | \$1,391,088          | \$1,627,393          | \$2,033,691          | \$1,458,332          |
| OWDA Loans  | 6,046,823            | 6,259,560            | 6,510,407            | 4,993,083            |
| OPWC Loans  | 640,052              | 599,212              | 540,628              | 526,214              |
| Bond Anticipation Notes   | 120,000              | 180,000              | 240,000              | 300,000              |
| Loans   | <u>949,236</u>       | <u>393,806</u>       | <u>430,512</u>       | <u>629,248</u>       |
| Total Gross Indebtedness  | 9,147,199            | 9,059,971            | 9,755,238            | 7,906,877            |
| Less:   |                      |                      |                      |                      |
| Bond Anticipation Notes   | 0                    | 0                    | 0                    | 0                    |
| OPWC Loans  | (640,052)            | (599,212)            | (540,628)            | (526,214)            |
| OWDA Loans  | (6,046,823)          | (6,259,560)          | (6,510,407)          | (4,993,083)          |
| General Obligation Bond Retirement Fund Balance                             | <u>0</u>             | <u>0</u>             | <u>(96,605)</u>      | <u>(200,058)</u>     |
| Total Net Debt Applicable to Debt Limit                                     | <u>2,460,324</u>     | <u>2,201,199</u>     | <u>2,607,598</u>     | <u>2,187,522</u>     |
| Overall Legal Debt Limit<br>(10 ½ % of Assessed Valuation)                  | <u>19,570,754</u>    | <u>19,495,266</u>    | <u>19,619,063</u>    | <u>19,512,848</u>    |
| Legal Debt Margin Within 10 ½ % Limitations                                 | <u>\$17,110,430</u>  | <u>\$17,294,067</u>  | <u>\$17,011,465</u>  | <u>\$17,325,326</u>  |
| Legal Debt Margin as a Percentage of the Debt Limit                         | 87.43%               | 88.71%               | 86.71%               | 88.79%               |
| Unvoted Debt Limitation<br>5 ½ % of Assessed Valuation                      | <u>\$10,251,347</u>  | <u>\$10,211,806</u>  | <u>\$10,276,652</u>  | <u>\$10,221,016</u>  |
| Total Gross Indebtedness  | 9,147,199            | 9,059,971            | 9,755,238            | 7,906,877            |
| Less:   |                      |                      |                      |                      |
| Bond Anticipation Notes   | 0                    | 0                    | 0                    | 0                    |
| OPWC Loans  | (640,052)            | (599,212)            | (540,628)            | (526,214)            |
| OWDA Loans  | (6,046,823)          | (6,259,560)          | (6,510,407)          | (4,993,083)          |
| General Obligation Bond Retirement Fund Balance                             | <u>0</u>             | <u>0</u>             | <u>(96,605)</u>      | <u>(200,058)</u>     |
| Net Debt Within 5 ½ % Limitations   | <u>2,460,324</u>     | <u>2,201,199</u>     | <u>2,607,598</u>     | <u>2,187,522</u>     |
| Unvoted Legal Debt Margin Within 5 ½ % Limitations                          | <u>\$7,791,023</u>   | <u>\$8,010,607</u>   | <u>\$7,669,054</u>   | <u>\$8,033,494</u>   |
| Unvoted legal Debt Margin as a Percentage of the<br>Unvoted Debt Limitation | 76.00%               | 78.44%               | 74.63%               | 78.60%               |

Source: City Financial Records

| 2015                 | 2014                 | 2013                 | 2012                 | 2011                 | 2010                 |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <u>\$186,385,450</u> | <u>\$187,290,380</u> | <u>\$186,664,810</u> | <u>\$186,327,820</u> | <u>\$160,449,260</u> | <u>\$172,598,510</u> |
| \$1,761,011          | \$1,563,429          | \$1,419,824          | \$1,630,790          | \$1,105,000          | \$1,470,000          |
| 5,467,809            | 5,192,362            | 4,693,742            | 4,204,732            | 4,195,190            | 4,630,148            |
| 576,826              | 626,188              | 582,421              | 417,175              | 386,006              | 328,551              |
| 440,000              | 420,000              | 598,000              | 739,000              | 880,000              | 691,000              |
| <u>1,029,188</u>     | <u>1,415,804</u>     | <u>1,789,611</u>     | <u>2,126,304</u>     | <u>2,289,340</u>     | <u>2,573,430</u>     |
| 9,274,834            | 9,217,783            | 9,083,598            | 9,118,001            | 8,855,536            | 9,693,129            |
| (37,500)             | (27,500)             | (125,500)            | (126,000)            | (151,000)            | (301,000)            |
| (576,826)            | (626,188)            | (582,421)            | (417,175)            | (386,006)            | (328,551)            |
| (5,467,809)          | (5,192,362)          | (4,693,742)          | (4,204,732)          | (4,195,190)          | (4,630,148)          |
| <u>(190,293)</u>     | <u>(196,347)</u>     | <u>(201,824)</u>     | <u>(191,063)</u>     | <u>(178,020)</u>     | <u>(394,447)</u>     |
| <u>3,002,406</u>     | <u>3,175,386</u>     | <u>3,480,111</u>     | <u>4,179,031</u>     | <u>3,945,320</u>     | <u>4,038,983</u>     |
| 19,570,472           | 19,665,490           | 19,599,805           | 19,564,421           | 16,847,172           | 18,122,844           |
| <u>\$16,568,066</u>  | <u>\$16,490,104</u>  | <u>\$16,119,694</u>  | <u>\$15,385,390</u>  | <u>\$12,901,852</u>  | <u>\$14,083,861</u>  |
| 84.66%               | 83.85%               | 82.24%               | 78.64%               | 76.58%               | 77.71%               |
| <u>\$10,251,200</u>  | <u>\$10,300,971</u>  | <u>\$10,266,565</u>  | <u>\$10,248,030</u>  | <u>\$8,824,709</u>   | <u>\$9,492,918</u>   |
| 9,274,834            | 9,217,783            | 9,083,598            | 9,118,001            | 8,855,536            | 9,693,129            |
| (37,500)             | (27,500)             | (125,500)            | (126,000)            | (151,000)            | (301,000)            |
| (576,826)            | (626,188)            | (582,421)            | (417,175)            | (386,006)            | (328,551)            |
| (5,467,809)          | (5,192,362)          | (4,693,742)          | (4,204,732)          | (4,195,190)          | (4,630,148)          |
| <u>(190,293)</u>     | <u>(196,347)</u>     | <u>(201,824)</u>     | <u>(191,063)</u>     | <u>(178,020)</u>     | <u>(394,447)</u>     |
| <u>3,002,406</u>     | <u>3,175,386</u>     | <u>3,480,111</u>     | <u>4,179,031</u>     | <u>3,945,320</u>     | <u>4,038,983</u>     |
| <u>\$7,248,794</u>   | <u>\$7,125,585</u>   | <u>\$6,786,454</u>   | <u>\$6,068,999</u>   | <u>\$4,879,389</u>   | <u>\$5,453,935</u>   |
| 70.71%               | 69.17%               | 66.10%               | 59.22%               | 55.29%               | 57.45%               |

**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     |          |
| 2019 | \$2,369,897       | \$1,725,833                     | \$644,064                              | \$131,782                  | \$52,527 | \$184,309 | 3.49     |
| 2018 | 2,379,769         | 1,894,228                       | 485,541                                | 126,800                    | 58,201   | 185,001   | 2.62     |
| 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    |

\* 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     |          |
| 2019 | \$2,428,426       | \$2,084,452                     | \$343,974                              | \$362,537                  | \$102,967 | \$465,504 | 0.74     |
| 2018 | 2,426,934         | 1,873,883                       | 553,051                                | 307,934                    | 93,494    | 401,428   | 1.38     |
| 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     |

\* 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*

| <i>2019</i>                              |           |   |
|--|-----------|---|
| Employer                                 | Employees | Percentage of<br>Total City<br>Employment |
| Corrections Corporation of America (CCA) | 268       | 6.37 %                                    |
| CSP of Ohio, LLC                         | 264       | 6.27                                      |
| Conneaut Area City School District       | 250       | 5.94                                      |
| General Aluminum                         | 232       | 5.51                                      |
| University Heights Hospital System       | 187       | 4.44                                      |
| Ashtabula County                         | 140       | 3.33                                      |
| Lukjan Metal Products                    | 139       | 3.31                                      |
| City of Conneaut                         | 104       | 2.47                                      |
| Cascade Ohio                             | 89        | 2.12                                      |
| Orlando Brothers                         | 72        | 1.71                                      |
| Total                                    | 1,745     | 41.47 %                                   |
| Total Employment within the City         | 4,208     |   |

| <i>2010</i>                        |           |   |
|------------------------------------|-----------|---|
| Employer                           | Employees | Percentage of<br>Total City<br>Employment |
| Conneaut Area City School District | 350       | 7.70 %                                    |
| CSP of Ohio, LLC                   | 334       | 7.35                                      |
| University Heights Hospital System | 322       | 7.09                                      |
| Management Training Corporation    | 235       | 5.17                                      |
| General Aluminum                   | 186       | 4.09                                      |
| Cascade Ohio                       | 181       | 3.98                                      |
| City of Conneaut                   | 172       | 3.79                                      |
| Ashtabula County                   | 138       | 3.04                                      |
| ES3 Management                     | 121       | 2.66                                      |
| Group Management                   | 99        | 2.18                                      |
| Total                              | 2,138     | 47.05 %                                   |
| Total Employment within the City   | 4,544     |   |

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<br>Income (3) | Personal<br>Income<br>Per Capita (1) | Median<br>Household<br>Income (1) | Median<br>Age (1) |
|------|----------------|------------------------------|--------------------------------------|-----------------------------------|-------------------|
| 2019 | 12,841         | \$219,131,665                | \$17,065                             | \$38,250                          | 40                |
| 2018 | 12,841         | 219,131,665                  | 17,065                               | 38,250                            | 40                |
| 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                |

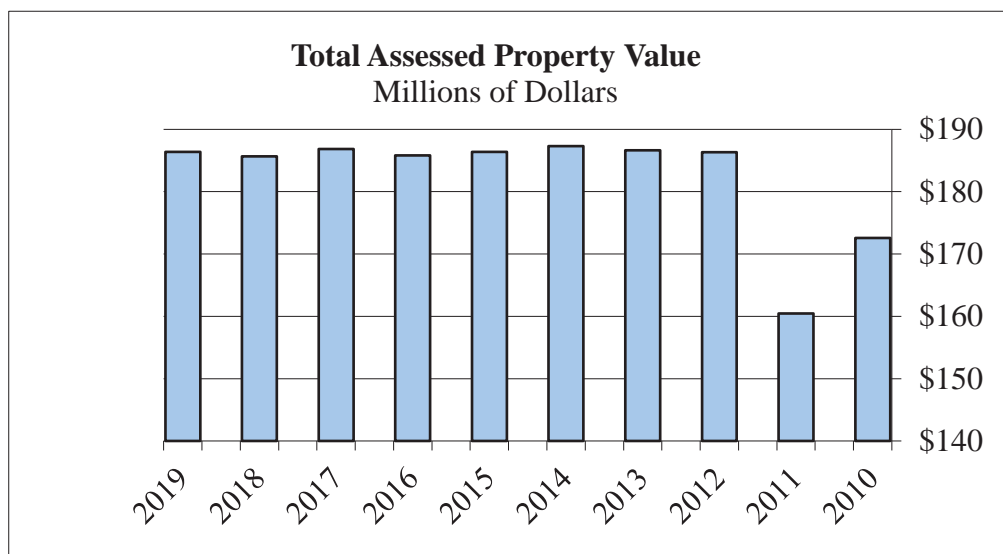
(1) 2019 - 2010 The U.S. Bureau of Census, 2010 Federal Census of Population

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<br>Attainment:<br>Bachelor's<br>Degree<br>or Higher (1) | School<br>Enrollment (2) | Ashtabula<br>County<br>Unemployment<br>Rate (4) | Average<br>Sales<br>Price of<br>Residential<br>Property | Total<br>Assessed<br>Property<br>Value |
|---|--------------------------|---|---|--|
| 11.2%   | 1,618                    | 4.9%  | \$97,000  | \$186,388,130                          |
| 11.2  | 1,718                    | 5.3   | 105,500   | 185,669,200                            |
| 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                            |



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

| Function/Program                 | 2019   | 2018   | 2017   | 2016   |
|----------------------------------|--------|--------|--------|--------|
| General Government               |        |        |        |        |
| Council                          | 7.00   | 7.00   | 7.00   | 7.00   |
| Clerk of Council                 | 1.00   | 1.00   | 1.00   | 1.00   |
| City Manager                     | 2.00   | 2.00   | 2.00   | 2.00   |
| Finance                          | 3.50   | 3.50   | 3.50   | 3.50   |
| Law                              | 2.50   | 2.50   | 2.50   | 2.50   |
| Court                            | 7.00   | 7.00   | 6.00   | 6.00   |
| Security of Persons and Property |        |        |        |        |
| Police                           | 19.00  | 19.00  | 19.00  | 19.00  |
| Police - Dispatchers             | 4.00   | 4.00   | 4.00   | 4.00   |
| Police - Jailers                 | 2.00   | 2.00   | 2.00   | 2.00   |
| Fire                             | 11.50  | 11.50  | 11.50  | 11.50  |
| Ambulance                        | 5.00   | 5.00   | 5.00   | 5.00   |
| Public Health Services           |        |        |        |        |
| Health                           | 3.50   | 3.00   | 3.00   | 3.00   |
| Cemetery                         | 1.00   | 1.00   | 1.00   | 1.00   |
| Leisure Time Activities          |        |        |        |        |
| Recreation                       | 1.00   | 1.00   | 1.00   | 1.00   |
| Community Environment            |        |        |        |        |
| Litter Control/Recycling         | 0.00   | 0.00   | 0.00   | 0.00   |
| Housing/Zoning                   | 2.00   | 1.50   | 1.00   | 1.00   |
| Transportation                   |        |        |        |        |
| Street/Public Works              | 13.00  | 13.00  | 13.00  | 13.00  |
| Basic Utility Services           |        |        |        |        |
| Water                            | 13.00  | 15.00  | 15.00  | 15.00  |
| Sewer                            | 10.00  | 11.00  | 11.00  | 11.00  |
| Totals:                          | 108.00 | 110.00 | 108.50 | 108.50 |

**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

| 2015   | 2014   | 2013   | 2012   | 2011   | 2010   |
|--------|--------|--------|--------|--------|--------|
| 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   | 3.50   |
| 2.00   | 2.00   | 2.00   | 2.00   | 2.00   | 2.50   |
| 6.00   | 6.00   | 6.00   | 6.00   | 7.00   | 6.00   |
| 17.00  | 17.00  | 16.00  | 16.00  | 16.00  | 19.00  |
| 4.00   | 4.00   | 4.00   | 4.00   | 4.00   | 4.00   |
| 0.00   | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   |
| 10.50  | 10.50  | 10.00  | 10.00  | 10.00  | 10.00  |
| 5.00   | 5.00   | 5.00   | 5.00   | 5.00   | 5.00   |
| 3.00   | 3.00   | 3.00   | 3.50   | 2.50   | 3.00   |
| 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   |
| 1.00   | 1.00   | 1.00   | 1.50   | 1.50   | 1.50   |
| 0.00   | 0.00   | 0.00   | 0.00   | 0.00   | 1.00   |
| 1.00   | 1.00   | 1.00   | 0.50   | 0.50   | 1.00   |
| 12.00  | 12.00  | 12.00  | 12.00  | 15.00  | 17.00  |
| 15.00  | 15.00  | 15.00  | 15.00  | 15.00  | 16.00  |
| 11.00  | 11.00  | 11.00  | 11.00  | 11.00  | 12.00  |
| 102.00 | 102.00 | 100.50 | 101.00 | 104.00 | 112.50 |

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

| Function/Program   | 2019         | 2018         | 2017         |
|--|--------------|--------------|--------------|
| <b>General Government</b>                                  |              |              |              |
| <i><b>Council and Clerk</b></i>                            |              |              |              |
| Number of Ordinances Passed                                | 101          | 89           | 97           |
| Number of Resolutions Passed                               | 15           | 9            | 12           |
| <i><b>Finance Department</b></i>                           |              |              |              |
| Number of checks/vouchers issued                           | 3,352        | 3,775        | 3,154        |
| Amount of checks written                                   | \$16,348,283 | \$14,468,162 | \$15,672,972 |
| Interest earnings for fiscal year (cash basis)             | \$103,155    | \$95,881     | \$47,961     |
| Number of Receipts issued                                  | 570          | 509          | 554          |
| Number of Budget Adjustments issued                        | 10           | 5            | 8            |
| Agency Ratings - Moody's Financial Services                | Aaa          | Aaa          | Aaa          |
| Health Insurance Costs vs General Fund Expenditures %      | 14.05%       | 14.18%       | 14.06%       |
| General Fund Receipts (cash basis)                         | \$4,692,478  | \$4,358,140  | \$4,510,408  |
| General Fund Expenditures (cash basis)                     | \$4,875,367  | \$4,653,990  | \$4,514,923  |
| General Fund Cash Balances                                 | \$653,002    | \$835,891    | \$1,131,741  |
| <i><b>Income Tax Department</b></i>                        |              |              |              |
| Number of Individual Returns                               | 4,140        | 4,322        | 4,322        |
| Number of Business Returns                                 | 489          | 416          | 417          |
| Number of business withholding accounts                    | 636          | 593          | 532          |
| Amount of Penalties and Interest Collected                 | \$38,307     | \$37,633     | \$48,537     |
| Annual number of Corporate withholding forms processed     | 4,232        | 4,432        | 4,056        |
| Annual number of balance due statements forms processed    | 1,064        | 1,123        | 1,224        |
| Annual number of estimated payment forms processed         | 2,152        | 2,432        | 1,862        |
| Annual number of reconciliations of withholdings processed | 600          | 627          | 558          |
| <i><b>Engineer Contracted Services</b></i>                 |              |              |              |
| Dollar amount of Construction overseen by Engineer         | \$1,910,488  | \$1,406,743  | \$1,804,480  |
| <i><b>Municipal Court</b></i>                              |              |              |              |
| Number of Civil Cases                                      | 288          | 290          | 261          |
| Number of Criminal Cases                                   | 440          | 504          | 506          |
| <i><b>Vital Statistics</b></i>                             |              |              |              |
| Certificates Filed   |              |              |              |
| Number of Births   | 1            | 2            | 1            |
| Number of Deaths   | 115          | 96           | 108          |
| Certificates Issued  |              |              |              |
| Number of Births   | 436          | 380          | 330          |
| Number of Deaths   | 456          | 452          | 393          |
| Burial Permits Issued                                      | 131          | 152          | 134          |
| <i><b>Civil Service</b></i>                                |              |              |              |
| Number of police entry tests administered                  | 1            | 0            | 0            |
| Number of fire entry tests administered                    | 0            | 17           | 0            |
| Number of police promotional tests administered            | 0            | 0            | 0            |
| Number of fire promotional tests administered              | 1            | 0            | 0            |
| Number of hires of Police Officers from certified lists    | 2            | 0            | 2            |
| Number of hires of Fire/Medics from certified lists        | 1            | 0            | 0            |
| Number of promotions from fire certified lists             | 1            | 0            | 0            |



| 2016         | 2015         | 2014         | 2013         | 2012         | 2011         | 2010         |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| 118          | 116          | 100          | 119          | 106          | 112          | 107          |
| 7            | 6            | 7            | 7            | 7            | 8            | 11           |
| 3,046        | 3,347        | 3,122        | 3,356        | 3,248        | 3,321        | 3,230        |
| \$13,684,900 | \$13,893,413 | \$14,399,049 | \$13,965,336 | \$13,598,713 | \$15,117,766 | \$13,879,192 |
| \$23,126     | \$6,818      | \$5,253      | \$5,002      | \$3,716      | \$2,935      | \$3,828      |
| 573          | 509          | 519          | 667          | 545          | 541          | 458          |
| 14           | 9            | 11           | 8            | 12           | 6            | 11           |
| Aaa          | Aaa          | Aaa          | Aaa          | Aaa          | Aaa          | Aaa          |
| 12.76%       | 12.40%       | 13.33%       | 11.85%       | 12.12%       | 12.04%       | 11.28%       |
| \$4,583,015  | \$4,902,538  | \$4,111,116  | \$4,149,116  | \$3,981,654  | \$4,250,115  | \$4,281,343  |
| \$4,822,199  | \$4,741,073  | \$4,077,850  | \$3,974,476  | \$3,753,279  | \$3,767,922  | \$4,199,979  |
| \$1,136,255  | \$1,375,440  | \$1,213,975  | \$1,180,709  | \$1,006,069  | \$833,058    | \$326,480    |
| 4,249        | 4,430        | 4,534        | 4,456        | 4,058        | 4,031        | 4,282        |
| 408          | 483          | 420          | 441          | 392          | 456          | 436          |
| 526          | 537          | 524          | 467          | 501          | 515          | 482          |
| \$50,216     | \$34,291     | \$41,369     | \$37,900     | \$29,107     | \$27,399     | \$32,550     |
| 3,325        | 2,300        | 2,101        | 2,130        | 2,179        | 2,240        | 2,130        |
| 1,181        | 982          | 952          | 1,128        | 1,111        | 984          | 917          |
| 1,560        | 1,575        | 1,635        | 1,616        | 1,469        | 1,481        | 1,554        |
| 548          | 571          | 355          | 429          | 501          | 515          | 482          |
| \$755,002    | \$2,282,649  | \$719,793    | \$1,312,011  | \$2,059,385  | \$784,499    | \$78,518     |
| 270          | 257          | 251          | 220          | 283          | 282          | 333          |
| 648          | 885          | 1,084        | 965          | 999          | 907          | 929          |
| 1            | 2            | 2            | 1            | 2            | 0            | 1            |
| 110          | 96           | 85           | 106          | 99           | 110          | 111          |
| 355          | 391          | 403          | 352          | 392          | 420          | 472          |
| 443          | 494          | 444          | 549          | 480          | 595          | 525          |
| 129          | 124          | 137          | 147          | 163          | 143          | 152          |
| 11           | 4            | 0            | 1            | 0            | 1            | 0            |
| 9            | 0            | 9            | 1            | 1            | 0            | 1            |
| 0            | 0            | 0            | 0            | 1            | 0            | 0            |
| 0            | 5            | 0            | 0            | 0            | 1            | 1            |
| 0            | 0            | 0            | 0            | 0            | 0            | 1            |
| 0            | 0            | 0            | 0            | 1            | 1            | 0            |
| 0            | 1            | 0            | 0            | 0            | 1            | 0            |

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

| Function/Program                                     | 2019            | 2018            | 2017            |
|--|-----------------|-----------------|-----------------|
| <b><i>Building Department Indicators</i></b>         |                 |                 |                 |
| Construction Permits                                 |                 |                 |                 |
| Estimated Value of Construction                      | \$3,055,350     | \$2,868,702     | \$1,991,375     |
| Number of permits issued                             | 131             | 145             | 147             |
| Amount of Revenue generated from permits             | \$6,945         | \$5,940         | \$6,080         |
| <b>Security of Persons and Property</b>              |                 |                 |                 |
| <b><i>Police</i></b>                                 |                 |                 |                 |
| Total Calls for Services                             | 16,546          | 19,096          | 19,982          |
| 911 Calls Answered (1)                               | 296             | 387             | 4,890           |
| Arrests/Citations                                    | 1,280           | 1,474           | 1,572           |
| Community Policing Hours                             | 3,169           | 1,166           | 942             |
| Investigations                                       | 1,827           | 2,066           | 1,918           |
| Jail Inmates   | 355             | 390             | 289             |
| Vehicle Crashes                                      | 233             | 215             | 245             |
| Prisoner costs                                       | \$11,436        | \$9,046         | \$5,827         |
| Gasoline costs of fleet                              | \$28,652        | \$32,828        | \$29,026        |
| <b><i>Fire</i></b>                                   |                 |                 |                 |
| EMS Calls  | 1,642           | 1,661           | 1,645           |
| Fire Calls   | 657             | 717             | 623             |
| Fires with Loss                                      | 66              | 54              | 34              |
| Fires with Losses exceeding \$10K                    | 4               | 12              | 9               |
| Fire Losses  | \$234,750       | \$653,380       | \$467,330       |
| Fire Safety Inspections                              | 121             | 104             | 117             |
| Number of times Mutual Aid given to Fire and EMS     | 26              | 12              | 6               |
| Number of times Mutual Aid received for Fire and EMS | 34              | 0               | 9               |
| <b>Public Health Services</b>                        |                 |                 |                 |
| Cemetery burials                                     | 30              | 48              | 44              |
| Cemetery sale of lots                                | 15              | 39              | 13              |
| Cemetery receipts                                    | \$20,861        | \$19,425        | \$27,213        |
| <b>Leisure Time Activities</b>                       |                 |                 |                 |
| <b><i>Recreation</i></b>                             |                 |                 |                 |
| City Tax   | \$28,612        | \$27,918        | \$27,481        |
| Softball Fees  | 0               | 0               | 0               |
| Facilities rentals                                   | 0               | 7,500           | 40,605          |
| Total Recreation Department receipts                 | <u>\$28,612</u> | <u>\$35,418</u> | <u>\$68,086</u> |

| 2016        | 2015        | 2014        | 2013        | 2012      | 2011      | 2010        |
|-------------|-------------|-------------|-------------|-----------|-----------|-------------|
| \$2,210,590 | \$1,523,971 | \$2,873,929 | \$3,994,229 | \$944,196 | \$748,499 | \$2,198,791 |
| 167         | 161         | 188         | 161         | 147       | 148       | 131         |
| \$6,840     | \$5,290     | \$5,210     | \$5,585     | \$4,682   | \$4,652   | \$4,172     |
| 16,507      | 17,898      | 21,028      | 28,334      | 23,110    | 21,912    | 25,026      |
| 6,275       | 5,533       | 5,779       | 5,478       | 5,277     | 4,429     | 6,706       |
| 1,107       | 1,135       | 1,548       | 1,419       | 1,808     | 2,199     | 2,049       |
| 925         | 850         | 8,412       | 8,642       | 8,924     | 8,847     | 9,455       |
| 2,319       | 2,226       | 2,481       | 2,541       | 2,689     | 2,813     | 2,969       |
| 324         | 300         | 280         | 247         | 271       | 273       | 256         |
| 222         | 244         | 269         | 246         | 238       | 230       | 288         |
| \$7,230     | \$6,922     | \$8,102     | \$9,029     | \$11,234  | \$6,709   | \$11,332    |
| \$22,564    | \$25,441    | \$38,113    | \$36,457    | \$37,498  | \$29,989  | \$31,757    |
| 1,727       | 1,877       | 1,606       | 1,558       | 1,463     | 1,575     | 1,701       |
| 691         | 346         | 221         | 203         | 204       | 89        | 95          |
| 29          | 49          | 60          | 82          | 90        | 80        | 40          |
| 4           | 6           | 7           | 10          | 8         | 3         | 3           |
| \$272,416   | \$582,402   | \$347,732   | \$548,385   | \$301,600 | \$363,650 | \$162,950   |
| 111         | 132         | 132         | 99          | 120       | 79        | 34          |
| 7           | 10          | 46          | 24          | 20        | 27        | 25          |
| 9           | 18          | 17          | 23          | 22        | 42        | 12          |
| 40          | 53          | 39          | 57          | 55        | 54        | 47          |
| 7           | 16          | 17          | 24          | 8         | 9         | 12          |
| \$20,782    | \$29,170    | \$22,890    | \$32,900    | \$30,137  | \$24,565  | \$27,390    |
| \$26,956    | \$27,827    | \$25,201    | \$24,817    | \$24,325  | \$21,876  | \$24,300    |
| 0           | 0           | 800         | 600         | 1,650     | 7,850     | 9,475       |
| 37,375      | 31,650      | 31,725      | 28,225      | 29,375    | 29,075    | 31,000      |
| \$64,331    | \$59,477    | \$57,726    | \$53,642    | \$55,350  | \$58,801  | \$64,775    |

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

| Function/Program  | 2019        | 2018        | 2017        |
|---|-------------|-------------|-------------|
| <b>Transportation</b>   |             |             |             |
| Street Improvements - asphalt overlay (linear feet)                 | 20,062      | 9,815       | 15,375      |
| Crackseal Coating Program (Miles)                                   | 4           | 5           | 6           |
| Street Repair (Curbs, aprons, berms, asphalt) (hours)               | 710         | 791         | 721         |
| Paint Striping (hours)  | 240         | 239         | 243         |
| Street Sweeper (hours)  | 372         | 391         | 385         |
| Cold Patch (hours)  | 890         | 741         | 608         |
| Snow and Ice Removal regular hours                                  | 1,864       | 1,560       | 1,864       |
| Snow and Ice Removal overtime hours                                 | 410         | 389         | 636         |
| Storm Sewer Calls for Service - Sewer Jet Regular Hours             | 989         | 1,173       | 1,241       |
| Storm Sewer Calls for Service - Sewer Jet Overtime Hours            | 57          | 62          | 46          |
| Sewer Crew (hours)  | 1,050       | 1,143       | 975         |
| Landscaping Stump-Chipper service (hours)                           | 0           | 0           | 0           |
| Leaf collection (hours)   | 661         | 639         | 650         |
| Holiday lights setup (hours)  | 60          | 60          | 60          |
| Downtown Square Repair After Events                                 | 24          | 24          | 20          |
| Street/Traffic Signs (Hours)  | 305         | 254         | 341         |
| Equipment repair/body shop (hours)                                  | 2,080       | 2,080       | 2,080       |
| Tons of snow melting salt purchased (Nov-Mar)                       | 1,200       | 1,180       | 1,160       |
| Cost of salt purchased  | \$60,228    | \$47,879    | \$39,093    |
| <b>Water Department</b>   |             |             |             |
| Water Rates per 1st 2,000 gallons of water                          | \$19.90     | \$19.90     | \$19.41     |
| Avg. number of water accounts billed monthly (Cubic Feet)           | 4,852       | 4,877       | 4,901       |
| Total Water Collections Annually (Including Principal and Interest) | \$2,404,914 | \$2,383,344 | \$2,332,586 |
| <b>Wastewater Department</b>  |             |             |             |
| Wastewater Rates per 1st 300 Cubic feet of water used               | \$20.10     | \$20.10     | \$20.10     |
| Total flow of wastewater treatment plant (Billions of Gallons)      | 0.798       | 0.985       | 0.885       |
| Average daily flow (Millions of gallons per day)                    | 2.434       | 2.705       | 2.430       |
| Tons of dry sludge removed  | 302.69      | 147.23      | 219.87      |

Source: City Financial Records and Departments

(1) Beginning in 2018, 911 calls are being run through the Ashtabula County Emergency Management Agency.

| 2016        | 2015        | 2014        | 2013        | 2012        | 2011        | 2010        |
|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 16,075      | 17,935      | 7,320       | 0           | 14,347      | 8,092       | 8,580       |
| 6           | 5           | 7           | 8           | 6           | 31          | 4           |
| 750         | 771         | 1,454       | 578         | 2,879       | 2,198       | 784         |
| 224         | 192         | 177         | 274         | 172         | 231         | 104         |
| 380         | 349         | 375         | 308         | 553         | 390         | 360         |
| 580         | 404         | 501         | 380         | 361         | 482         | 248         |
| 1,750       | 1,542       | 2,177       | 1,763       | 1,656       | 1,743       | 1,824       |
| 375         | 315         | 454         | 529         | 285         | 492         | 391         |
| 1,200       | 1,311       | 1,180       | 1,467       | 1,397       | 1,280       | 432         |
| 56          | 45          | 48          | 24          | 53          | 6           | 0           |
| 1,500       | 446         | 431         | 774         | 784         | 1,114       | 400         |
| 0           | 10          | 31          | 0           | 0           | 0           | 0           |
| 640         | 0           | 0           | 0           | 0           | 0           | 0           |
| 60          | 29          | 30          | 28          | 54          | 16          | 16          |
| 0           | 0           | 0           | 0           | 0           | 0           | 0           |
| 800         | 311         | 280         | 352         | 547         | 646         | 510         |
| 2,080       | 2,010       | 1,200       | 2,281       | 2,218       | 5,760       | 6,240       |
| 1,088       | 1,564       | 1,237       | 937         | 918         | 899         | 776         |
| \$62,674    | \$105,000   | \$47,741    | \$39,565    | \$39,253    | \$40,522    | \$43,921    |
| \$18.84     | \$18.29     | \$18.29     | \$17.76     | \$17.00     | \$17.24     | \$17.24     |
| 4,880       | 4,850       | 4,800       | 4,800       | 4,900       | 4,900       | 4,900       |
| \$2,327,785 | \$2,266,166 | \$2,256,350 | \$2,168,960 | \$2,228,733 | \$2,103,537 | \$2,068,133 |
| \$19.70     | \$19.70     | \$19.70     | \$19.30     | \$18.90     | \$19.76     | \$19.76     |
| 0.701       | 0.729       | 0.949       | 1.162       | 0.972       | 1.212       | 0.694       |
| 1.919       | 1.998       | 26.020      | 3.187       | 2.657       | 3.316       | 1.902       |
| 226.71      | 317.28      | 177.98      | 292.48      | 270.54      | 186.06      | 268.91      |

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

| Function/Program              | 2019   | 2018   | 2017   | 2016   |
|-------------------------------|--------|--------|--------|--------|
| <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

| 2015                           | 2014                           | 2013                           | 2012                           | 2011                           | 2010                           |
|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| 11,580<br>1                    | 11,580<br>1                    | 11,580<br>1                    | 11,580<br>1                    | 11,580<br>1                    | 11,580<br>1                    |
| 1<br>8,944<br>20               | 1<br>8,944<br>20               | 1<br>8,944<br>20               | 1<br>8,944<br>20               | 1<br>8,944<br>20               | 1<br>8,944<br>20               |
| 2<br>12,880<br>10              | 2<br>12,880<br>10              | 2<br>12,880<br>10              | 2<br>12,880<br>10              | 2<br>12,880<br>10              | 2<br>12,880<br>10              |
| 5<br>2<br>0<br>2<br>1,790<br>2 | 5<br>2<br>0<br>2<br>1,790<br>2 | 5<br>2<br>0<br>2<br>1,790<br>2 | 5<br>2<br>1<br>2<br>1,790<br>2 | 5<br>2<br>1<br>2<br>1,790<br>2 | 5<br>2<br>1<br>2<br>1,790<br>2 |
| 565<br>22                      | 565<br>22                      | 565<br>22                      | 565<br>22                      | 565<br>22                      | 565<br>22                      |
| 60<br>35                       | 60<br>35                       | 60<br>35                       | 60<br>35                       | 60<br>35                       | 60<br>35                       |
| 91<br>9                        | 91<br>9                        | 91<br>9                        | 91<br>9                        | 91<br>9                        | 91<br>9                        |

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