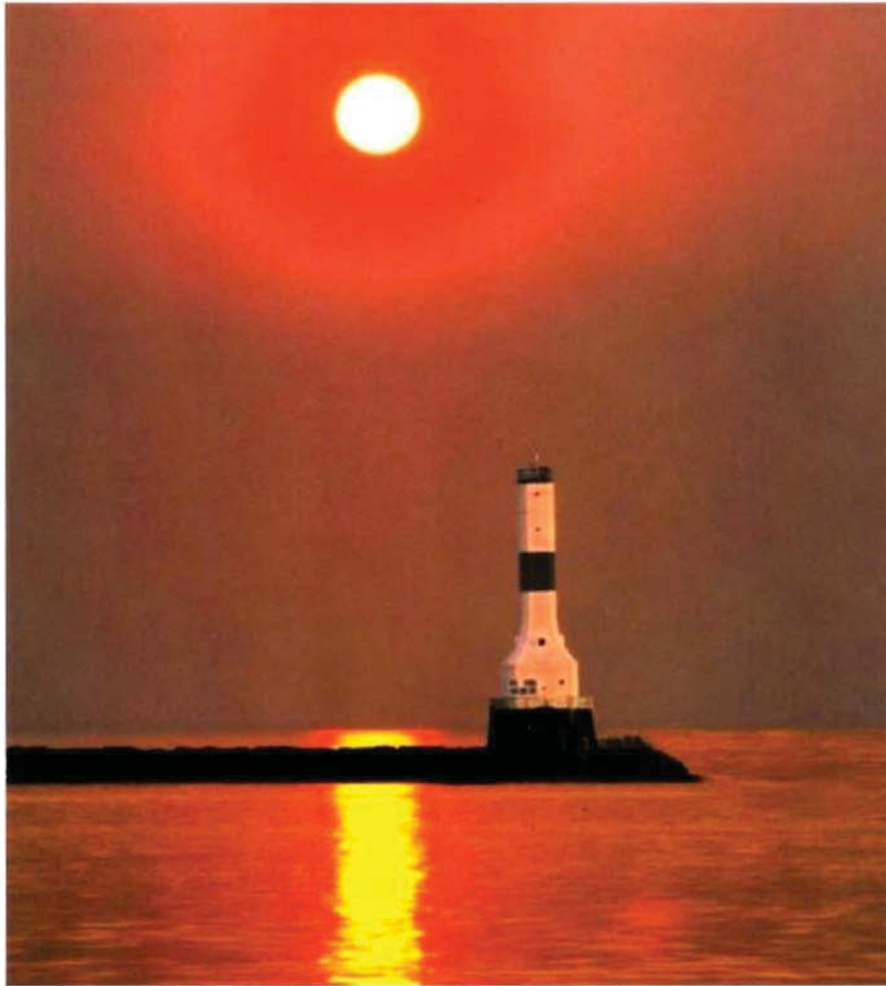


# CITY OF CONNEAUT, OHIO



Comprehensive Annual Financial Report  
For The Year Ended December 31, 2020



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# INTRODUCTORY SECTION

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**CITY OF CONNEAUT, OHIO**

**COMPREHENSIVE**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2020**

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, 2020*  
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**CITY OF CONNEAUT**  
**FINANCE DEPARTMENT**  
**294 MAIN STREET, CONNEAUT, OHIO 44030**

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

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June 29, 2021

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. This report enables the City to comply with Ohio Administrative Code Section 117-2-03 (B), which requires reporting on GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38, which requires the cities reporting on a GAAP basis to file an annual report with the Auditor of State within 150 days of fiscal year end.

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

Canter & Associates, Certified Public Accountants, has issued an unmodified ("clean") opinion of the City of Conneaut's financial statements for the year ended December 31, 2020. 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. The MD&A complements 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**

The local economy slowly improved throughout 2020 and continued into 2021, as several of the City's largest employers experienced increasing sales, profit, and employment. Most of the City's largest employers are returning to pre-pandemic employment levels, particularly those employers that are affiliated with the automotive industry. Unemployment in Ashtabula County increased from 4.9 percent in 2019 to 9.1 percent in mid-2020, representing an 85.7 percent increase, however, unemployment continued to fall for the remainder of the year to 6.1 percent in December 2020. There is still some concern about the long term financial impact of COVID 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 \$3,453,360 for 2020, which is \$398,010 more than 2019 and \$584,658 more than 2018, representing a 13.03 percent increase from the prior year and a 20.3 percent increase from 2018. The number of zoning permits increased to 179, up from 131 in 2019. New commercial development projects are pending that will increase real estate valuation, including a newly constructed truck stop at the I-90/Route 7 interchange. This project alone will total more than \$12,000,000 in new investment in the City. The real estate assessed valuation increased from \$186,388,130 in 2019 to \$200,677,360 in 2020, which is an overall increase of \$14,289,230 or 7.67 percent. The agricultural/residential property class increased by \$10,537,030, while commercial/industrial real estate increased by \$2,974,730.

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. As of December 31, 2020, there are currently no grant agreements in place. 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.

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 aging vehicles, equipment, and infrastructure, while attempting to find innovative ways to fund these capital requirements. Securing grants through CDBG, OPWC, and other agencies has been essential to funding most of the capital needs of the City. Funding from the City's income tax supported capital improvement fund is being utilized to help fund capital needs as well. Issues with aging storm water pipes are plaguing the City and assessments are being evaluated as a means to replace this aging 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 0.15 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 was 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 purchase of much needed equipment and vehicles. In addition, in 2015 the voters approved a 3 mill permanent police levy, which generated \$551,626 in 2019. The revenue is being used to fund 2 new police officers, 2 full-time corrections officers, and an additional part-time dispatcher. Funds have also been made available for the purchase of new police cruisers and other ancillary equipment.

### **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 0.65 percent is allocated by City ordinance, as directed by the voters through specific ballot language. At 1.65 percent the City's income tax on a cash basis generated \$2,902,905 in 2020, which was a substantial decrease of \$385,825 from 2019, representing \$175,933,576 in taxable wages and profits. The income tax collections were allocated as follows: General Fund: 74.79 percent or \$2,171,080 which is used to fund the fire, police, municipal court and administrative offices; Street Department: 17.80 percent or \$516,717 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 \$114,375, which is used for financial support for various programs as determined by City council; Capital Improvement: 1.58 percent or \$45,867, which is used for infrastructure repairs and the acquisition of capital assets; Street Lighting: 1.02 percent or \$29,610, which is used to pay for street lighting along state routes, the downtown district, and traffic lights throughout the City; and Recreation: 0.87 percent or \$25,256, 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 \$328,666 the police pension fund allocation was 0.90 mills or \$147,899 and the fire pension fund allocation was 0.73 mills or \$119,964. With regard to outside millage, a permanent 3 mill police levy generated \$530,481, a five-year 2.75 mill street improvement levy generated \$487,044, a permanent 2 mill police levy generated \$315,230, and a five-year 3 mill fire levy generated \$265,660. Total millage levied by the City in 2019, for collection in 2020, was 14.38, generating total revenue of \$2,194,944. 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 2020, 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 aging fleets, are a high priority for the City, but it is very expensive. Some of the planned and completed projects are:

**USDOT Grant:** A grant award of \$19,527,640 has been issued to the City by the United States Department of Transportation through the Port Infrastructure Development Program. The grant will assist in the development of several projects in the East Side Industrial Park and the Port of Conneaut by providing funding for critical infrastructure, including new rail service, new streets, and support of large industrial manufacturing companies with cutting edge technology. One such company is EnRevo, which could bring in an investment to the community worth several hundred million dollars. This grant is the largest ever received by the City. James Hockaday, City Manager, along with inSITE Advisory and CT Consultants, worked tirelessly on the grant applications. Development of the project is expected to begin in 2021.

**COVID Funding:** The City received \$1,154,798 from the Local Coronavirus Relief fund. These funds were deposited in a separate fund and then reimbursed to the City's general fund to cover the payroll and benefit cost of the safety forces (police, fire, dispatch, and corrections), as well as the City health department. This was done a reimbursement basis, as the personnel costs had already been incurred.

**Critical Infrastructure – Chestnut Street:** Critical Infrastructure program has been awarded to the City to complete comprehensive repairs along Chestnut Street. The project will replace 900 linear feet each of 24" storm sewer, 12" water line, and an 8" sanitary sewer line. The roadway surface will also be replaced with a 3" asphalt course and full depth pavement repair where required. The project will alleviate severe flooding, inflow and infiltration.

**SCADA Water Treatment Plant Project:** A \$1.58 million dollar improvement project is being proposed for the Water treatment Plant. It involves modifications to the low-service pump station, total replacement of the filter media, modifications to the SCADA system, and a valve turning machine for the distribution system. It will be funded via a \$350,000 grant and a \$1.23 million loan.

**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 2021. Operation of the facility will be contracted out to a third party.

**Vehicle Purchases:** The City purchased two police SUVs at a cost of \$64,500, a 2020 Dodge Ram 1500 crew cab for the Fire Chief at a cost of \$32,519, and a new wheel loader for the Public Works Department, costing \$153,671 via a 7-year lease/purchase agreement with Huntington Bank.

**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 sidewalks were replaced where necessary for waterline installation. Total cost of this project is \$360,000, with a \$130,000 grant from OPWC, a \$50,000, zero percent loan from OPWC, and a cash match of \$180,000. This project will commence in the spring of 2020.

**Road Paving Improvements:** Part of this project consisted of pavement replacement and overlays for two local streets and roads, totaling 9,286 linear feet of roadway. An outside contractor was hired to perform the work, with a total cost of \$588,623. All of the paving and road maintenance has been paid for with tax dollars provided by the 2.75 mill street improvement levy. State Route 7 from State Street to State Route 531, State Route 531 from Broad Street to Whitney Road and the Viaduct Bridge to the Pennsylvania line were all paved by ODOT at an approximate cost of \$3.94 million. The City paid for its portion with a SIB loan in the amount of \$394,357. 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, 2019. This is the fifteenth 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 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 \$500
  - \* Public meetings or public records
- 4) The entity has no other financial or other concerns.

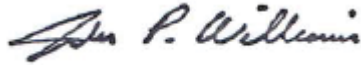


The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Conneaut for its Comprehensive Annual Financial Report for the year ended December 31, 2019. This was the fifteenth consecutive 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 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 Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

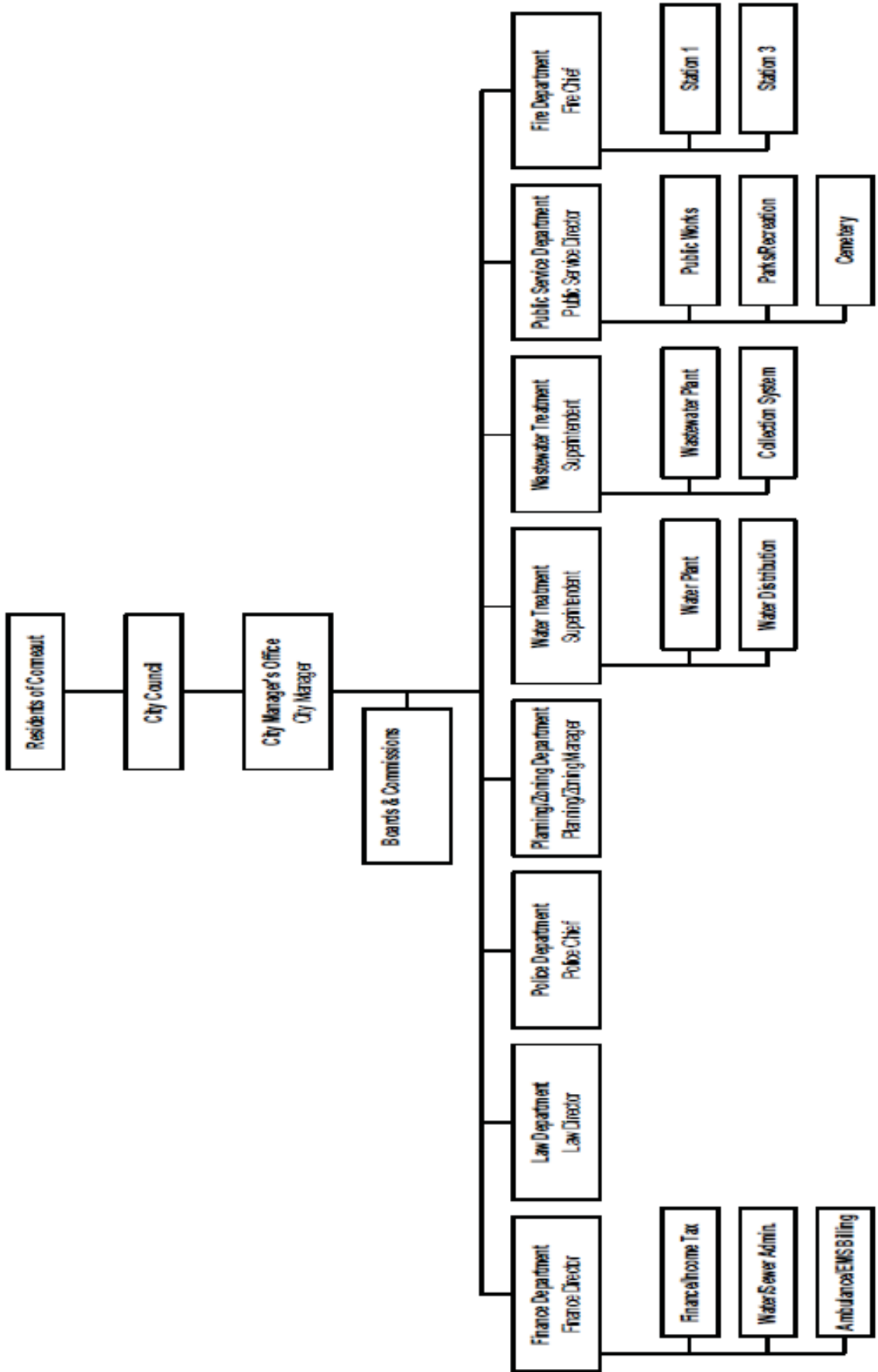
The successful preparation of the Comprehensive Annual Financial Report required the contribution and dedication of the Finance Department. Sincere appreciation is extended to City Council and City Manager Jim Hockaday for their commitment to sound financial reporting. Gratitude is also expressed to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

Respectfully submitted,

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

John Williams, J.D., CPA  
Finance Director

CITY ORGANIZATIONAL CHART - ESTABLISHED BY CITY CHARTER



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

**December 31, 2020**

**CITY COUNCIL**

John Arcaro, President

Tammy Ledford, At Large

Angel McVoy, At Large

Rick Gaugh, Ward 1

Terry Moisiso, 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

Molly Turnes, Planning Zoning Manager



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Conneaut  
Ohio**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

December 31, 2019

*Christopher P. Morrill*

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, 2020, 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, 2020, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General Fund, Street Construction Maintenance and Repair Fund and Coronavirus Relief Fund 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 26 to the basic financial statements, the financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City. Also, as described in Note 3 to the financial statements, in 2020, the City adopted new accounting guidance, *GASB No. 83, "Certain Asset Retirement Obligations"*. 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, Pension and Postemployment Benefit Contributions and Net Pension Assets, 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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards 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 and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2021, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



**CANTER & ASSOCIATES**

**Poland, Ohio**

June 29, 2021

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**City of Conneaut, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2020*  
*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, 2020. 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 2020 are as follows:

- In governmental activities, total revenues increased by \$1,616,496 or 17.03 percent, primarily due to an increase in property taxes and operating grant revenues.
- Total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources for 2020 in governmental activities by \$17,584,800 of which (\$7,705,898) was unrestricted. The net position increased by \$126,307, or 0.72 percent from 2019.
- On a modified accrual basis, the City's general fund had a balance of \$1,961,048, which is an increase of \$1,074,720 from the prior year. The unassigned fund balance was \$761,495 or 38.83 percent of the total, which is an increase of \$288,242 from the prior year.
- In governmental activities, outstanding long term obligations at year end totaled \$13,674,680, which is a decrease of \$1,650,548 from the prior year, while in business-type activities, these obligations totaled \$12,207,885, which is a decrease of \$934,965 from 2019.
- During 2020, the City signed a tax increment financing agreement with Truck World for the redevelopment of property located within the City's tax incremental financing district. The agreement includes a 100 percent exemption from real property taxation on the public infrastructure improvements for up to twenty years. Truck World will make service payments in lieu of real property taxes. The City is expected to receive collections beginning in 2022.

### **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 2020 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.

**City of Conneaut, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2020*  
*Unaudited*

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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.

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, coronavirus relief special revenue fund, the water enterprise fund and the sewer enterprise fund.

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

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

***Fiduciary Funds*** Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City's fiduciary fund is 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 2020 as compared to 2019.

**City of Conneaut, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2020*  
*Unaudited*

(Table 1)  
 Net Position

	Governmental Activities		Business-Type Activities		Total*	
	2020	2019	2020	2019	2020	2019
<b>Assets</b>						
Current and Other Assets	\$8,493,882	\$6,548,064	\$4,150,160	\$3,744,891	\$12,644,042	\$10,292,955
Net Pension Asset	10,633	9,404	8,998	7,009	19,631	16,413
Capital Assets, Net	26,065,003	25,903,898	23,308,272	23,429,168	49,373,275	49,333,066
<i>Total Assets</i>	<u>34,569,518</u>	<u>32,461,366</u>	<u>27,467,430</u>	<u>27,181,068</u>	<u>62,036,948</u>	<u>59,642,434</u>
<b>Deferred Outflows of Resources</b>						
Asset Retirement Obligation	0	0	1,165,567	1,200,402	1,165,567	1,200,402
Pension	1,116,148	2,668,033	446,817	855,623	1,496,625	3,506,360
OPEB	711,516	544,921	286,309	130,041	954,468	674,962
<i>Total Deferred Outflows of Resources</i>	<u>1,827,664</u>	<u>3,212,954</u>	<u>1,898,693</u>	<u>2,186,066</u>	<u>3,616,660</u>	<u>5,381,724</u>
<b>Liabilities</b>						
Current and Other Liabilities	971,812	463,843	400,959	327,619	1,372,771	791,462
Long-Term Liabilities:						
Due Within One Year	559,848	536,104	569,619	551,324	1,129,467	1,087,428
Due in More than One Year:						
Net Pension Liability	7,451,046	9,695,784	2,013,071	2,560,115	9,464,117	12,255,899
Net OPEB Liability	2,331,258	2,271,734	1,343,319	1,172,734	3,674,577	3,444,468
Other Amounts Due in More than One Year	3,332,528	2,821,606	8,281,876	8,858,677	11,614,404	11,680,283
<i>Total Liabilities</i>	<u>14,646,492</u>	<u>15,789,071</u>	<u>12,608,844</u>	<u>13,470,469</u>	<u>27,255,336</u>	<u>29,259,540</u>
<b>Deferred Inflows of Resources</b>						
Property Taxes	2,413,234	2,081,424	0	0	2,413,234	2,081,424
Pension	1,202,289	128,954	430,441	45,223	1,566,390	156,881
OPEB	550,367	216,378	191,255	3,182	698,265	219,560
<i>Total Deferred Inflows of Resources</i>	<u>4,165,890</u>	<u>2,426,756</u>	<u>621,696</u>	<u>48,405</u>	<u>4,677,889</u>	<u>2,457,865</u>
<b>Net Position</b>						
Net Investment in Capital Assets	23,249,059	23,758,469	16,734,171	16,134,759	39,983,230	39,893,228
Restricted:						
Capital Projects	372,596	350,247	0	0	372,596	350,247
Street Construction,						
Maintenance and Repair	551,318	464,941	0	0	551,318	464,941
Police and Fire Operations	848,845	823,205	0	0	848,845	823,205
Drug and Alcohol						
Enforcement	81,428	78,289	0	0	81,428	78,289
Cemetery Operations	64,026	63,255	0	0	64,026	63,255
Economic Development	18,240	23,707	0	0	18,240	23,707
Other Purposes	105,186	80,855	0	0	105,186	80,855
Unrestricted (Deficit)	(7,705,898)	(8,184,475)	(598,588)	(286,499)	(8,304,486)	(8,470,974)
<i>Total Net Position</i>	<u>\$17,584,800</u>	<u>\$17,458,493</u>	<u>\$16,135,583</u>	<u>\$15,848,260</u>	<u>\$33,720,383</u>	<u>\$33,306,753</u>

\* After deferred outflows of resources and deferred inflows of resources related to the change in internal proportionate share of pension-related items have been eliminated (See Note 11).

**City of Conneaut, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2020*  
*Unaudited*

The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2020. 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 \$17,458,493 in 2019 to \$17,584,800 in 2020 due to increases in property tax and intergovernmental grant revenue collections as well as a decrease in net pension liability, offset by associated deferred outflows/inflows. Business-type activities saw an increase in net position from \$15,848,260 in 2019 to \$16,135,583 in 2020 due to a decrease in the net pension liability. 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	
	2020	2019	2020	2019	2020	2019
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for Services and Assessments	\$895,328	\$1,248,872	\$4,726,509	\$4,712,679	\$5,621,837	\$5,961,551
Operating Grants and Contributions	2,322,892	889,514	0	0	2,322,892	889,514
Capital Grants	1,027,355	839,917	336,200	30,059	1,363,555	869,976
<b>Total Program Revenues</b>	<b>\$4,245,575</b>	<b>\$2,978,303</b>	<b>\$5,062,709</b>	<b>\$4,742,738</b>	<b>\$9,308,284</b>	<b>\$7,721,041</b>

(continued)

**City of Conneaut, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2020*  
*Unaudited*

(Table 2)  
Change in Net Position (continued)

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>Revenues (continued)</b>						
<b>General Revenues</b>						
Property Taxes	\$2,292,889	\$2,184,214	\$0	\$0	\$2,292,889	\$2,184,214
Municipal Income Taxes	2,822,326	3,327,462	0	0	2,822,326	3,327,462
Hotel Taxes	24,076	42,681	0	0	24,076	42,681
Grants and Entitlements not Restricted to Specific Programs	990,821	569,256	0	0	990,821	569,256
Franchise Taxes	152,237	159,801	0	0	152,237	159,801
Unrestricted Contributions	9,061	11,774	0	0	9,061	11,774
Investment Earnings	29,967	103,155	0	0	29,967	103,155
Miscellaneous	540,118	113,928	263,917	85,644	804,035	199,572
<b>Total General Revenues</b>	<b>6,861,495</b>	<b>6,512,271</b>	<b>263,917</b>	<b>85,644</b>	<b>7,125,412</b>	<b>6,597,915</b>
<b>Total Revenues</b>	<b>11,107,070</b>	<b>9,490,574</b>	<b>5,326,626</b>	<b>4,828,382</b>	<b>16,433,696</b>	<b>14,318,956</b>
<b>Program Expenses</b>						
General Government	\$1,689,627	\$1,813,569	\$0	\$0	\$1,689,627	\$1,813,569
Security of Persons and Property	4,795,231	1,714,741	0	0	4,795,231	1,714,741
Public Health Services	173,993	181,513	0	0	173,993	181,513
Leisure Time Activities	94,794	161,214	0	0	94,794	161,214
Community Development	139,462	185,934	0	0	139,462	185,934
Basic Utility Services	177,756	199,418	0	0	177,756	199,418
Transportation	3,800,790	2,900,301	0	0	3,800,790	2,900,301
Interest and Fiscal Charges	114,937	50,707	0	0	114,937	50,707
Water	0	0	2,508,882	2,210,030	2,508,882	2,210,030
Sewer	0	0	2,524,594	2,702,728	2,524,594	2,702,728
<b>Total Program Expenses</b>	<b>10,986,590</b>	<b>7,207,397</b>	<b>5,033,476</b>	<b>4,912,758</b>	<b>16,020,066</b>	<b>12,120,155</b>
<b>Income (Loss) before Transfers   and Special Item</b>	<b>120,480</b>	<b>2,283,177</b>	<b>293,150</b>	<b>(84,376)</b>	<b>413,630</b>	<b>2,198,801</b>
Special Item - Transfer of Operations	0	293,055	0	0	0	293,055
Transfers	5,827	(2,500)	(5,827)	2,500	0	0
<b>Change in Net Position</b>	<b>126,307</b>	<b>2,573,732</b>	<b>287,323</b>	<b>(81,876)</b>	<b>413,630</b>	<b>2,491,856</b>
<b>Net Position Beginning of Year - Restated</b>	<b>17,458,493</b>	<b>14,884,761</b>	<b>15,848,260</b>	<b>15,930,136</b>	<b>33,306,753</b>	<b>30,814,897</b>
<b>Net Position End of Year</b>	<b>\$17,584,800</b>	<b>\$17,458,493</b>	<b>\$16,135,583</b>	<b>\$15,848,260</b>	<b>\$33,720,383</b>	<b>\$33,306,753</b>

**Governmental Activities**

The City's net position in governmental activities increased by \$126,307 for a net position total of \$17,584,800 in 2020. Total revenues increased by \$1,616,496 or 17.03 percent, with expenses increasing \$3,779,193 or 52.43 percent. Funding for governmental activities is derived from many sources, the largest of which is the City's municipal income tax, representing approximately half of the general fund revenue budget. The City's income tax rate is 1.65 percent. Total income tax revenues were \$2,822,326 for 2020, a decrease of \$505,136 from 2019. 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 \$108,675 from 2019 collections.



**City of Conneaut, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2020*  
*Unaudited*

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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 2020, the City spent \$4,795,231 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 2020, there was an increase in expenses of \$3,080,490 for the police and fire departments or a 179.65 percent increase from 2019. 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 OP&F OPEB expense decreasing from \$548,374 in 2018 to a negative (\$3,437,027) for 2019. In 2020, the OP&F OPEB expense is \$75,936.

The City's Public Works Department (transportation) has 13 employees, including one mechanic, ten equipment operators, and one full-time administrative assistant. In 2020, they spent \$3,800,790 in transportation activities. The public works department is responsible for maintaining 565 lane miles of roads, including the paving of local streets, snow plowing, storm sewer and ditch maintenance, tree trimming/removal, park and cemetery maintenance, litter pick up, and various other duties.

***Business-Type Activities***

The City operates two business-type activities: the water and sewer treatment facilities. Net position increased in business-type activities by \$287,323 to \$16,135,583. Total revenues increased by \$498,244 or 10.32 percent, and total program expenses increased by \$120,718 or 2.46 percent. The major revenue source for these activities is charges for services. There was an increase in capital contributions with more 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, the street construction, maintenance and repair special revenue fund and the coronavirus relief special revenue fund. All governmental funds had total revenues of \$11,187,735 and total expenditures of \$10,919,143, resulting in revenues exceeding expenditures by \$268,592. Total revenues increased mainly due to an increase in property tax collections and intergovernmental revenues. Total expenditures increased mainly in transportation and capital outlay due to an increase in road projects started during 2020. During 2020, there was an increase in general fund revenues as property taxes, intergovernmental and other revenues increased. General fund expenditures decreased due to reductions in spending as a result of the pandemic. 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 coronavirus relief fund saw no change in fund balance due to revenues and expenditures balancing each other. The City's funds are monitored consistently with adjustments made throughout the year in budgets to accommodate yearly revenues.



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Information about the proprietary funds starts on page 25. These funds are accounted for on an accrual basis.

Enterprise funds had GAAP operating revenues of \$4,990,426 and operating expenses of \$4,864,340, generating an operating income of \$126,086. Overall, operating revenues remained consistent with slight increases in charges for water and sewer services and other revenues. Operating expenses saw an increase in purchased and contractual services, as well as materials and supplies expenses. 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 2020, the general fund's original revenue budget was at \$4,418,276 and the final revenue budget was at \$4,417,776 during 2020. Actual revenues were higher at \$4,502,189 or an \$84,413 positive variance. A large part of the difference was made from more than anticipated intergovernmental revenues. The general fund's original appropriation budget was \$4,717,943, and the final appropriation budget was \$4,172,532. Actual expenditures were substantially less than final budgeted appropriations with a positive variance of \$624,170. This difference is made from the City becoming more conservative in spending due to the current economic conditions that entities are facing State-wide.

**Capital Assets and Debt Administration**

***Capital Assets***

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

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$871,522	\$554,972	\$18,428	\$18,428	\$889,950	\$573,400
Construction in Progress	0	1,390,228	90,137	146,891	90,137	1,537,119
Buildings and Improvements	156,642	161,046	2,491,812	2,572,742	2,648,454	2,733,788
Equipment	1,397,832	1,463,215	2,802,751	3,009,170	4,200,583	4,472,385
Vehicles	924,919	895,889	800,412	782,491	1,725,331	1,678,380
Infrastructure						
Traffic Signals	162,721	169,607	0	0	162,721	169,607
Roads	10,053,255	8,750,447	0	0	10,053,255	8,750,447
Bridges	10,359,090	10,630,060	0	0	10,359,090	10,630,060
Storm Sewers	2,139,022	1,888,434	0	0	2,139,022	1,888,434
Water and Sewer Lines	0	0	17,104,732	16,899,446	17,104,732	16,899,446
<b>Total</b>	<b>\$26,065,003</b>	<b>\$25,903,898</b>	<b>\$23,308,272</b>	<b>\$23,429,168</b>	<b>\$49,373,275</b>	<b>\$49,333,066</b>

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Capital assets of governmental activities saw an increase in 2020 due to road projects started during the year. Additions also include two new vehicles for the police department, a boom bucket truck, a wheel loader and land. 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 as well as Chestnut and Middle Road.

The largest addition to business-type capital assets were sewer line improvements made throughout the City. A new truck and equipment also purchased. Overall, there was a decrease in business-type capital assets as the current year depreciation exceeded additions.

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, loans payable, capital leases, compensated absences, asset retirement obligations and net pension/OPEB liabilities.

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

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
General Obligation Bonds	\$1,075,101	\$814,515	\$496,427	\$576,573	\$1,571,528	\$1,391,088
OWDA Loans	0	45,596	5,534,452	6,001,227	5,534,452	6,046,823
Loans Payable	1,229,920	949,236	0	0	1,229,920	949,236
OPWC Loans	130,913	67,062	543,222	572,990	674,135	640,052
Notes Payable	0	40,000	0	0	0	40,000
Capital Leases	510,431	410,625	0	0	510,431	410,625
Compensated Absences	946,011	1,030,676	302,079	283,896	1,248,090	1,314,572
Asset Retirement Obligation	0	0	1,975,315	1,975,315	1,975,315	1,975,315
Net Pension Liability	7,451,046	9,695,784	2,013,071	2,560,115	9,464,117	12,255,899
Net OPEB Liability	2,331,258	2,271,734	1,343,319	1,172,734	3,674,577	3,444,468
<b>Total</b>	<b>\$13,674,680</b>	<b>\$15,325,228</b>	<b>\$12,207,885</b>	<b>\$13,142,850</b>	<b>\$25,882,565</b>	<b>\$28,468,078</b>

Total debt in governmental activities decreased by \$1,650,548, and business-type activities decreased by \$934,965. During 2020, the City issued a general obligation bond for street improvements, State Infrastructure Bank Loans for the Lake Road storm sewer, the Chestnut Street storm sewer and Chamberlain/Parrish road, OPWC Loans for the Lake Road storm sewer and Chestnut Middle Road improvements and entered into a lease agreement for a wheel loader. All of the debt service for these new issues are being paid with income and property tax revenues. In total, there are twenty-one OPWC and nine OWDA loans, the majority of which are being funded by special assessments and water and sewer user fees.

The six general obligation bonds outstanding at the end of the year were the Energy Conservation Improvement, Vehicle Acquisition, 2014 and 2017 Various Improvements, Fire Truck and 2020 Street Improvement 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.

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

### **Current Financial Issues**

COVID-19 had a deleterious impact on city income tax collections. On a cash basis, 2020 income tax collections were \$2,902,904, which is a decrease of \$385,827 from the prior year, or 11.73 percent. The full impact of the pandemic will not be known for some time, so income tax estimates were revised downward to reflect this trend. It is difficult to estimate when income tax collections will fully recover, but we are hopeful it occurs when the economy fully reopens in the latter half of the year.

The City received \$1,154,798 from the Coronavirus Relief Fund. Although these funds could be used for various purposes, the City chose to utilize the funding primarily to support the reimbursement of payroll related expenses of safety and public health personnel that were presumed to be substantially dedicated to addressing the public health emergency. A smaller portion of the funds were used to assist the Fire, Police, and Municipal Court to purchase thermal imaging equipment, disinfectant systems, Plexiglas partitions, IT equipment for remote work stations, and other items to help reduce the transmission of Covid-19. The full cash amount of the CARES Act funding was reimbursed to the general fund from the coronavirus relief special revenue fund, resulting in an unexpended cash carryover of \$1,778,952. The 2020 carryover increased by \$1,125,950 from the prior year's carryover of \$653,002.

Although the general fund carryover increased from 2019, this increase was due primarily to the CARES Act funding received throughout 2020. Prior to 2020, general fund carryovers had been decreasing 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

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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. However, the new gas tax has generated an increase of \$107,614 annually for the City, collections are still far below the estimates of \$248,000 due to the pandemic.

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 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 \$404,117 in 2020, resulting in an annual reduction of \$356,856 from the peak collection year. This figure does not factor in any inflation, so the inflation adjusted difference is much higher. 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 \$600,000 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 new 3 mill fire levy, and a 2.75 mill street improvement levy to help offset the cuts in State revenue sharing.

Income tax is the largest revenue source in the general fund and is a critical funding source for many departments, including the City's safety forces. Delinquent income tax accounts represent a very large source of potential revenue that needs to be collected in order to adequately fund critical operations. Although the City continues to be very aggressive in pursuing delinquent income taxpayers, there is a substantial amount of delinquent income tax due to the City for various tax years. 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 2020, the City was able to collect \$29,351 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, 2020*

	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	\$3,624,143	\$3,177,455	\$6,801,598	\$55,708	\$520,169
Accounts Receivable	231,248	648,124	879,372	0	20,000
Internal Balances	(72,907)	72,907	0	0	0
Intergovernmental Receivable	617,238	0	617,238	0	0
Prepaid Items	89,760	32,561	122,321	4,049	13,688
Materials and Supplies Inventory	120,633	201,106	321,739	25,542	4,820
Property Taxes Receivable	2,731,329	0	2,731,329	0	0
Municipal Income Taxes Receivable	547,278	0	547,278	0	0
Special Assessments Receivable	167,160	18,007	185,167	0	0
Loans Receivable from Component Unit	438,000	0	438,000	0	0
Net Pension Asset	10,633	8,998	19,631	817	0
Nondepreciable Capital Assets	871,522	108,565	980,087	14,940	152,854
Depreciable Capital Assets, Net	25,193,481	23,199,707	48,393,188	0	1,251,700
<i>Total Assets</i>	<u>34,569,518</u>	<u>27,467,430</u>	<u>62,036,948</u>	<u>101,056</u>	<u>1,963,231</u>
<b>Deferred Outflows of Resources</b>					
Asset Retirement Obligation	0	1,165,567	1,165,567	0	0
Pension	1,116,148	446,817	1,496,625	31,500	42,986
OPEB	711,516	286,309	954,468	20,846	28,614
<i>Total Deferred Outflows of Resources</i>	<u>1,827,664</u>	<u>1,898,693</u>	<u>3,616,660</u>	<u>52,346</u>	<u>71,600</u>
<b>Liabilities</b>					
Accounts Payable	130,014	71,317	201,331	3,598	8,088
Contracts Payable	85,634	170,968	256,602	0	0
Accrued Wages	135,312	55,971	191,283	5,237	3,183
Intergovernmental Payable	80,250	30,796	111,046	2,688	36,900
Deposits Held Payable	20,065	0	20,065	0	0
Accrued Interest Payable	42,537	71,907	114,444	0	179
Notes Payable	478,000	0	478,000	0	14,000
Due to Primary Government	0	0	0	0	438,000
Unearned Revenue	0	0	0	50,565	138,365
Deposits on Future Revenue	0	0	0	0	4,570
Deposit - Economic Development	0	0	0	0	25,000
Long-Term Liabilities:					
Due Within One Year	559,848	569,619	1,129,467	1,776	0
Due In More Than One Year:					
Net Pension Liability (See Note 19)	7,451,046	2,013,071	9,464,117	183,007	241,932
Net OPEB Liability (See Note 20)	2,331,258	1,343,319	3,674,577	122,120	162,298
Other Amounts Due In More Than One Year	3,332,528	8,281,876	11,614,404	22,181	0
<i>Total Liabilities</i>	<u>14,646,492</u>	<u>12,608,844</u>	<u>27,255,336</u>	<u>391,172</u>	<u>1,072,515</u>
<b>Deferred Inflows of Resources</b>					
Property Taxes	2,413,234	0	2,413,234	0	0
Pension	1,202,289	430,441	1,566,390	39,118	52,769
OPEB	550,367	191,255	698,265	17,386	25,231
<i>Total Deferred Inflows of Resources</i>	<u>4,165,890</u>	<u>621,696</u>	<u>4,677,889</u>	<u>56,504</u>	<u>78,000</u>
<b>Net Position</b>					
Net Investment in Capital Assets	23,249,059	16,734,171	39,983,230	14,940	1,316,661
Restricted for:					
Capital Projects	372,596	0	372,596	0	0
Street Construction, Maintenance and Repair	551,318	0	551,318	0	0
Police and Fire Operations	848,845	0	848,845	0	0
Drug and Alcohol Enforcement	81,428	0	81,428	0	0
Cemetery Operations	64,026	0	64,026	0	0
Economic Development	18,240	0	18,240	0	0
Other Purposes	105,186	0	105,186	0	0
Unrestricted (Deficit)	(7,705,898)	(598,588)	(8,304,486)	(309,214)	(432,345)
<i>Total Net Position</i>	<u>\$17,584,800</u>	<u>\$16,135,583</u>	<u>\$33,720,383</u>	<u>(\$294,274)</u>	<u>\$884,316</u>

\* After deferred outflows of resources and deferred inflows of resources related to the change in internal proportionate share of pension-related items have been eliminated (See Note 11).

See accompanying notes to the basic financial statements

**City of Conneaut, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2020

	Program Revenues			
	Expenses	Charges for Services and Assessments	Operating Grants and Contributions	Capital Grants
<b>Governmental Activities:</b>				
General Government	\$1,689,627	\$317,378	\$0	\$0
Security of Persons and Property	4,795,231	248,728	1,333,560	0
Public Health Services	173,993	2,978	0	0
Leisure Time Activities	94,794	11,806	2,504	0
Community Development	139,462	41,704	6,929	737,602
Basic Utility Services	177,756	160,203	0	0
Transportation	3,800,790	112,531	979,899	289,753
Interest and Fiscal Charges	114,937	0	0	0
<i>Total Governmental Activities</i>	<u>10,986,590</u>	<u>895,328</u>	<u>2,322,892</u>	<u>1,027,355</u>
<b>Business-Type Activities:</b>				
Water	2,508,882	2,367,443	0	336,200
Sewer	2,524,594	2,359,066	0	0
<i>Total Business-Type Activities</i>	<u>5,033,476</u>	<u>4,726,509</u>	<u>0</u>	<u>336,200</u>
<i>Total - Primary Government</i>	<u>\$16,020,066</u>	<u>\$5,621,837</u>	<u>\$2,322,892</u>	<u>\$1,363,555</u>
<b>Component Unit</b>				
Conneaut Board of Health	\$263,218	\$52,811	\$194,150	\$0
Conneaut Port Authority	514,538	499,329	69,917	0
<i>Total Component Units</i>	<u>\$777,756</u>	<u>\$552,140</u>	<u>\$264,067</u>	<u>\$0</u>

**General Revenues**

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

Gain on Sale of Capital Assets

Miscellaneous

*Total General Revenues*

Transfers

*Total General Revenues and Transfers*

Change in Net Position

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

*Net Position End of Year*

See accompanying notes to the basic financial statements



Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-Type Activities	Total	Conneaut Board of Health	Conneaut Port Authority
(\$1,372,249)	\$0	(\$1,372,249)	\$0	\$0
(3,212,943)	0	(3,212,943)	0	0
(171,015)	0	(171,015)	0	0
(80,484)	0	(80,484)	0	0
646,773	0	646,773	0	0
(17,553)	0	(17,553)	0	0
(2,418,607)	0	(2,418,607)	0	0
(114,937)	0	(114,937)	0	0
<u>(6,741,015)</u>	<u>0</u>	<u>(6,741,015)</u>	<u>0</u>	<u>0</u>
0	194,761	194,761	0	0
0	(165,528)	(165,528)	0	0
0	29,233	29,233	0	0
<u>(6,741,015)</u>	<u>29,233</u>	<u>(6,711,782)</u>	<u>0</u>	<u>0</u>
0	0	0	(16,257)	0
0	0	0	0	54,708
0	0	0	(16,257)	54,708
343,361	0	343,361	0	0
508,716	0	508,716	0	0
1,440,812	0	1,440,812	0	0
2,222,009	0	2,222,009	0	0
44,598	0	44,598	0	0
502,376	0	502,376	0	0
53,343	0	53,343	0	0
24,076	0	24,076	0	0
990,821	0	990,821	0	0
152,237	0	152,237	0	0
9,061	0	9,061	0	0
29,967	0	29,967	0	0
0	0	0	0	31,295
540,118	263,917	804,035	0	4,128
6,861,495	263,917	7,125,412	0	35,423
5,827	(5,827)	0	0	0
<u>6,867,322</u>	<u>258,090</u>	<u>7,125,412</u>	<u>0</u>	<u>35,423</u>
126,307	287,323	413,630	(16,257)	90,131
<u>17,458,493</u>	<u>15,848,260</u>	<u>33,306,753</u>	<u>(278,017)</u>	<u>794,185</u>
<u>\$17,584,800</u>	<u>\$16,135,583</u>	<u>\$33,720,383</u>	<u>(\$294,274)</u>	<u>\$884,316</u>

**City of Conneaut, Ohio**  
*Balance Sheet*  
*Governmental Funds*  
*December 31, 2020*

	General	Street Construction, Maintenance and Repair	Coronavirus Relief	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$1,833,595	\$113,642	\$5,165	\$1,627,641	\$3,580,043
Materials and Supplies Inventory	27,725	92,908	0	0	120,633
Accounts Receivable	231,248	0	0	0	231,248
Intergovernmental Receivable	216,165	254,537	0	146,536	617,238
Prepaid Items	66,616	14,482	0	8,662	89,760
Municipal Income Taxes Receivable	430,910	97,395	0	18,973	547,278
Property Taxes Receivable	382,529	0	0	2,348,800	2,731,329
Loans Receivable from Component Unit	0	0	0	438,000	438,000
Interfund Receivable	5,165	0	0	0	5,165
Special Assessments Receivable	5,342	126,817	0	35,001	167,160
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	34,102	9,998	0	0	44,100
<i>Total Assets</i>	<u>\$3,233,397</u>	<u>\$709,779</u>	<u>\$5,165</u>	<u>\$4,623,613</u>	<u>\$8,571,954</u>
<b>Liabilities</b>					
Accounts Payable	\$45,573	\$13,135	\$0	\$71,306	\$130,014
Contracts Payable	56,666	3,197	0	25,771	85,634
Accrued Wages	100,406	23,372	0	11,534	135,312
Intergovernmental Payable	23,045	8,954	0	48,251	80,250
Deposits Held Payable from Restricted Assets	10,067	9,998	0	0	20,065
Interfund Payable	0	0	5,165	72,907	78,072
Accrued Interest Payable	589	0	0	245	834
Notes Payable	40,000	0	0	438,000	478,000
<i>Total Liabilities</i>	<u>276,346</u>	<u>58,656</u>	<u>5,165</u>	<u>668,014</u>	<u>1,008,181</u>
<b>Deferred Inflows of Resources</b>					
Property Taxes	334,924	0	0	2,078,310	2,413,234
Unavailable Revenue	661,079	338,702	0	435,551	1,435,332
<i>Total Deferred Inflows of Resources</i>	<u>996,003</u>	<u>338,702</u>	<u>0</u>	<u>2,513,861</u>	<u>3,848,566</u>
<b>Fund Balances</b>					
Nonspendable	118,376	107,390	0	8,662	234,428
Restricted	0	205,031	0	1,352,374	1,557,405
Committed	0	0	0	207,363	207,363
Assigned	1,081,177	0	0	0	1,081,177
Unassigned (Deficit)	761,495	0	0	(126,661)	634,834
<i>Total Fund Balances</i>	<u>1,961,048</u>	<u>312,421</u>	<u>0</u>	<u>1,441,738</u>	<u>3,715,207</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$3,233,397</u>	<u>\$709,779</u>	<u>\$5,165</u>	<u>\$4,623,613</u>	<u>\$8,571,954</u>

See accompanying notes to the basic financial statements



**City of Conneaut, Ohio**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Position of Governmental Activities  
 December 31, 2020*

<b>Total Governmental Funds Balances</b>	<b>\$3,715,207</b>
 <i>Amounts reported for governmental activities in the statement of net position are different because</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	26,065,003
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	318,095
Municipal Income Taxes	298,792
Intergovernmental	420,037
Special Assessments	167,160
Charges for Services	192,595
Franchise Tax	38,653
Total	1,435,332
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(41,703)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
General Obligation Bonds	(1,075,101)
Loans Payable	(1,229,920)
OPWC Loans Payable	(130,913)
Capital Leases Payable	(510,431)
Compensated Absences	(946,011)
Total	(3,892,376)
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	10,633
Deferred Outflows - Pension	1,116,148
Deferred Inflows - Pension	(1,202,289)
Net Pension Liability	(7,451,046)
Deferred Outflows - OPEB	711,516
Deferred Inflows - OPEB	(550,367)
Net OPEB Liability	(2,331,258)
Total	(9,696,663)
<i>Net Position of Governmental Activities</i>	<b>\$17,584,800</b>

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, 2020*

	General	Street Construction, Maintenance and Repair	Coronavirus Relief	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Property Taxes	\$328,666	\$0	\$0	\$1,866,278	\$2,194,944
Municipal Income Taxes	2,287,086	517,085	0	100,806	2,904,977
Hotel Taxes	24,076	0	0	0	24,076
Special Assessments	0	734	0	35,618	36,352
Intergovernmental	992,973	828,447	1,159,963	1,382,835	4,364,218
Fees, Licenses and Permits	67,128	104,484	0	161,813	333,425
Fines and Forfeitures	149,615	0	0	71,584	221,199
Rentals	42,919	0	0	0	42,919
Charges for Services	308,802	0	0	23,945	332,747
Contributions and Donations	9,061	0	0	700	9,761
Interest	29,774	3	0	190	29,967
Franchise Taxes	153,032	0	0	0	153,032
Other	116,607	140,759	0	282,752	540,118
<i>Total Revenues</i>	<u>4,509,739</u>	<u>1,591,512</u>	<u>1,159,963</u>	<u>3,926,521</u>	<u>11,187,735</u>
<b>Expenditures</b>					
Current:					
General Government	1,534,928	0	0	1,148	1,536,076
Security of Persons and Property	1,275,290	0	1,159,963	1,713,888	4,149,141
Public Health Services	172,243	0	0	1,750	173,993
Leisure Time Activities	52,633	0	0	19,857	72,490
Community Development	89,143	0	0	28,956	118,099
Basic Utility Services	0	0	0	177,756	177,756
Transportation	0	1,795,016	0	181,740	1,976,756
Capital Outlay	0	533,652	0	1,773,289	2,306,941
Debt Service:					
Principal Retirement	176,598	65,260	0	45,596	287,454
Interest and Fiscal Charges	34,184	43,389	0	2,864	80,437
Principal Retirement - Current Refunding	40,000	0	0	0	40,000
<i>Total Expenditures</i>	<u>3,375,019</u>	<u>2,437,317</u>	<u>1,159,963</u>	<u>3,946,844</u>	<u>10,919,143</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,134,720</u>	<u>(845,805)</u>	<u>0</u>	<u>(20,323)</u>	<u>268,592</u>
<b>Other Financing Sources (Uses)</b>					
General Obligation Bonds Issued	0	420,000	0	0	420,000
Capital Lease Issued	0	153,671	0	0	153,671
State Infrastructure Bank Loan Issued	0	306,866	0	0	306,866
OPWC Loan Issued	0	66,248	0	0	66,248
Transfers In	0	0	0	67,077	67,077
Transfers Out	(60,000)	(1,250)	0	0	(61,250)
<i>Total Other Financing Sources (Uses)</i>	<u>(60,000)</u>	<u>945,535</u>	<u>0</u>	<u>67,077</u>	<u>952,612</u>
<i>Net Change in Fund Balances</i>	1,074,720	99,730	0	46,754	1,221,204
<i>Fund Balances Beginning of Year</i>	886,328	212,691	0	1,394,984	2,494,003
<i>Fund Balance End of Year</i>	<u>\$1,961,048</u>	<u>\$312,421</u>	<u>\$0</u>	<u>\$1,441,738</u>	<u>\$3,715,207</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, 2020*

<b>Net Change in Fund Balances - Total Governmental Funds</b>		<b>\$1,221,204</b>
<i>Amounts reported for governmental activities in the statement of activities are different because</i>		
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	2,061,826	
Current Year Depreciation	<u>(1,900,721)</u>	
Total		161,105
Revenue in the statement of activities that do not provide current financial resources are not reported as revenue in the funds:		
Delinquent Property Taxes	97,945	
Municipal Income Taxes	(82,651)	
Intergovernmental	(23,850)	
Special Assessments	(65,485)	
Charges for Services	(5,829)	
Franchise Taxes	<u>(795)</u>	
Total		(80,665)
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	159,414	
OWDA Loans Payable	45,596	
Loans Payable	26,182	
OPWC Loans Payable	2,397	
Notes Payable	40,000	
Capital Leases Payable	<u>53,865</u>	
Total		327,454
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.		
		(34,500)
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.		
		84,665
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	(306,866)	
OPWC Loan Issued	(66,248)	
General Obligation Bonds Issued	(420,000)	
Capital Lease Issued	<u>(153,671)</u>	
Total		(946,785)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	620,982	
OPEB	<u>10,362</u>	
Total		631,344
Except for amounts reported as deferred inflows/outflows, changes in net pension liability are reported as pension expense in the statement of activities.		
Pension	(1,000,235)	
OPEB	<u>(237,280)</u>	
Total		<u>(1,237,515)</u>
<i>Change in Net Position of Governmental Activities</i>		<u><u>\$126,307</u></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*  
*General Fund*  
*For the Year Ended December 31, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$328,500	\$328,500	\$328,666	\$166
Municipal Income Taxes	2,527,540	2,527,540	2,285,455	(242,085)
Hotel Taxes	38,000	38,000	24,076	(13,924)
Intergovernmental	445,000	445,000	990,555	545,555
Fees, Licenses and Permits	114,550	114,550	66,963	(47,587)
Fines and Forfeitures	144,450	144,450	146,230	1,780
Rentals	43,116	43,116	42,919	(197)
Charges for Services	350,503	350,503	308,802	(41,701)
Contributions and Donations	3,612	3,612	9,061	5,449
Interest	90,000	90,000	29,834	(60,166)
Franchise Taxes	168,000	168,000	153,032	(14,968)
Other	165,505	164,505	116,596	(47,909)
<i>Total Revenues</i>	<u>4,418,776</u>	<u>4,417,776</u>	<u>4,502,189</u>	<u>84,413</u>
<b>Expenditures</b>				
Current:				
General Government	1,571,549	1,810,947	1,625,269	185,678
Security of Persons and Property	2,589,765	1,665,965	1,333,557	332,408
Public Health Services	0	173,836	172,243	1,593
Leisure Time Activities	71,421	71,421	54,816	16,605
Community Development	174,163	148,938	91,695	57,243
Debt Service:				
Principal Retirement	272,890	263,270	236,598	26,672
Interest and Fiscal Charges	38,155	38,155	34,184	3,971
<i>Total Expenditures</i>	<u>4,717,943</u>	<u>4,172,532</u>	<u>3,548,362</u>	<u>624,170</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(299,167)</u>	<u>245,244</u>	<u>953,827</u>	<u>708,583</u>
<b>Other Financing Sources (Uses)</b>				
General Obligation Notes Issued	40,000	40,000	40,000	0
Capital Lease Issued	114,000	114,000	0	(114,000)
Transfers Out	(72,000)	(80,000)	(60,000)	20,000
<i>Total Other Financing Sources (Uses)</i>	<u>82,000</u>	<u>74,000</u>	<u>(20,000)</u>	<u>(94,000)</u>
<i>Net Change in Fund Balance</i>	<u>(217,167)</u>	<u>319,244</u>	<u>933,827</u>	<u>614,583</u>
<i>Fund Balance Beginning of Year</i>	<u>701,743</u>	<u>701,743</u>	<u>701,743</u>	<u>0</u>
Prior Year Encumbrances Appropriated	50,962	50,962	50,962	0
<i>Fund Balances End of Year</i>	<u><u>\$535,538</u></u>	<u><u>\$1,071,949</u></u>	<u><u>\$1,686,532</u></u>	<u><u>\$614,583</u></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, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Municipal Income Taxes	\$571,302	\$571,302	\$516,717	(\$54,585)
Special Assessments	1,000	1,000	734	(266)
Intergovernmental	910,500	910,500	836,358	(74,142)
Fees, Licenses and Permits	387,360	387,360	104,484	(282,876)
Interest	101	101	3	(98)
Other	15,000	15,000	140,759	125,759
<i>Total Revenues</i>	1,885,263	1,885,263	1,599,055	(286,208)
<b>Expenditures</b>				
Current:				
Transportation	2,297,401	2,305,401	1,859,080	446,321
Capital Outlay	699,000	703,000	537,694	165,306
Debt Service:				
Principal Retirement	70,274	70,274	66,510	3,764
Interest and Fiscal Charges	13,495	43,452	43,389	63
<i>Total Expenditures</i>	3,080,170	3,122,127	2,506,673	615,454
<i>Excess of Revenues Under Expenditures</i>	(1,194,907)	(1,236,864)	(907,618)	329,246
<b>Other Financing Sources</b>				
General Obligation Bonds Issued	420,000	420,000	420,000	0
Capital Lease Issued	0	0	153,671	153,671
State Infrastructure Bank Loan Issued	771,000	799,699	306,866	(492,833)
OPWC Loan Issued	100,000	100,000	66,248	(33,752)
Transfers In	0	40,000	0	(40,000)
<i>Total Other Financing Sources</i>	1,291,000	1,359,699	946,785	(412,914)
<i>Net Change in Fund Balance</i>	96,093	122,835	39,167	(83,668)
<i>Fund Balance Beginning of Year</i>	19,750	19,750	19,750	0
Prior Year Encumbrances Appropriated	300	300	300	0
<i>Fund Balance End of Year</i>	\$116,143	\$142,885	\$59,217	(\$83,668)

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*  
*Coronavirus Relief Fund*  
*For the Year Ended December 31, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$1,154,798	\$1,154,798	\$1,154,798	\$0
<b>Expenditures</b>				
Current:				
Security of Persons and Property	1,154,798	1,154,798	1,154,798	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>

See accompanying notes to the basic financial statements

**City of Conneaut, Ohio**  
*Statement of Fund Net Position*  
*Proprietary Funds*  
*December 31, 2020*

	Business-Type Activities		
	Water	Sewer	Total
<b>Assets</b>			
<i>Current Assets:</i>			
Equity in Pooled Cash and Cash Equivalents	\$1,148,506	\$2,028,949	\$3,177,455
Materials and Supplies Inventory	128,721	72,385	201,106
Receivables:			
Accounts	322,651	325,473	648,124
Special Assessments	1,255	419	1,674
Prepaid Items	16,930	15,631	32,561
Interfund Receivable	0	72,907	72,907
<i>Total Current Assets</i>	<u>1,618,063</u>	<u>2,515,764</u>	<u>4,133,827</u>
<i>Noncurrent Assets:</i>			
Special Assessment Receivable	7,862	8,471	16,333
Net Pension Asset	4,908	4,090	8,998
Capital Assets:			
Nondepreciable Capital Assets	97,017	11,548	108,565
Depreciable Capital Assets, Net	9,926,167	13,273,540	23,199,707
<i>Total Noncurrent Assets</i>	<u>10,035,954</u>	<u>13,297,649</u>	<u>23,333,603</u>
<i>Total Assets</i>	<u>11,654,017</u>	<u>15,813,413</u>	<u>27,467,430</u>
<b>Deferred Outflows of Resources</b>			
Asset Retirement Obligation	0	1,165,567	1,165,567
Pension	218,479	228,338	446,817
OPEB	141,459	144,850	286,309
<i>Total Deferred Outflows of Resources</i>	<u>359,938</u>	<u>1,538,755</u>	<u>1,898,693</u>
<b>Liabilities</b>			
<i>Current Liabilities:</i>			
Accounts Payable	17,785	53,532	71,317
Contracts Payable	29,819	141,149	170,968
Accrued Wages	30,037	25,934	55,971
Intergovernmental Payable	14,195	16,601	30,796
Compensated Absences Payable	35,968	21,200	57,168
Accrued Interest Payable	25,719	46,188	71,907
General Obligation Bonds Payable	4,218	76,130	80,348
OPWC Loans Payable	52,280	27,399	79,679
OWDA Loans Payable	98,184	254,240	352,424
<i>Total Current Liabilities</i>	<u>308,205</u>	<u>662,373</u>	<u>970,578</u>
<i>Long-Term Liabilities (net of current portion):</i>			
Compensated Absences Payable	128,360	116,551	244,911
General Obligation Bonds Payable	4,305	411,774	416,079
OPWC Loans Payable	224,283	239,260	463,543
OWDA Loans Payable	1,608,719	3,573,309	5,182,028
Asset Retirement Obligation	0	1,975,315	1,975,315
Net Pension Liability	1,098,039	915,032	2,013,071
Net OPEB Liability	732,719	610,600	1,343,319
<i>Total Long-Term Liabilities</i>	<u>3,796,425</u>	<u>7,841,841</u>	<u>11,638,266</u>
<i>Total Liabilities</i>	<u>4,104,630</u>	<u>8,504,214</u>	<u>12,608,844</u>
<b>Deferred Inflows of Resources</b>			
Pension	234,840	195,601	430,441
OPEB	104,321	86,934	191,255
<i>Total Deferred Inflows of Resources</i>	<u>339,161</u>	<u>282,535</u>	<u>621,696</u>
<b>Net Position</b>			
Net Investment in Capital Assets	8,031,195	8,702,976	16,734,171
Unrestricted (Deficit)	(461,031)	(137,557)	(598,588)
<i>Total Net Position</i>	<u>\$7,570,164</u>	<u>\$8,565,419</u>	<u>\$16,135,583</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, 2020*

	Business-Type Activities		
	Water	Sewer	Total
<b>Operating Revenues</b>			
Charges for Services	\$2,355,291	\$2,350,281	\$4,705,572
Tap-In Fees	7,705	4,000	11,705
Special Assessments	1,247	4,785	6,032
Rentals	3,200	0	3,200
Other	136,828	127,089	263,917
<i>Total Operating Revenues</i>	<u>2,504,271</u>	<u>2,486,155</u>	<u>4,990,426</u>
<b>Operating Expenses</b>			
Personal Services	1,515,075	1,239,194	2,754,269
Purchased Services	202,739	277,041	479,780
Contractual Services	122,001	287,987	409,988
Materials and Supplies	166,144	101,958	268,102
Depreciation	445,628	501,803	947,431
Other	2,105	2,665	4,770
<i>Total Operating Expenses</i>	<u>2,453,692</u>	<u>2,410,648</u>	<u>4,864,340</u>
<i>Operating Income (Loss)</i>	50,579	75,507	126,086
<b>Non-Operating Expenses</b>			
Interest and Fiscal Charges	(55,190)	(113,946)	(169,136)
<i>Income (Loss) before Capital Contributions and Transfers</i>	(4,611)	(38,439)	(43,050)
Capital Contributions	336,200	0	336,200
Transfers In	0	1,250	1,250
Transfers Out	0	(7,077)	(7,077)
<i>Change in Net Position</i>	331,589	(44,266)	287,323
<i>Net Position Beginning of Year (Restated- See Note 3)</i>	<u>7,238,575</u>	<u>8,609,685</u>	<u>15,848,260</u>
<i>Net Position End of Year</i>	<u>\$7,570,164</u>	<u>\$8,565,419</u>	<u>\$16,135,583</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, 2020

	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	\$2,310,688	\$2,304,478	\$4,615,166
Cash Received from Tap-In Fees	7,705	4,000	11,705
Cash Received from Rentals	3,200	0	3,200
Other Cash Receipts	136,828	127,089	263,917
Cash Payments to Employees for Services	(1,284,497)	(1,025,957)	(2,310,454)
Cash Payments for Goods and Services	(461,790)	(619,408)	(1,081,198)
Other Cash Payments	(2,105)	(2,665)	(4,770)
<i>Net Cash Provided by Operating Activities</i>	<u>710,029</u>	<u>787,537</u>	<u>1,497,566</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Transfers Out	<u>0</u>	<u>(7,077)</u>	<u>(7,077)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Transfers In for Debt Payment	0	1,250	1,250
Capital Contributions	336,200	0	336,200
Principal Paid on OWDA Loans	(102,197)	(364,578)	(466,775)
Interest Paid on OWDA Loans	(53,909)	(86,662)	(140,571)
Principal Paid on OPWC Loans	(20,635)	(9,133)	(29,768)
Principal Paid on General Obligation Bond	(4,154)	(75,992)	(80,146)
Interest Paid on General Obligation Bond	(392)	(17,422)	(17,814)
Payments for Capital Acquisitions	(555,561)	(270,974)	(826,535)
<i>Net Cash Used in Capital and Related Financing Activities</i>	<u>(400,648)</u>	<u>(823,511)</u>	<u>(1,224,159)</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	309,381	(43,051)	266,330
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>839,125</u>	<u>2,072,000</u>	<u>2,911,125</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$1,148,506</u></u>	<u><u>\$2,028,949</u></u>	<u><u>\$3,177,455</u></u>

(continued)

**City of Conneaut, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds (continued)*  
For the Year Ended December 31, 2020

	Business-Type Activities		
	Water	Sewer	Total
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>			
Operating Income (Loss)	\$50,579	\$75,507	\$126,086
Adjustments:			
Depreciation	445,628	501,803	947,431
(Increase) Decrease in Assets and Deferred Outflows:			
Accounts Receivable	(49,197)	(51,552)	(100,749)
Special Assessments Receivable	3,347	964	4,311
Materials and Supplies Inventory	68	(10,008)	(9,940)
Prepaid Items	(16,930)	(15,631)	(32,561)
Net Pension Asset	(714)	(595)	(1,309)
Deferred Outflows - Asset Retirement Obligation	0	34,835	34,835
Deferred Outflows - Pension	299,517	257,310	556,827
Deferred Outflows - OPEB	122,342	120,625	242,967
Increase (Decrease) in Liabilities and Deferred Inflows:			
Accounts Payable	506	28,543	29,049
Contracts Payable	28,520	(5,792)	22,728
Accrued Wages	5,659	5,516	11,175
Compensated Absences Payable	7,569	10,614	18,183
Intergovernmental Payable	(24)	(339)	(363)
Net Pension Liability	24,877	20,729	45,606
Net OPEB Liability	44,587	37,156	81,743
Deferred Inflows - Pension	(189,585)	(166,548)	(356,133)
Deferred Inflows - OPEB	(66,720)	(55,600)	(122,320)
<i>Total Adjustments</i>	659,450	712,030	1,371,480
<i>Net Cash Provided by Operating Activities</i>	\$710,029	\$787,537	\$1,497,566

See accompanying notes to the basic financial statements

**City Of Conneaut, Ohio**  
*Statement of Fiduciary Net Position*  
*Custodial Fund*  
*December 31, 2020*

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<b>Assets</b>	
Cash and Cash Equivalents in Segregated Accounts	<u>\$11,799</u>
<b>Liabilities</b>	
Accounts Payable	6,017
Intergovernmental Payable	<u>5,782</u>
<i>Total Liabilities</i>	<u>11,799</u>
<b>Net Position</b>	
Restricted for Other Governments	<u>\$0</u>

See accompanying notes to the basic financial statements

**City Of Conneaut, Ohio**  
*Statement of Changes in Fiduciary Net Position*  
*Custodial Fund*  
*For the Year Ended December 31, 2020*

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<b>Additions</b>	
Fines and Forfeitures for Individuals	\$97,347
Fines and Forfeitures for Other Governments	93,529
	<hr/>
<i>Total Additions</i>	<i>190,876</i>
	<hr/>
<b>Deletions</b>	
Distributions to Individuals	104,940
Distributions to the State of Ohio	59,117
Distributions to Ashtabula County	26,819
	<hr/>
<i>Total Distributions</i>	<i>190,876</i>
	<hr/>
<i>Change in Fiduciary Net Position</i>	<i>0</i>
<i>Net Position Beginning of Year</i>	<i>0</i>
	<hr/>
<i>Net Position End of Year</i>	<i>\$0</i>
	<hr/> <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, 2020*

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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 and Clerk of Council. The City Manager, with the advice and consent of a majority vote of the members of Council appoint the City Director of Finance. Members of Council are elected to two-year 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 29. 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. Information

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2020*

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for the component unit is identified in Note 30. Statements for the Port Authority can be obtained from the Conneaut Port Authority, 1205 Broad Street, Conneaut, Ohio 44030.

The City is associated with the Ohio Municipal League Workers' Compensation Group Retrospective Rating Program, an insurance purchasing pool, the Conneaut Public Library, a related organization and 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 14, 21 and 22 to the basic financial statements.

The City participates in the Public Entities Pool of Ohio a Public Entity Risk Pool. This organization is presented in Note 15 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.

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2020*

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***Fund Accounting***

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

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

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.

***Coronavirus Relief Fund*** The coronavirus relief special revenue fund is used to account for and report restricted monies received from the federal government to assist local governments with the coronavirus pandemic.

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.

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2020*

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***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 municipal court fines and fees imposed by state statute which are to be distributed to individuals and to the State.

***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.



**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2020*

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 8). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

**Deferred Outflows/Inflows of Resources** In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB and the business-type activities also have asset retirement obligations. The deferred outflows of resources related to asset retirement obligations is originally measured at the amount of the corresponding liability. This amount is expensed in a systematic and rational manner over the tangible asset's useful life. 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, 2020, but which were levied to finance year 2021 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).

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2020*

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***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.

***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 2020, 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 2020, 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 \$100 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 2020 amounted to \$29,774 which includes \$21,545 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.

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2020*

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***Prepaid Items***

Payments made to vendors for services that will benefit periods beyond December 31, 2020, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of purchase and reflecting the expenditure/expense in the year in which the services are consumed.

***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 and for deposits held payable.

***Capital Assets***

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

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

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

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

***Compensated Absences***

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

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2020*

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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.

***Fund Balance***

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

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

***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.

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2020*

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**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 2021's appropriated budget.

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

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

***Net Position***

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

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.



**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2020*

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***Interfund Activity***

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

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

***Internal Eliminations***

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

***Estimates***

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

***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.

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2020*

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

For 2020, the City implemented the Governmental Accounting Standard Board’s (GASB) Statement No. 83, Certain Asset Retirement Obligations. GASB Statement 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset.

The implementation of GASB Statement No. 83 had the following effect on net position as of December 31, 2019:

	Water	Sewer	Business Type Activities
Net Position December 31, 2019	\$7,238,575	\$9,384,598	\$16,623,173
Adjustments:			
GASB Statement 83	0	(774,913)	(774,913)
Restated Net Position December 31, 2019	\$7,238,575	\$8,609,685	\$15,848,260

**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. Proceeds from and principal payment on short-term note obligations are reported on the operating statement (budget) rather than on the balance sheet (GAAP).
5. Encumbrances are treated as expenditures (budget) rather than as restricted, committed or assigned fund balance (GAAP).

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2020*

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

	Net Change in Fund Balances		
	General	Street Construction, Maintenance and Repair	Cononavirus Relief
GAAP Basis	\$1,074,720	\$99,730	\$0
Net Adjustment for Revenue Accruals	(1,262)	7,543	0
Net Adjustment for Expenditures Accruals	13,323	(3,683)	5,165
Beginning Unrecorded Cash	8,211	0	0
Ending Unrecorded Cash	(14,499)	0	(5,165)
Proceeds of Notes	40,000	0	0
Principal Retirement	(20,000)	0	0
Encumbrances	(166,666)	(64,423)	0
Budget Basis	\$933,827	\$39,167	\$0

**Note 5 - Fund Deficits**

Fund balance at December 31, 2020, included the following individual fund deficits:

Fund	Amount
<i>Nonmajor Funds:</i>	
Street Lighting	\$20,857
Police Pension	19,573
Fire Pension	13,324
Special Assessment Bond Retirement	72,907

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

**Note 6 - 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:



**City of Conneaut, Ohio**  
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Fund Balances	General	Street Construction, Maintenance and Repair	Other Governmental Funds	Total
<b><i>Nonspendable</i></b>				
Unclaimed Monies	\$24,035	\$0	\$0	\$24,035
Inventory	27,725	92,908	0	120,633
Prepays	66,616	14,482	8,662	89,760
<b><i>Total Nonspendable</i></b>	<b>118,376</b>	<b>107,390</b>	<b>8,662</b>	<b>234,428</b>
<b><i>Restricted for</i></b>				
Capital Projects	0	0	460,256	460,256
Street Construction, Maintenance and Repair	0	205,031	33,708	238,739
Police and Fire Operations	0	0	626,775	626,775
Drug and Alcohol Enforcement	0	0	107,242	107,242
Cemetery Operations	0	0	63,591	63,591
Economic Development	0	0	18,240	18,240
Other Purposes	0	0	42,562	42,562
<b><i>Total Restricted</i></b>	<b>0</b>	<b>205,031</b>	<b>1,352,374</b>	<b>1,557,405</b>
<b><i>Committed to</i></b>				
Recreation	0	0	97,649	97,649
Capital Improvements	0	0	109,714	109,714
<b><i>Total Committed</i></b>	<b>0</b>	<b>0</b>	<b>207,363</b>	<b>207,363</b>
<b><i>Assigned to</i></b>				
Purchases on Order:				
General Government	45,650	0	0	45,650
Security of Persons and Property	48,003	0	0	48,003
Leisure Time Activities	1,298	0	0	1,298
Community Development	40	0	0	40
Year 2021 Appropriations	986,186	0	0	986,186
<b><i>Total Assigned</i></b>	<b>1,081,177</b>	<b>0</b>	<b>0</b>	<b>1,081,177</b>
<b><i>Unassigned (Deficit)</i></b>	<b>761,495</b>	<b>0</b>	<b>(126,661)</b>	<b>634,834</b>
<b><i>Total Fund Balances</i></b>	<b>\$1,961,048</b>	<b>\$312,421</b>	<b>\$1,441,738</b>	<b>\$3,715,207</b>

**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.

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

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2020*

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

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.

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.

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2020*

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

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

**Deposits**

***Custodial credit risk*** for deposits is the risk that in the event of a bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2020, \$1,099,701 of the City's total bank balance of \$2,719,195 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, 2020, the City had \$4,196,162 invested in STAR Ohio with an average maturity of 55.8 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.

**Note 8 - Receivables**

Receivables at December 31, 2020, 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).

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2020*

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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 \$35,001 in the special assessment bond retirement fund, \$7,862 in the water enterprise fund and \$8,471 in the sewer enterprise fund. At December 31, 2020, the amount of delinquent special assessments was \$51,334.

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, 2020, the City has a loan receivable in the amount of \$438,000 in the marina special revenue fund. See Note 16 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 2020 for real and public utility property taxes represents collections of 2019 taxes.

2020 real property taxes are levied after October 1, 2020 on the assessed value as of January 1, 2020 the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2020 real property taxes are collected in and intended to finance 2021.

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. 2020 public utility property taxes which became a lien December 31, 2019, are levied after October 1, 2020, and are collected in 2021 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2020, was \$14.38 per \$1,000 of assessed value. The assessed values of real property and public utility property upon which 2020 property tax receipts were based are as follows:

Category	Assessed Value
Real Estate	
Residential/Agricultural	\$133,626,170
Other Real Estate	56,604,400
Public Utility Property	10,446,790
Total Assessed Values	\$200,677,360

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, 2020 and for which there is an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2020 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.

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2020*

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***Payments in Lieu of Taxes***

According to State law, the City has established a tax incremental financing district within the City under which the City has granted property tax exemptions and agreed to construct certain infrastructure improvements. The property owners have agreed to make payments to the City to help pay the costs of the infrastructure improvements. The amount of those payments generally reflects all or a portion of the property taxes which the property owners would have paid if the property had not been declared exempt. The property owners' contractual promise to make these payments in lieu of taxes generally continues until the costs of the improvement have been paid or the agreement expires, whichever occurs first. Future development by these owners or others may result in subsequent agreements to make payments in lieu of taxes and may therefore spread the costs of the improvements to a larger number of property owners. Collections on payment in lieu of taxes are not due until 2021 and therefore no receivable exists at year end.

***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.

In March of 2020, Ohio's General Assembly passed House Bill 197 which addressed various topics, including income tax collection. This legislation indicated that for the period of the state of emergency related to COVID-19 declared on March 9, 2020, and for thirty days after the conclusion of that period, any day on which an employee performs personal services at a location, including the employee's home, to which the employee is required to report for employment duties because of the declaration shall be deemed to be a day performing personal services at the employee's principal place of work. The provisions of this legislation are being challenged in court, and the ultimate disposition is not known. The City's income tax receivable/revenue has been calculated consistent with the provisions of House Bill 197.

***Intergovernmental Receivables***

A summary of intergovernmental receivables follows:

<u>Governmental Activities</u>	<u>Amounts</u>
Gasoline Tax	\$253,370
Local Government	193,470
Homestead and Rollback	94,539
Permissive Tax	54,053
Auto License Tax	21,806
Total	<u><u>\$617,238</u></u>

**City of Conneaut, Ohio**  
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**Note 9 – Tax Abatements**

As of December 31, 2020, 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 \$4,391 at December 31, 2020.

**Note 10 - Capital Assets**

Capital asset activity for the year ended December 31, 2020, was as follows:

	Balance 12/31/2019	Additions	Deductions	Balance 12/31/2020
<b>Governmental Activities</b>				
<i>Capital Assets not being Depreciated:</i>				
Land	\$554,972	\$316,550	\$0	\$871,522
Construction in Progress	1,390,228	580,034	(1,970,262)	0
<i>Total Capital Assets not being Depreciated</i>	<u>1,945,200</u>	<u>896,584</u>	<u>(1,970,262)</u>	<u>871,522</u>
<i>Capital Assets being Depreciated:</i>				
Buildings and Improvements	1,987,438	19,015	0	2,006,453
Furniture, Fixtures and Equipment	4,133,610	212,321	0	4,345,931
Vehicles	4,413,022	253,376	0	4,666,398
Infrastructure:				
Traffic Lights	293,738	0	0	293,738
Roads	25,886,970	2,350,760	0	28,237,730
Bridges	13,548,533	0	0	13,548,533
Storm Sewers	3,241,740	300,032	0	3,541,772
<i>Total Capital Assets being Depreciated</i>	<u>53,505,051</u>	<u>3,135,504</u>	<u>0</u>	<u>56,640,555</u>
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(1,826,392)	(23,419)	0	(1,849,811)
Furniture, Fixtures and Equipment	(2,670,395)	(277,704)	0	(2,948,099)
Vehicles	(3,517,133)	(224,346)	0	(3,741,479)
Infrastructure:				
Traffic Lights	(124,131)	(6,886)	0	(131,017)
Roads	(17,136,523)	(1,047,952)	0	(18,184,475)
Bridges	(2,918,473)	(270,970)	0	(3,189,443)
Storm Sewers	(1,353,306)	(49,444)	0	(1,402,750)
<i>Total Accumulated Depreciation</i>	<u>(29,546,353)</u>	<u>(1,900,721) *</u>	<u>0</u>	<u>(31,447,074)</u>
Total Capital Assets being Depreciated, Net	<u>23,958,698</u>	<u>1,234,783</u>	<u>0</u>	<u>25,193,481</u>
Governmental Activities Capital Assets, Net	<u>\$25,903,898</u>	<u>\$2,131,367</u>	<u>(\$1,970,262)</u>	<u>\$26,065,003</u>

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
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\*Depreciation expense was charged to governmental functions as follows:

General Government	\$84,903
Security of Persons and Property	274,477
Leisure Time Activities	21,990
Community Development	1,746
Transportation	<u>1,517,605</u>
Total Depreciation Expense	<u><u>\$1,900,721</u></u>

	Balance 12/31/2019	Additions	Deductions	Balance 12/31/2020
<b>Business-Type Activities:</b>				
<i>Capital Assets not being Depreciated:</i>				
Land	\$18,428	\$0	\$0	\$18,428
Construction in Progress	146,891	386,541	(443,295)	90,137
<i>Total Capital Assets not being Depreciated</i>	<u>165,319</u>	<u>386,541</u>	<u>(443,295)</u>	<u>108,565</u>
<i>Capital Assets being Depreciated:</i>				
Buildings and Improvements	3,434,262	6,832	0	3,441,094
Equipment	8,097,702	136,161	0	8,233,863
Vehicles	1,249,364	73,765	(17,602)	1,305,527
Infrastructure:				
Water and Sewer Lines	25,062,028	666,531	0	25,728,559
<i>Total Capital Assets being Depreciated</i>	<u>37,843,356</u>	<u>883,289</u>	<u>(17,602)</u>	<u>38,709,043</u>
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(861,520)	(87,762)	0	(949,282)
Equipment	(5,088,532)	(342,580)	0	(5,431,112)
Vehicles	(466,873)	(55,844)	17,602	(505,115)
Infrastructure:				
Water and Sewer Lines	(8,162,582)	(461,245)	0	(8,623,827)
<i>Total Accumulated Depreciation</i>	<u>(14,579,507)</u>	<u>(947,431)</u>	<u>17,602</u>	<u>(15,509,336)</u>
Total Capital Assets being Depreciated, Net	<u>23,263,849</u>	<u>(64,142)</u>	<u>0</u>	<u>23,199,707</u>
Business-Type Activities Capital Assets, Net	<u><u>\$23,429,168</u></u>	<u><u>\$322,399</u></u>	<u><u>(\$443,295)</u></u>	<u><u>\$23,308,272</u></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, 2020, 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 balances at December 31, 2020, also included an interfund receivable/payable of \$5,165 between the general fund and the coronavirus relief special revenue fund pending the receipt of grant money. The interfund balance will be repaid within one year.



**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
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***Interfund Transfers***

The general fund transferred \$60,000 to other governmental funds to provide additional resources for police and fire pension payments. The street construction, maintenance and repair special revenue fund transferred \$1,250 to the sewer enterprise fund for debt payments. The sewer enterprise fund transferred \$7,077 to the special assessment bond retirement 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 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 (\$36,598 water, \$73,099 sewer enterprise funds) and deferred inflows of resources for the governmental type activities in the amount of \$66,340 for pension and \$43,357 for OPEB.

**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 - 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 2020, the City contracted with the Public Entities Pool of Ohio (PEP) for various types of insurance as follows:

<u>Type</u>	<u>Coverage</u>
Bodily Injury and Property	\$3,000,000
Law Enforcement	3,000,000
Public Officials	3,000,000
Employee Benefit	1,000,000
Stop Gap	3,000,000
Medical Payments	5,000
Automobile	3,000,000
Uninsured/Underinsured Motorist	100,000



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Claims have not exceeded this coverage in any of the past three years and there has been no significant reduction in commercial coverage in any of the past three years.

***Worker's Compensation***

For 2020, the City participated in the Ohio Municipal League Workers' Compensation Group Rating Retrospective Plan (GRP), an insurance purchasing pool (Note 14). 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 14 – Insurance Purchasing Pool**

The City participates in the Ohio Municipal League Workers' Compensation Group Retrospective Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by an eleven member Board of directors. The board is a self-appointing board that coordinates the program. Each year, the participating members pay an enrollment fee to the GRP to cover the costs of administering the program. See also Workers' Compensation discussion in Note 13.

**Note 15 – Public Entity Risk Pool**

***Risk Sharing Authority***

***Property and Liability***

The City belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. York Risk Pooling Services, Inc. (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 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, 2020, the Pool retained \$500,000 for casualty claims and \$250,000 for property claims. The Board of Directors and York periodically review the financial strength of the Pool and other market conditions to determine the appropriate level of risk the Pool will retain.

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

***Financial Position***

PEP's financial statements (for which an independent audit is still ongoing) conform to generally accepted accounting principles, and preliminarily show the following assets, liabilities and net position at December 31, 2019 (latest information available):

Casualty and Property Coverage	2019
Assets	\$54,973,597
Liabilities	16,440,940
Net Position - Unrestricted	\$38,532,657

At December 31, 2019, the liabilities above include unknown amounts of estimated incurred claims payable. The casualty coverage assets and net position above include approximately \$13.7 million of unpaid claims to be billed to approximately 553 member governments in the future, as of December 31, 2019. These amounts will be included in future contributions from members when the related claims are due for payment. This payable includes subsequent year's contributions due if the City terminates participation, as described in the last paragraph below.

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

This was the first year the City was a member of the PEP. The contribution for 2020 was \$75,685.

After completing one year of membership, members may withdraw on each anniversary date of the date they joined PEP, provided they give written notice to PEP 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's budgetary contribution. Withdrawing members have no other future obligations to the pool. 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 withdrawal.

**Note 16 - Notes Payable**

Changes in the City's note activity for the year ended December 31, 2020, were as follows:

	Outstanding 12/31/2019	Additions	Reductions	Outstanding 12/31/2020
<i>General Fund:</i>				
Center Road Bridge 2.99 %	\$20,000	\$40,000	(\$20,000)	\$40,000
<i>Special Revenue Fund:</i>				
Port Authority 2.79 %	60,000	438,000	(60,000)	438,000
<i>Total Governmental Activities</i>	\$80,000	\$478,000	(\$80,000)	\$478,000

**City of Conneaut, Ohio**  
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At December 31, 2020, the City had \$40,000 in outstanding notes related to the Center Road bridge improvements. These notes were refinanced on June 11, 2020. \$20,000 of these notes was paid down and is reflected as a fund liability. The \$40,000 outstanding notes payable in the general fund represents its share of notes issued for the Center Road bridge improvements. The notes fully matured on June 11, 2021 at an interest rate of 2.64 percent.

In 2020, the City issued a \$438,000 marina improvement note, on behalf of the Port Authority, for the purpose of acquiring, constructing, reconstructing, and improving boat docks and slips with an interest rate of 1.86 percent maturing on December 22, 2021. As of December 31, 2020 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 Issue Date	Interest Rate	Original Issue Amount	Year of 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
Street Improvements	2020	2.20	420,000	2030
<i>Loans:</i>				
Industrial Park	2008	3.25	500,000	2023
<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	103,000	2028
State Infrastructure Loan - Chamberlain and Parrish Rehabilitation	2019	3.00	823,999	2033
State Infrastructure Loan - Lake Road Storm Sewer	2020	3.00	132,500	2029
<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
Lake Road Storm Sewer	2020	0.00	50,000	2041
Chestnut Middle Road Improvements	2020	0.00	16,248	N/A

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Debt Issue	Original Issue Date	Interest Rate	Original Issue Amount	Year of 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	2038
Water Treatment Plant Improvements	2019	1.92	270,804	2049
<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	617,000	2027

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A schedule of changes in bonds and other long-term obligations of the City during 2020 follows:

	Outstanding 12/31/2019	Additions	Reductions	Outstanding 12/31/2020	Amount Due In one Year
<b>Governmental Activities:</b>					
<b>Long-term Obligations from Direct Placements:</b>					
<i>General Obligation Bonds</i>					
Energy Conservation	\$172,226	\$0	\$56,530	\$115,696	\$57,412
Vehicle Acquisition	29,313	0	5,557	23,756	5,706
Various Purpose Improvements 2014	165,776	0	30,927	134,849	32,003
Fire Truck Acquisition	276,000	0	45,000	231,000	45,000
Various Purpose Improvements 2017	171,200	0	21,400	149,800	21,400
Street Improvements 2020	0	420,000	0	420,000	38,000
<b>Total General Obligation Bonds</b>	<b>814,515</b>	<b>420,000</b>	<b>159,414</b>	<b>1,075,101</b>	<b>199,521</b>
<i>Loans:</i>					
Industrial Park	196,603	0	26,182	170,421	53,557
<i>Long - Term Notes Payable:</i>					
Center Road Bridge	40,000	0	40,000	0	0
<b>Total Long-term Obligations from Direct Placements</b>	<b>1,051,118</b>	<b>420,000</b>	<b>225,596</b>	<b>1,245,522</b>	<b>253,078</b>
<b>Loans from Direct Borrowings:</b>					
<i>Special Assessment OWDA Loans with Governmental Commitment:</i>					
East Conneaut Sewer Phase III	45,596	0	45,596	0	0
<i>Loans:</i>					
State Infrastructure Loan - Chestnut Street	100,000	3,000	0	103,000	11,574
State Infrastructure Loan - Chamberlain and Parrish Rehab	652,633	171,366	0	823,999	26,147
State Infrastructure Loan - Lake Road Storm Sewer	0	132,500	0	132,500	0
<b>Total Loans</b>	<b>752,633</b>	<b>306,866</b>	<b>0</b>	<b>1,059,499</b>	<b>37,721</b>
<i>OPWC Loans:</i>					
Under Ridge Road Culvert	8,700	0	791	7,909	2,373
Roadway Safety	9,612	0	356	9,256	1,068
Chestnut Street Storm Sewer Improvements	48,750	0	1,250	47,500	3,750
Lake Road Storm Sewer	0	50,000	0	50,000	3,750
Chestnut Middle Road Improvements	0	16,248	0	16,248	0
<b>Total OPWC Loans</b>	<b>67,062</b>	<b>66,248</b>	<b>2,397</b>	<b>130,913</b>	<b>10,941</b>
<b>Total Loans from Direct Borrowings</b>	<b>865,291</b>	<b>373,114</b>	<b>47,993</b>	<b>1,190,412</b>	<b>48,662</b>
<i>Other Long-Term Liabilities:</i>					
Capital Leases	410,625	153,671	53,865	510,431	79,273
Compensated Absences	1,030,676	128,427	213,092	946,011	178,835
<b>Total Other Long-Term Liabilities</b>	<b>1,441,301</b>	<b>282,098</b>	<b>266,957</b>	<b>1,456,442</b>	<b>258,108</b>
<i>Net Pension Liability:</i>					
OPERS	3,434,301	0	1,055,217	2,379,084	0
OPF	6,261,483	0	1,189,521	5,071,962	0
<b>Total Net Pension Liability</b>	<b>9,695,784</b>	<b>0</b>	<b>2,244,738</b>	<b>7,451,046</b>	<b>0</b>
<i>Net OPEB Liability:</i>					
OPERS	1,573,180	14,379	0	1,587,559	0
OPF	698,554	45,145	0	743,699	0
<b>Total Net OPEB Liability</b>	<b>2,271,734</b>	<b>59,524</b>	<b>0</b>	<b>2,331,258</b>	<b>0</b>
<b>Total Governmental Activities</b>					
<b>Long-Term Obligations</b>	<b>\$15,325,228</b>	<b>\$1,134,736</b>	<b>\$2,785,284</b>	<b>\$13,674,680</b>	<b>\$559,848</b>

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	Outstanding 12/31/2019	Additions	Reductions	Outstanding 12/31/2020	Amount Due 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	\$10,009	\$0	\$10,009	\$0	\$0
<i>OWDA Loans</i>					
Wastewater Improvement Loan	1,412,031	0	182,743	1,229,288	188,730
Industrial Park	82,330	0	32,198	50,132	33,170
Wastewater Aeration Repairs	174,637	0	11,308	163,329	11,627
Lake Erie Street Sanitary Sewer	178,951	0	10,702	168,249	11,061
Aerial Sewer Repairs	151,100	0	10,792	140,308	10,792
Creek Road Elevated Storage Tank	1,309,551	0	69,047	1,240,504	71,302
Harbor Street Infrastructure	468,949	0	23,869	445,080	25,742
Wastewater Improvement Loan	1,942,865	0	108,604	1,834,261	0
Water Treatment Plant Improvement	270,804	0	7,503	263,301	0
<i>Total OWDA Loans</i>	<u>5,991,218</u>	<u>0</u>	<u>456,766</u>	<u>5,534,452</u>	<u>352,424</u>
<i>Total OWDA Obligations</i>	<u>6,001,227</u>	<u>0</u>	<u>466,775</u>	<u>5,534,452</u>	<u>352,424</u>
<i>OPWC Loans:</i>					
South Conneaut Water Tank	28,875	0	9,625	19,250	19,250
Liberty Water Line	23,699	0	2,962	20,737	8,886
Madison Sanitary Sewer	9,453	0	946	8,507	2,838
Finished Water and Booster Pump	22,479	0	1,022	21,457	3,066
Water and Booster Pump Station	6,051	0	275	5,776	825
Sandusky Sanitary Sewer	15,497	0	705	14,792	2,115
Sanitary Sewer Repairs	6,279	0	251	6,028	753
Roadway Safety	21,398	0	793	20,605	2,379
Wastewater Aeration Improvement	12,241	0	453	11,788	1,359
Creek Road Water Tank	108,750	0	3,750	105,000	11,250
Aerial Sewer	36,250	0	1,250	35,000	3,750
Harbor Street Infrastructure	38,750	0	1,250	37,500	3,750
Water Treatment Plant Improvements	26,343	0	878	25,465	2,634
Orange Street Water Line	33,027	0	893	32,134	2,679
Headworks Sewer Project	135,924	0	3,485	132,439	10,455
US 20 Waterline Replacement	47,974	0	1,230	46,744	3,690
<i>Total OPWC Loans</i>	<u>572,990</u>	<u>0</u>	<u>29,768</u>	<u>543,222</u>	<u>79,679</u>
<b>Total Loans from Direct Borrowings</b>	<b><u>6,574,217</u></b>	<b><u>0</u></b>	<b><u>496,543</u></b>	<b><u>6,077,674</u></b>	<b><u>432,103</u></b>
<b>Long-term Obligations from Direct Placements:</b>					
<i>General Obligation Bonds:</i>					
Energy Conservation	39,773	0	13,046	26,727	13,248
Various Purpose Improvement	536,800	0	67,100	469,700	67,100
<i>Total Bonds</i>	<u>576,573</u>	<u>0</u>	<u>80,146</u>	<u>496,427</u>	<u>80,348</u>
<i>Other Long-Term Liabilities:</i>					
Compensated Absences	283,896	82,223	64,040	302,079	57,168
Asset Retirement Obligations	1,975,315	0	0	1,975,315	0
<i>Net Pension Liability:</i>					
OPERS	2,560,115	0	547,044	2,013,071	0
<i>Net OPEB Liability:</i>					
OPERS	1,172,734	170,585	0	1,343,319	0
<i>Total Business-Type Activities</i>	<u>\$13,142,850</u>	<u>\$252,808</u>	<u>\$1,187,773</u>	<u>\$12,207,885</u>	<u>\$569,619</u>
<i>Long-Term Obligations</i>	<u>\$13,142,850</u>	<u>\$252,808</u>	<u>\$1,187,773</u>	<u>\$12,207,885</u>	<u>\$569,619</u>

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



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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 were 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. The asset retirement obligation will be paid from the sewer enterprise fund. 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 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.

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 2020, the City issued \$420,000 in street improvement bonds through direct placement for street improvements to Route 20 West and related expenses. The bonds were issued for 2.20 percent. The bonds were issued for a ten year period with final maturity in 2030.

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.

The City's outstanding OWDA loans from direct borrowings of \$5,534,452 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 with 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.

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The City's outstanding OPWC loans from direct borrowings related to of \$130,913 related to governmental activities and \$543,222 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.

A line of credit has been established with the Ohio Public Works Commission in the amount of \$50,000 for Chestnut Middle Road improvements. The balance of the loan at December 31, 2020 was \$16,248. Since the loan repayment schedules have not yet been finalized, a repayment schedule is not included in the schedule of debt service requirements. The loan will be paid from the street construction, maintenance and repair special revenue fund.

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 \$1,059,499 were issued for the rehabilitation of Chestnut Street, Chamberlain Road and Parrish Road and Lake Road storm sewer. As of December 31, 2020 all proceeds have been spent.

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

Lines of credit have been established with the Ohio Water Development Authority in the amount of \$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 December 31, 2020	Lines of Credit
<b>OWDA Loans Not Finalized:</b>		
<i>Water Fund:</i>		
Water Treatment Plant Improvements	\$263,301	\$301,050
<i>Sewer Fund:</i>		
Wastewater Treatment Plant Improvements	1,834,261	2,295,539
<b>Total OWDA Loans Not Finalized</b>	\$2,097,562	\$2,596,589

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 2049. Annual principal and interest payments on the debt issues are expected to require 35.62 percent of net revenues. The total principal and interest remaining to be paid on the debt is \$2,344,815. Principal and interest paid for the current year and total net revenues were \$176,741 and \$496,207 respectively.



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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 to require 79.74 percent of net revenues. The total principal and interest remaining to be paid on the debt is \$4,361,592. Principal and interest paid for the current year and total net revenues were \$460,373 and \$577,310 respectively.

The City's overall legal debt margin was \$18,269,675 with an unvoted debt margin of \$8,235,807 at December 31, 2020. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2020, are as follows:

<i>Governmental Activities</i>				
<i>Direct Placements</i>				
	General Obligation		Loans Payable	
	Bonds			
	Principal	Interest	Principal	Interest
2021	\$199,521	\$28,585	\$53,557	\$3,572
2022	203,660	22,711	56,018	1,918
2023	147,684	16,722	60,846	335
2024	151,037	12,461	0	0
2025	110,400	8,115	0	0
2026-2030	262,799	16,151	0	0
Total	\$1,075,101	\$104,745	\$170,421	\$5,825

<i>Governmental Activities (continued)</i>			
<i>Direct Borrowings</i>			
	Loans Payable		OPWC
			Loans
	Principal	Interest	Principal
2021	\$37,721	\$15,364	\$10,941
2022	80,288	30,056	7,294
2023	82,715	27,630	7,294
2024	85,217	25,128	7,294
2025	87,791	22,555	6,502
2026-2030	431,689	72,128	28,560
2031-2035	254,078	15,471	26,780
2036-2040	0	0	20,000
Total	\$1,059,499	\$208,332	\$114,665

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<i>Business-Type Activities</i>					
	<i>Direct Borrowings</i>			<i>Direct Placement</i>	
	OWDA		OPWC	General Obligation	
	Loans		Loans	Bonds	
	Principal	Interest	Principal	Principal	Interest
2021	\$352,424	\$101,401	\$79,679	\$80,348	\$15,199
2022	346,247	90,801	40,286	80,579	12,577
2023	339,641	80,641	40,287	67,100	9,949
2024	350,335	70,410	34,353	67,100	7,738
2025	361,377	59,848	32,468	67,100	5,527
2026-2030	1,023,471	178,662	162,332	134,200	4,421
2031-2035	663,395	46,970	116,336	0	0
2036-2040	0	0	37,481	0	0
Total	\$3,436,890	\$628,733	\$543,222	\$496,427	\$55,411

**Note 18 – Capital Lease**

In 2020, the City entered into a capitalized lease for a wheel loader and had prior leases for an ambulance, 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, 2020 for governmental activities follows:

	Governmental Activities
Asset:	
Equipment	\$211,732
Vehicles	385,163
Less: Accumulated depreciation	(114,571)
Current Book Value	\$482,324

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

Year Ending December 31,	Governmental Activities
2021	\$96,821
2022	96,821
2023	96,821
2024	96,821
2025	96,821
2026-2027	86,988
Total	571,093
Less: Amount Representing Interest	(60,662)
Present Value of Net Minimum Lease Payments	\$510,431

**City of Conneaut, Ohio**  
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**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 (Asset)***

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

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

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

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

The proportionate share of each plan's unfunded benefits is presented as a *net pension/OPEB asset* or a long-term *net pension/OPEB 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.

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

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. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

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

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the 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 Comprehensive Annual Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

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When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (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 cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost of living adjustment is 3 percent. 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.

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

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

	State and Local
<b>2020 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee *	10.0 %
 <b>2020 Actual Contribution Rates</b>	
Employer:	
Pension **	14.0 %
Post-employment Health Care Benefits ****	0.0
Total Employer	14.0 %
Employee	10.0 %

- \* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.
- \*\* These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

**City of Conneaut, Ohio**  
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Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

For 2020, the City's contractually required contribution was \$432,035 for the traditional plan, \$0 for the combined plan and \$6,254 for the member-directed plan. Of these amounts, \$48,041 is reported as an intergovernmental payable for the traditional plan, \$0 for the combined plan, and \$498 for the member-directed plan.

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

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

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

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 Comprehensive Annual Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

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

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percent increase, if any, in the consumer price index over the 12 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 Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

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	<u>Police</u>	<u>Firefighters</u>
<b>2020 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
<b>2020 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 \$386,963 for 2020. Of this amount, \$44,323 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 (asset) for OPERS was measured as of December 31, 2019, 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, 2019, and was determined by rolling forward the total pension liability as of January 1, 2019, to December 31, 2019. 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 Traditional Plan</u>	<u>OPERS Combined Plan</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportion of the Net Pension Liability/Asset:				
Current Measurement Date	0.02222112%	0.00941472%	0.07529040%	
Prior Measurement Date	<u>0.02188704%</u>	<u>0.01467840%</u>	<u>0.07670900%</u>	
Change in Proportionate Share	<u>0.00033408%</u>	<u>-0.00526368%</u>	<u>-0.00141860%</u>	
Proportionate Share of the:				
Net Pension Liability	\$4,392,155	\$0	\$5,071,962	\$9,464,117
Net Pension Asset	0	(19,631)	0	(19,631)
Pension Expense	803,494	2,962	636,786	1,443,242

2020 pension expense for the member-directed defined contribution plan was \$6,254. The aggregate pension expense for all pension plans was \$1,449,496 for 2020.



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At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to defined benefit pensions from the following sources:

	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
<b>Deferred Outflows of Resources</b>				
Differences between expected and actual experience	\$0	\$0	\$191,990	\$191,990
Changes of assumptions	234,594	2,024	124,503	361,121
Changes in proportion and differences between City contributions and proportionate share of contributions	81,436	5,881	37,199	124,516
City contributions subsequent to the measurement date	432,035	0	386,963	818,998
<b>Total Deferred Outflows of Resources</b>	<b>\$748,065</b>	<b>\$7,905</b>	<b>\$740,655</b>	<b>\$1,496,625</b>
<b>Deferred Inflows of Resources</b>				
Differences between expected and actual experience	\$55,533	\$4,608	\$261,582	\$321,723
Net difference between projected and actual earnings on pension plan investments	876,136	2,546	245,017	1,123,699
Changes in proportion and differences between City contributions and proportionate share of contributions	0	79	120,889	120,968
<b>Total Deferred Inflows of Resources</b>	<b>\$931,669</b>	<b>\$7,233</b>	<b>\$627,488</b>	<b>\$1,566,390</b>

\$818,998 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 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
2021	(\$36,799)	(\$505)	(\$57,244)	(\$94,548)
2022	(267,238)	(455)	(38,437)	(306,130)
2023	36,281	252	89,216	125,749
2024	(347,883)	(678)	(238,269)	(586,830)
2025	0	480	(29,062)	(28,582)
Thereafter	0	1,578	0	1,578
<b>Total</b>	<b>(\$615,639)</b>	<b>\$672</b>	<b>(\$273,796)</b>	<b>(\$888,763)</b>

**Actuarial Assumptions - OPERS**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future



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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, 2019, 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, 2019, are presented below.

	<u>OPERS Traditional Plan</u>	<u>OPERS Combined Plan</u>
Wage Inflation	3.25 percent	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	1.4 percent, simple through 2020, then 2.15 percent, simple	1.4 percent, simple through 2020, 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 2019, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 3 percent simple through 2018 then 2.15 simple to 1.4 percent simple through 2020 the 2.15 percent simple.

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

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

During 2019, 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 17.2 percent for 2019.

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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 long-term expected 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. Best estimates of arithmetic real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2019, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	25.00 %	1.83 %
Domestic Equities	19.00	5.75
Real Estate	10.00	5.20
Private Equity	12.00	10.70
International Equities	21.00	7.66
Other investments	13.00	4.98
Total	<u>100.00 %</u>	<u>5.61 %</u>

**Discount Rate** The discount rate used to measure the total pension liability was 7.2 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 (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
<b>City's proportionate share of the net pension liability (asset)</b>			
OPERS Traditional Plan	\$7,244,085	\$4,392,155	\$1,828,354
OPERS Combined Plan	(11,863)	(19,631)	(25,231)

**Actuarial Assumptions – OP&F**

OP&F's total pension liability as of December 31, 2019, is based on the results of an actuarial valuation date of January 1, 2019, 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

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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. 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, 2019, are presented below.

Valuation Date	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019
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	3.25 percent per annum, compounded annually, consisting of 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 Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

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

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 Buck Modified 2016 Improvement Scale.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
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

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determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2019, are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	- %	1.00 %
Domestic Equity	16.00	5.40
Non-US Equity	16.00	5.80
Private Markets	8.00	8.00
Core Fixed Income *	23.00	2.70
High Yield Fixed Income	7.00	4.70
Private Credit	5.00	5.50
U.S. Inflation Linked Bonds*	17.00	2.50
Master Limited Partnerships	8.00	6.60
Real Assets	8.00	7.40
Private Real Estate	12.00	6.40
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 above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

**Discount Rate** The total pension liability was calculated using the discount rate of 8.00 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 (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$7,029,565	\$5,071,962	\$3,434,624

**City of Conneaut, Ohio**  
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**Note 20 – Defined Benefit OPEB Plans**

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

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

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 postemployment 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 separation, 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 75. See OPERS Comprehensive Annual Financial Report referenced below for additional information.

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority 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, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2020, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and 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 2020 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 \$1,787 for 2020. Of this amount, \$199 is reported as an intergovernmental payable.

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

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at [www.op-f.org](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

**Funding Policy** – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, 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 2020, 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 \$9,394 for 2020. Of this amount, \$1,085 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, 2018, rolled forward to the measurement date of December 31, 2019, 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, 2019, and was determined by rolling forward the total OPEB liability as of January 1, 2019, to December 31, 2019. 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	0.02121888%	0.07529040%	
Prior Measurement Date	<u>0.02106144%</u>	<u>0.07670900%</u>	
Change in Proportionate Share	<u>0.00015744%</u>	<u>-0.00141860%</u>	
			<u>Total</u>
Proportionate Share of the Net OPEB Liability	\$2,930,878	\$743,699	\$3,674,577
OPEB Expense	\$364,553	\$75,936	\$440,489

At December 31, 2020, 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	\$79	\$0	\$79
Changes of assumptions	463,927	434,795	898,722
Changes in proportion and differences between City contributions and proportionate share of contributions	34,567	9,919	44,486
City contributions subsequent to the measurement date	<u>1,787</u>	<u>9,394</u>	<u>11,181</u>
Total Deferred Outflows of Resources	<u>\$500,360</u>	<u>\$454,108</u>	<u>\$954,468</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$268,043	\$79,978	\$348,021
Changes of assumptions	0	158,493	158,493
Net difference between projected and actual earnings on OPEB plan investments	149,240	34,222	183,462
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>0</u>	<u>8,289</u>	<u>8,289</u>
Total Deferred Inflows of Resources	<u>\$417,283</u>	<u>\$280,982</u>	<u>\$698,265</u>

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\$11,181 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 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	OPERS	OP&F	Total
Year Ending December 31:			
2021	\$104,232	\$29,342	\$133,574
2022	40,712	29,342	70,054
2023	117	36,362	36,479
2024	(63,771)	25,294	(38,477)
2025	0	29,349	29,349
Thereafter	0	14,043	14,043
Total	\$81,290	\$163,732	\$245,022

**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, 2018, rolled forward to the measurement date of December 31, 2019. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.16 percent
Prior Measurement date	3.96 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate:	
Current measurement date	2.75 percent
Prior Measurement date	3.71 percent
Health Care Cost Trend Rate:	
Current measurement date	10.5 percent, initial 3.50 percent, ultimate in 2030
Prior Measurement date	10.0 percent, initial 3.25 percent, ultimate in 2029
Actuarial Cost Method	Individual Entry Age Normal

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



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

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

During 2019, 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, if any contribution are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. 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 19.7 percent for 2019.

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 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. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2019, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	36.00 %	1.53 %
Domestic Equities	21.00	5.75
Real Estate Investment Trust	6.00	5.69
International Equities	23.00	7.66
Other investments	14.00	4.90
Total	100.00 %	4.55 %

**Discount Rate** A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. 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 rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal

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bond rate of 2.75 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

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

The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.16 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 (2.16 percent) or one-percentage-point higher (4.16 percent) than the current rate:

	1% Decrease (2.16%)	Current Discount Rate (3.16%)	1% Increase (4.16%)
City's proportionate share of the net OPEB liability	\$3,835,525	\$2,930,878	\$2,206,551

***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 2020 is 10.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries 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 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$2,844,391	\$2,930,878	\$3,016,264

***Changes between Measurement Date and Reporting Date***

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements but are expected to decrease the associated OPEB liability.

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**Actuarial Assumptions – OP&F**

OP&F’s total OPEB liability as of December 31, 2019, is based on the results of an actuarial valuation date of January 1, 2019, 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.

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

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

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

Valuation Date	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019
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	3.25 percent
Single discount rate:	
Current measurement date	3.56 percent
Prior measurement date	4.66 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck 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

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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 Buck 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 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 3.56 percent. For 2018, the total OPEB liability was calculated using the discount rate of 4.66 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 2.75 percent at December 31, 2019 and 4.13 percent at December 31, 2018, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 3.56 percent for 2019 and 4.66 percent for 2018. 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 2034. The long-term expected rate of return on health care investments was applied to projected costs through 2034, and the municipal bond rate was applied to all health care costs after that date.

**Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate** Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 3.56 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.56 percent), or one percentage point higher (4.56 percent) than the current rate.

	1% Decrease (2.56%)	Current Discount Rate (3.56%)	1% Increase (4.56%)
City's proportionate share of the net OPEB liability	\$922,138	\$743,699	\$595,427

**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.

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**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. For the District, this includes the President of Cortina Leathers, the City Manager, the Executive Director of the Conneaut Public Library and two Members appointed by each representative. 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 2020, the City did not contribute to the District. There was no financial activity to report for the District at December 31, 2020.

***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 2020. Financial information can be obtained by contacting Ronald McVoy, Chairman, 31320 Solon Road, Suite 20, Solon, Ohio 11120.

**Note 22 – 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.

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**Note 23 – Related Party Transactions**

The Conneaut Port Authority, a component unit of the City of Conneaut, owes the City \$438,000 as of December 31, 2020 for a marina improvement note issued by the City. During 2020, the Port Authority paid the City \$61,804, the amount of the principal and interest on the note. The financial statements reflect \$438,000 in ‘Loans Receivable from Component Unit’.

**Note 24 - 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, 2020.

*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 25 – Encumbrances**

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

Governmental Funds	Proprietary Funds		
General	\$166,666	Water	\$116,245
Street Construction, Maintenance and Repair	64,423	Sewer	223,303
Other Governmental Funds	47,377	Total Proprietary Funds	\$339,548
Total	\$278,466		

**Note 26 – COVID-19**

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 continuing emergency measures will impact subsequent periods of the City. The City’s investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the City’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated. Additional funding will be available through the Consolidated Appropriations Act, 2021, passed by Congress on December 21, 2020 and/or the American Rescue Plan Act, passed by Congress on March 11, 2021.



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**Note 27 – Asset Retirement Obligations**

Ohio Revised Code Section 6111.44 requires the City to submit any changes to their sewerage system to the Ohio EPA for approval. Through this review process, the City would be responsible to address any public safety issues associated with their waste water treatment facilities. The City Engineer estimates these public safety issues to include removing/filling any tankage, cleaning/removing certain equipment, and backfilling certain exposed areas. This asset retirement obligation (ARO) of \$1,975,315 associated with the City waste water treatment facilities was estimated by the City engineer. The remaining useful life of these facilities range from 10 to 40 years.

**Note 28 – Subsequent Event**

On February 26, 2021, the City issued \$498,000 in street improvement bonds for various street improvements throughout the City. The bonds have a maturity date of December 1, 2031 and have an interest rate of 2.20 percent.

**Note 29 – 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.

*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. 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.

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2020*

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***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.

***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.

***Prepaid Items***

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



**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2020*

**Capital Assets**

The Board’s only capital assets are general 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 general fund. General capital assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the financial statements of the general fund.

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 value as of the date received. The Board maintains a capitalization threshold of \$100 for furniture and equipment.

All capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives
Furniture and Equipment	6 - 10 years

A summary of changes in capital assets during 2020 follows:

	Balance 12/31/2019	Additions	Deletions	Balance 12/31/2020
<b>Governmental Activities</b>				
<b>Depreciable Capital Assets</b>				
Furniture and Equipment	\$0	\$15,152	\$0	\$15,152
Less Accumulated Depreciation				
Furniture and Equipment	0	(212)	0	(212)
<i>Total Capital Assets Being Depreciated, Net</i>	<b>\$0</b>	<b>\$14,940</b>	<b>\$0</b>	<b>\$14,940</b>

Depreciation expense for 2020 was charged to public health services in the amount of \$212.

**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.

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2020*

***Long-Term Obligations***

A schedule of changes in long-term obligations of the Board during 2020 follows:

	Principal Outstanding 12/31/2019	Additions	Deletions	Principal Outstanding 12/31/2020	Amounts Due In One Year
<b><i>Governmental Activities</i></b>					
<b>Other Long-term Obligations</b>					
Net Pension Liability:					
OPERS	\$249,767	\$0	\$66,760	\$183,007	\$0
Net OPEB Liability:					
OPERS	114,414	7,706	0	122,120	0
Compensated Absences	15,203	23,957	15,203	23,957	1,776
<b><i>Total Governmental Activities</i></b>	<b><u>\$379,384</u></b>	<b><u>\$31,663</u></b>	<b><u>\$81,963</u></b>	<b><u>\$329,084</u></b>	<b><u>\$1,776</u></b>

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 \$18,001 for the traditional plan and \$74 for the member-directed plan. Of these amounts, \$2,688 is reported as an intergovernmental payable for the traditional plan and \$10 for the member-directed plan.

The net pension liability (asset) for OPERS was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of the respective measurement dates. The Board's proportion of the net pension liability (asset) 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:

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
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	OPERS Traditional Plan	OPERS Combined Plan	Total
Proportion of the Net Pension Liability/Asset:			
Current Measurement Date	0.00092588%	0.00039228%	
Prior Measurement Date	<u>0.00091196%</u>	<u>0.00061160%</u>	
Change in Proportionate Share	<u>0.00001392%</u>	<u>-0.00021932%</u>	
Proportionate Share of the:			
Net Pension Liability	\$183,007	\$0	\$183,007
Net Pension Asset	0	(817)	(817)
Pension Expense	31,767	124	31,891

2020 pension expense for the member-directed defined contribution plan was \$15,190. The aggregate pension expense for all pension plans was \$47,081 for 2020.

At December 31, 2020, the Board reported deferred outflows of resources and deferred inflows of resources related to defined benefit pensions from the following sources:

	OPERS Traditional Plan	OPERS Combined Plan	Total
<b>Deferred Outflows of Resources</b>			
Changes of assumptions	\$9,774	\$84	\$9,858
Changes in proportion and differences between Board contributions and proportionate share of contributions	3,393	248	3,641
Board contributions subsequent to the measurement date	<u>18,001</u>	<u>0</u>	<u>18,001</u>
Total Deferred Outflows of Resources	<u>\$31,168</u>	<u>\$332</u>	<u>\$31,500</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$2,313	\$193	\$2,506
Changes in proportion and differences between Board contributions and proportionate share of contributions	<u>36,506</u>	<u>106</u>	<u>36,612</u>
Total Deferred Inflows of Resources	<u>\$38,819</u>	<u>\$299</u>	<u>\$39,118</u>

\$18,001 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 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
For The Year Ended December 31, 2020

Year Ending December 31:	OPERS Traditional Plan	OPERS Combined Plan	Total
2021	(\$1,533)	(\$19)	(\$1,552)
2022	(11,135)	(19)	(11,154)
2023	1,512	14	1,526
2024	(14,496)	(28)	(14,524)
2025	0	23	23
Thereafter	0	62	62
<b>Total</b>	<b>(\$25,652)</b>	<b>\$33</b>	<b>(\$25,619)</b>

***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 (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
<b>Board's proportionate share of the net pension liability (asset)</b>			
OPERS Traditional Plan	\$301,837	\$183,007	\$76,181
OPERS Combined Plan	(494)	(817)	(1,051)

***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 \$74 for 2020. Of this amount, \$10 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, 2018, rolled forward to the measurement date of December 31, 2019, 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:

**City of Conneaut, Ohio**  
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	OPERS
Proportion of the Net OPEB Liability:	
Current Measurement Date	0.00088412%
Prior Measurement Date	0.00087756%
Change in Proportionate Share	0.00000656%
Proportionate Share of the Net OPEB Liability	\$122,120
OPEB Expense	\$15,190

At December 31, 2020, the Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS
<b>Deferred Outflows of Resources</b>	
Differences between expected and actual experience	\$3
Changes of assumptions	19,330
Net difference between projected and actual earnings on OPEB plan investments	0
Changes in proportion and differences between Board contributions and proportionate share of contributions	1,439
Board contributions subsequent to the measurement date	74
Total Deferred Outflows of Resources	\$20,846
<b>Deferred Inflows of Resources</b>	
Differences between expected and actual experience	\$11,168
Net difference between projected and actual earnings on OPEB plan investments	6,218
Total Deferred Inflows of Resources	\$17,386

\$74 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 2021. 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:	
2021	\$4,342
2022	1,696
2023	5
2024	(2,657)
Total	\$3,386

**City of Conneaut, Ohio**  
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For The Year Ended December 31, 2020

***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 3.16 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 (2.16 percent) or one-percentage-point higher (4.16 percent) than the current rate:

	1% Decrease (2.16%)	Current Discount Rate (3.16%)	1% Increase (4.16%)
Board's proportionate share of the net OPEB liability	\$159,814	\$122,120	\$91,940

***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.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Board's proportionate share of the net OPEB liability	\$118,516	\$122,120	\$125,678

**Note 30 – Conneaut Port Authority**

***Description of Reporting Entity***

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

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

***Summary of Significant Accounting Policies***

The financial statements of the Port Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. All transactions have been accounted for in a single enterprise fund.

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2020*

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***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.

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 2020, 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.



**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2020*

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***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.

***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.

***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 \$520,169 was covered by federal depository insurance.

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
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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.

***Capital Assets***

Capital asset activity for the fiscal year ended December 31, 2020 was as follows:

	Balance 12/31/2019	Additions	Deductions	Balance 12/31/2020
<b><i>Capital Assets not being Depreciated:</i></b>				
Land	\$96,938	\$0	(\$30,117)	\$66,821
Land Improvements	31,021	0	0	31,021
Construction in Progress	55,012	0	0	55,012
<b><i>Capital Assets not being Depreciated</i></b>	<b>182,971</b>	<b>0</b>	<b>(30,117)</b>	<b>152,854</b>
<b><i>Capital Assets being Depreciated:</i></b>				
Buildings and Improvements	2,717,814	66,348	(5,405)	2,778,757
Dock Improvements	1,305,189	46,663	0	1,351,852
Vehicles	16,823	0	0	16,823
Machinery and Equipment	179,411	30,893	0	210,304
<b><i>Total Capital Assets being Depreciated</i></b>	<b>4,219,237</b>	<b>143,904</b>	<b>(5,405)</b>	<b>4,357,736</b>
<b><i>Less Accumulated Depreciation:</i></b>				
Buildings and Improvements	(2,346,959)	(13,298)	474	(2,359,783)
Dock Improvements	(516,276)	(61,508)	0	(577,784)
Vehicles	(16,823)	0	0	(16,823)
Machinery and Equipment	(143,707)	(7,939)	0	(151,646)
<b><i>Total Accumulated Depreciation</i></b>	<b>(3,023,765)</b>	<b>(82,745)</b>	<b>474</b>	<b>(3,106,036)</b>
<b>Total Capital Assets being Depreciated, Net</b>	<b>1,195,472</b>	<b>61,159</b>	<b>(4,931)</b>	<b>1,251,700</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$1,378,443</b>	<b>\$61,159</b>	<b>(\$35,048)</b>	<b>\$1,404,554</b>

***Long-Term Obligations***

The Port Authority is liable for a note payable to the City of Conneaut. A \$438,000 note was issued on December 23, 2020 with an interest rate of 1.86 percent. The Port Authority is also liable for a zero percent interest note payable to the Conneaut Foundation in the amount of \$14,000.

***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 \$25,151 for 2020. Of this amount, \$436 is reported as an intergovernmental payable.

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2020*

***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, 2019, 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:

	OPERS
Proportion of the Net Pension Liability	
Current Measurement Date	0.001224%
Prior Measurement Date	0.012350%
Change in Proportionate Share	-0.011126%
Proportionate Share of the Net Pension Liability (Asset)	\$241,932
Pension Expense	\$42,154

At December 31, 2020, the Port Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS
<b>Deferred Outflows of Resources</b>	
Changes of assumptions	\$12,922
Changes in proportion and differences between Port Authority contributions and proportionate share of contributions	4,913
Port Authority contributions subsequent to the measurement date	25,151
Total Deferred Outflows of Resources	\$42,986
<b>Deferred Inflows of Resources</b>	
Differences between expected and actual experience	\$3,059
Net difference between projected and actual earnings on pension plan investments	48,260
Changes in proportion and differences between Port Authority contributions and proportionate share of contributions	1,450
Total Deferred Inflows of Resources	\$52,769

\$25,151 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS
Year Ending December 31:	
2021	(\$1,666)
2022	(16,104)
2023	1,998
2024	(19,162)
Total	(\$34,934)

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
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***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 7.20 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 (6.20 percent), or one percentage point higher (8.20 percent) than the current rate.

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Port Authority proportionate share of the net pension liability	\$399,024	\$241,932	\$100,711

***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 2020.

***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, 2018, rolled forward to the measurement date of December 31, 2019, 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:

	OPERS
Proportion of the net OPEB liability prior measurement date	0.0012010%
Proportion of the net OPEB liability current measurement date	0.0011750%
Change in proportionate share	-0.0000260%
Proportionate share of the net OPEB liability	\$162,298
OPEB expense	\$18,085

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2020*

At December 31, 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS
<b>Deferred Outflows of Resources</b>	
Differences between expected and actual experience	\$4
Changes of assumptions	25,690
Changes in proportion and differences between contributions and proportionate share of contributions	2,920
Total Deferred Outflows of Resources	\$28,614
<b>Deferred Inflows of Resources</b>	
Differences between expected and actual experience	\$14,843
Net difference between projected and actual earnings on OPEB plan investments	8,264
Changes in proportion and differences between contributions and proportionate share of contributions	2,124
Total Deferred Inflows of Resources	\$25,231

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, 2021.

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:	
2021	\$5,673
2022	1,234
2023	7
2024	(3,531)
Total	\$3,383

***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 3.16 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 (2.16 percent) or one-percentage-point higher (4.16 percent) than the current rate:

	1% Decrease (2.16%)	Current Discount Rate (3.16%)	1% Increase (4.16%)
Authority's proportionate share of the net OPEB liability	\$212,393	\$162,298	\$122,188

***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.

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2020*

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
Authority's proportionate share of the net OPEB liability	\$157,509	\$162,298	\$167,026

***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, 2020, PEP retained \$500,000 for casualty claims and \$250,000 for property claims.

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

***Financial Position*** PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2019 (latest information available):

	2019
Assets	\$54,973,597
Liabilities	(16,440,940)
Net Position	\$38,532,657

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 2020, member contributions amounted to \$26,249.

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2020*

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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, 2020.

***Litigation and Claims***

In the normal course of operations, the Port Authority may be subject to litigation and claims. At December 31, 2020, the Port Authority was not aware of any such matters that would have a material effect on the financial statements.



## **Required Supplementary Information**

**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 Seven Years (1)\**

	2020	2019	2018	2017
City's Proportion of the Net Pension Liability	0.02222112%	0.02188704%	0.02119392%	0.02178200%
City's Proportionate Share of the Net Pension Liability	\$4,392,155	\$5,994,416	\$3,324,914	\$4,946,323
City's Covered Payroll	\$3,126,529	\$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	140.48%	202.67%	118.71%	175.66%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.17%	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 Five Years (1)\**

	2020	2019	2018	2017
City's Proportion of the Net Pension Asset	0.00941472%	0.01467840%	0.01542912%	0.01586500%
City's Proportionate Share of the Net Pension Asset	\$19,631	\$16,413	\$21,004	\$8,830
City's Covered Payroll	\$41,914	\$62,779	\$63,190	\$61,758
City's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	46.84%	26.14%	33.24%	14.30%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset	145.28%	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 Public Employees Retirement System - OPEB Plan*  
*Last Four Years (1)\**

	2020	2019	2018	2017
City's Proportion of the Net OPEB Liability	0.02121888%	0.02106144%	0.02132000%	0.02108000%
City's Proportionate Share of the Net OPEB Liability	\$2,930,878	\$2,745,914	\$2,222,587	\$2,129,152
City's Covered Payroll	\$3,205,768	\$3,056,357	\$2,899,040	\$2,877,583
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	91.43%	89.84%	76.67%	73.99%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	47.80%	46.33%	54.14%	54.04%

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

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

See accompanying notes to required supplementary information

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

	2020	2019	2018	2017
City's Proportion of the Net Pension Liability	0.07529040%	0.07670900%	0.07649200%	0.07630900%
City's Proportionate Share of the Net Pension Liability	\$5,071,962	\$6,261,483	\$4,694,660	\$4,833,336
City's Covered Payroll	\$1,798,764	\$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	281.97%	350.86%	273.42%	287.07%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.89%	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 Four Years (1)\**

	2020	2019	2018	2017
City's Proportion of the Net OPEB Liability	0.07529040%	0.07670900%	0.07649200%	0.07630900%
City's Proportionate Share of the Net OPEB Liability	\$743,699	\$698,554	\$4,333,929	\$3,622,217
City's Covered Payroll	\$1,798,764	\$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	41.35%	39.14%	252.41%	215.14%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	47.08%	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 City Contributions*  
*Ohio Public Employees Retirement System*  
*Last Eight Years (1)*

	2020	2019	2018	2017
<b>Net Pension Liability - Traditional Plan</b>				
Contractually Required Contribution	\$432,035	\$437,714	\$414,075	\$364,104
Contributions in Relation to the Contractually Required Contribution	<u>(432,035)</u>	<u>(437,714)</u>	<u>(414,075)</u>	<u>(364,104)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$3,085,964	\$3,126,529	\$2,957,678	\$2,800,800
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	13.00%
<b>Net Pension Asset - Combined Plan</b>				
Contractually Required Contribution (2)	\$0	\$5,868	\$8,789	\$8,215
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<u>(5,868)</u>	<u>(8,789)</u>	<u>(8,215)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$0	\$41,914	\$62,779	\$63,190
Contributions as a Percentage of Covered Payroll	N/A	14.00%	14.00%	13.00%
<b>Net OPEB Liability - OPERS Plan (3)</b>				
Contractually Required Contribution	\$1,787	\$1,493	\$1,436	\$31,295
Contributions in Relation to the Contractually Required Contribution	<u>(1,787)</u>	<u>(1,493)</u>	<u>(1,436)</u>	<u>(31,295)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (4)	\$3,130,639	\$3,205,768	\$3,056,357	\$2,899,040
Contributions as a Percentage of Covered Payroll	0.06%	0.05%	0.05%	1.08%

(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

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$337,899	\$325,306	\$309,604	\$306,358
<u>(337,899)</u>	<u>(325,306)</u>	<u>(309,604)</u>	<u>(306,358)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$2,815,825	\$2,710,885	\$2,580,033	\$2,356,597
12.00%	12.00%	12.00%	13.00%
\$7,411	\$5,055		
<u>(7,411)</u>	<u>(5,055)</u>		
<u>\$0</u>	<u>\$0</u>		
\$61,758	\$42,125		
12.00%	12.00%		
\$57,552			
<u>(57,552)</u>			
<u>\$0</u>			
\$2,877,583			
2.00%			

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

	2020	2019	2018	2017
<b>Net Pension Liability</b>				
Contractually Required Contribution	\$386,963	\$370,621	\$368,299	\$354,441
Contributions in Relation to the Contractually Required Contribution	<u>(386,963)</u>	<u>(370,621)</u>	<u>(368,299)</u>	<u>(354,441)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (1)	\$1,878,644	\$1,798,764	\$1,784,628	\$1,716,989
Contributions as a Percentage of Covered Payroll:	<u>20.60%</u>	<u>20.60%</u>	<u>20.64%</u>	<u>20.64%</u>
<b>Net OPEB Liability</b>				
Contractually Required Contribution	\$9,394	\$8,994	\$8,923	\$8,585
Contributions in Relation to the Contractually Required Contribution	<u>(9,394)</u>	<u>(8,994)</u>	<u>(8,923)</u>	<u>(8,585)</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>21.10%</u>	<u>21.14%</u>	<u>21.14%</u>

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

See accompanying notes to the required supplementary information

2016	2015	2014	2013	2012	2011
\$346,650	\$335,890	\$321,229	\$267,948	\$208,758	\$200,873
<u>(346,650)</u>	<u>(335,890)</u>	<u>(321,229)</u>	<u>(267,948)</u>	<u>(208,758)</u>	<u>(200,873)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,683,660	\$1,621,815	\$1,552,383	\$1,524,286	\$1,440,692	\$1,394,499
<u>20.59%</u>	<u>20.71%</u>	<u>20.69%</u>	<u>17.58%</u>	<u>14.49%</u>	<u>14.40%</u>
\$8,419	\$8,109	\$7,762	\$55,128	\$97,247	\$94,129
<u>(8,419)</u>	<u>(8,109)</u>	<u>(7,762)</u>	<u>(55,128)</u>	<u>(97,247)</u>	<u>(94,129)</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>0.50%</u>	<u>3.62%</u>	<u>6.75%</u>	<u>6.75%</u>
<u>21.09%</u>	<u>21.21%</u>	<u>21.19%</u>	<u>21.20%</u>	<u>21.24%</u>	<u>21.15%</u>



**City of Conneaut, Ohio**  
*Notes to the Required Supplementary Information*  
*For the Year Ended December 31, 2020*

**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 in prior years are presented below:

	2019	2018 and 2017	2016 and prior
Wage Inflation	3.25 percent	3.25 percent	3.75 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:			
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	see below	see below	see below
Investment Rate of Return	7.2 percent	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age

The assumptions related COLA or Ad Hoc COLA for Post-January 7, 2013 Retirees are as follows:

COLA or Ad Hoc COLA, Post-January 7, 2013 Retirees:

2020	1.4 percent, simple through 2020 then 2.15 percent, simple
2017 through 2019	3.0 percent, simple through 2018 then 2.15 percent, simple
2016 and prior	3.0 percent, simple through 2018 then 2.80 percent, simple

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 2020, the Combined Plan had the same change in COLA or Ad Hoc COLA for Post-January 2, 2013 retirees as the Traditional 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, 2020*

**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 Buck/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 Buck/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, 2020*

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**Changes in Assumptions – OPERS OPEB**

Investment Return Assumption:	
Beginning in 2019	6.00 percent
2018	6.50 percent
Municipal Bond Rate:	
2020	2.75 percent
2019	3.71 percent
2018	3.31 percent
Single Discount Rate:	
2020	3.16 percent
2019	3.96 percent
2018	3.85 percent
Health Care Cost Trend Rate:	
2020	10.5 percent, initial 3.5 percent, ultimate in 2030
2019	10.0 percent, initial 3.25 percent, ultimate in 2029
2018	7.5 percent, initial 3.25 percent, ultimate in 2028

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

Single Discount Rate:	
2020	3.56 percent
2019	4.66 percent
2018	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.

***Marina Fund*** The Marina Fund accounts for and reports fees restricted for the implementation of State programs for licensing and inspecting Marinas and payments from the port authority for debt.

***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.

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

(continued)

## Fund Descriptions – Nonmajor Governmental Funds (continued)

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

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

**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.

**Tax Increment Financing (TIF) Fund** The TIF Fund accounts for and reports reimbursements from Truck World and payment in lieu of taxes restricted for costs in agreement with the tax increment financing agreement the City made with Truck World. The City is expected to begin collections of payment in lieu of taxes beginning in 2022.

**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.

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

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

***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.

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

***Chestnut Street Phase III Project Fund*** The Chestnut Street Phase III Fund accounts for and reports grant monies and loan proceeds received through OPWC restricted for storm water improvements to Chestnut Street. This fund only had budgetary comparison information to present.

***Conneaut Dredge Facility Fund*** The Conneaut Dredge Facility Fund accounts for and reports grant monies received through the Ohio Department of Natural Resources restricted for the purpose of building a dredge facility at the Conneaut harbor.

***Conneaut Coastal Wetlands Fund*** The Conneaut Coastal Wetlands Fund accounts for and reports grant monies received through OPWC restricted for the acquisition of wetlands property for the preservation of wildlife.

***Paddle Grant Fund*** The Paddle Grant Fund accounts for and reports grant monies received through the Ohio Department of Natural Resources restricted for the purpose of making dock improvements for paddle boat access to Conneaut Creek. This fund only had budgetary comparison information to present.

***Municipal Court Grant Fund*** The Municipal Court Grant Fund accounts for and reports restricted grant monies received through the Ohio Department of Public Safety to purchase computer software for the Conneaut Municipal Court. This fund only had budgetary comparison information to present.

***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, 2020*

	Nonmajor Special Revenue Funds	Nonmajor Special Assessment Bond Retirement Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and				
Cash Equivalents	\$1,032,727	\$0	\$594,914	\$1,627,641
Intergovernmental Receivable	134,339	0	12,197	146,536
Prepaid Items	8,662	0	0	8,662
Municipal Income Taxes Receivable	10,349	0	8,624	18,973
Property Taxes Receivable	1,806,360	0	542,440	2,348,800
Loans Receivable from Component Unit	438,000	0	0	438,000
Special Assessments Receivable	0	35,001	0	35,001
<i>Total Assets</i>	<u>\$3,430,437</u>	<u>\$35,001</u>	<u>\$1,158,175</u>	<u>\$4,623,613</u>
<b>Liabilities</b>				
Accounts Payable	\$70,503	\$0	\$803	\$71,306
Contracts Payable	411	0	25,360	25,771
Accrued Wages	9,079	0	2,455	11,534
Intergovernmental Payable	48,009	0	242	48,251
Interfund Payable	0	72,907	0	72,907
Accrued Interest Payable	245	0	0	245
Notes Payable	438,000	0	0	438,000
<i>Total Liabilities</i>	<u>566,247</u>	<u>72,907</u>	<u>28,860</u>	<u>668,014</u>
<b>Deferred Inflows of Resources</b>				
Property Taxes	1,606,434	0	471,876	2,078,310
Unavailable Revenue	313,081	35,001	87,469	435,551
<i>Total Deferred Inflows of Resources</i>	<u>1,919,515</u>	<u>35,001</u>	<u>559,345</u>	<u>2,513,861</u>
<b>Fund Balances</b>				
Nonspendable	8,662	0	0	8,662
Restricted	892,118	0	460,256	1,352,374
Committed	97,649	0	109,714	207,363
Unassigned (Deficit)	(53,754)	(72,907)	0	(126,661)
<i>Total Fund Balances (Deficit)</i>	<u>944,675</u>	<u>(72,907)</u>	<u>569,970</u>	<u>1,441,738</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$3,430,437</u>	<u>\$35,001</u>	<u>\$1,158,175</u>	<u>\$4,623,613</u>

**City of Conneaut, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Year Ended December 31, 2020*

	Nonmajor Special Revenue Funds	Nonmajor Special Assessment Bond Retirement Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Property Taxes	\$1,379,234	\$0	\$487,044	\$1,866,278
Municipal Income Taxes	54,906	0	45,900	100,806
Special Assessments	0	35,618	0	35,618
Intergovernmental	355,508	0	1,027,327	1,382,835
Fees, Licenses and Permits	161,813	0	0	161,813
Fines and Forfeitures	10,932	0	60,652	71,584
Charges for Services	23,945	0	0	23,945
Contributions and Donations	700	0	0	700
Interest	190	0	0	190
Other	282,752	0	0	282,752
<i>Total Revenues</i>	<u>2,269,980</u>	<u>35,618</u>	<u>1,620,923</u>	<u>3,926,521</u>
<b>Expenditures</b>				
Current:				
General Government	0	1,148	0	1,148
Security of Persons and Property	1,713,888	0	0	1,713,888
Public Health Services	1,750	0	0	1,750
Leisure Time Activities	19,857	0	0	19,857
Community Development	28,956	0	0	28,956
Basic Utility Services	177,756	0	0	177,756
Transportation	181,740	0	0	181,740
Capital Outlay	201,247	0	1,572,042	1,773,289
Debt Service:				
Principal Retirement	0	45,596	0	45,596
Interest and Fiscal Charges	1,834	1,030	0	2,864
<i>Total Expenditures</i>	<u>2,327,028</u>	<u>47,774</u>	<u>1,572,042</u>	<u>3,946,844</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(57,048)	(12,156)	48,881	(20,323)
<b>Other Financing Sources</b>				
Transfers In	60,000	7,077	0	67,077
<i>Net Change in Fund Balances</i>	2,952	(5,079)	48,881	46,754
<i>Fund Balances (Deficit)</i>				
<i>Beginning of Year</i>	<u>941,723</u>	<u>(67,828)</u>	<u>521,089</u>	<u>1,394,984</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$944,675</u>	<u>(\$72,907)</u>	<u>\$569,970</u>	<u>\$1,441,738</u>



**City of Conneaut, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2020*

	Auto Permissive Tax	State Highway	Marina	Enforcement and Education	Indigent Drivers
<b>Assets</b>					
Equity in Pooled Cash and					
Cash Equivalents	\$618	\$6,256	\$10,424	\$13,316	\$68,112
Intergovernmental Receivable	54,053	20,639	0	0	0
Prepaid Items	0	0	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	438,000	0	0
<i>Total Assets</i>	<u>\$54,671</u>	<u>\$26,895</u>	<u>\$448,424</u>	<u>\$13,316</u>	<u>\$68,112</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	245	0	0
Notes Payable	0	0	438,000	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>438,245</u>	<u>0</u>	<u>0</u>
<b>Deferred Inflows of Resources</b>					
Property Taxes	0	0	0	0	0
Unavailable Revenue	34,989	12,869	0	0	0
<i>Total Deferred Inflows of Resources</i>	<u>34,989</u>	<u>12,869</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>					
Nonspendable	0	0	0	0	0
Restricted	19,682	14,026	10,179	13,316	68,112
Committed	0	0	0	0	0
Unassigned (Deficit)	0	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>19,682</u>	<u>14,026</u>	<u>10,179</u>	<u>13,316</u>	<u>68,112</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$54,671</u>	<u>\$26,895</u>	<u>\$448,424</u>	<u>\$13,316</u>	<u>\$68,112</u>

<u>Cemetery</u>	<u>Police Levy</u>	<u>Fire Levy</u>	<u>Indigent Monitoring</u>	<u>Law Enforcement Trust</u>	<u>Municipal Probation Services</u>	<u>Police Levy II</u>
\$66,003	\$27,832	\$15,774	\$25,814	\$8,487	\$32,383	\$583,277
0	21,191	6,653	0	0	0	13,306
435	0	0	0	0	0	8,169
0	0	0	0	0	0	0
0	349,588	553,262	0	0	0	591,750
0	0	0	0	0	0	0
<u>\$66,438</u>	<u>\$398,611</u>	<u>\$575,689</u>	<u>\$25,814</u>	<u>\$8,487</u>	<u>\$32,383</u>	<u>\$1,196,502</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0
1,607	0	0	0	0	0	7,472
805	0	0	0	0	0	5,411
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>2,412</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>12,883</u>
0	303,927	514,773	0	0	0	514,772
0	66,852	45,142	0	0	0	90,284
<u>0</u>	<u>370,779</u>	<u>559,915</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>605,056</u>
435	0	0	0	0	0	8,169
63,591	27,832	15,774	25,814	8,487	32,383	570,394
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>64,026</u>	<u>27,832</u>	<u>15,774</u>	<u>25,814</u>	<u>8,487</u>	<u>32,383</u>	<u>578,563</u>
<u>\$66,438</u>	<u>\$398,611</u>	<u>\$575,689</u>	<u>\$25,814</u>	<u>\$8,487</u>	<u>\$32,383</u>	<u>\$1,196,502</u>

(continued)

**City of Conneaut, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (continued)*  
*December 31, 2020*

	Drug Task Force	Street Lighting	Community Housing	Office of Justice Grant
<b>Assets</b>				
Equity in Pooled Cash and				
Cash Equivalents	\$3,184	\$0	\$18,240	\$2,593
Intergovernmental Receivable	0	0	0	0
Prepaid Items	0	0	0	0
Municipal Income Taxes Receivable	0	5,605	0	0
Property Taxes Receivable	0	0	0	0
Loans Receivable from Component Unit	0	0	0	0
<i>Total Assets</i>	<u>\$3,184</u>	<u>\$5,605</u>	<u>\$18,240</u>	<u>\$2,593</u>
<b>Liabilities</b>				
Accounts Payable	\$420	\$23,402	\$0	\$0
Contracts Payable	0	0	0	0
Accrued Wages	0	0	0	0
Intergovernmental Payable	1,069	0	0	0
Accrued Interest Payable	0	0	0	0
Notes Payable	0	0	0	0
<i>Total Liabilities</i>	<u>1,489</u>	<u>23,402</u>	<u>0</u>	<u>0</u>
<b>Deferred Inflows of Resources</b>				
Property Taxes	0	0	0	0
Unavailable Revenue	0	3,060	0	0
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>3,060</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>				
Nonspendable	0	0	0	0
Restricted	1,695	0	18,240	2,593
Committed	0	0	0	0
Unassigned (Deficit)	0	(20,857)	0	0
<i>Total Fund Balances (Deficit)</i>	<u>1,695</u>	<u>(20,857)</u>	<u>18,240</u>	<u>2,593</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$3,184</u>	<u>\$5,605</u>	<u>\$18,240</u>	<u>\$2,593</u>

Recreation	Deposits on Fire Losses	Police Pension	Fire Pension	Total Nonmajor Special Revenue Funds
\$95,939	\$46,681	\$4,574	\$3,220	\$1,032,727
0	0	10,213	8,284	134,339
58	0	0	0	8,662
4,744	0	0	0	10,349
0	0	172,137	139,623	1,806,360
0	0	0	0	438,000
<u>\$100,741</u>	<u>\$46,681</u>	<u>\$186,924</u>	<u>\$151,127</u>	<u>\$3,430,437</u>
\$0	\$46,681	\$0	\$0	\$70,503
411	0	0	0	411
0	0	0	0	9,079
33	0	24,147	16,544	48,009
0	0	0	0	245
0	0	0	0	438,000
<u>444</u>	<u>46,681</u>	<u>24,147</u>	<u>16,544</u>	<u>566,247</u>
0	0	150,715	122,247	1,606,434
2,590	0	31,635	25,660	313,081
<u>2,590</u>	<u>0</u>	<u>182,350</u>	<u>147,907</u>	<u>1,919,515</u>
58	0	0	0	8,662
0	0	0	0	892,118
97,649	0	0	0	97,649
0	0	(19,573)	(13,324)	(53,754)
<u>97,707</u>	<u>0</u>	<u>(19,573)</u>	<u>(13,324)</u>	<u>944,675</u>
<u>\$100,741</u>	<u>\$46,681</u>	<u>\$186,924</u>	<u>\$151,127</u>	<u>\$3,430,437</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, 2020*

	Auto Permissive Tax	State Highway	Marina	Enforcement and Education
<b>Revenues</b>				
Property Taxes	\$0	\$0	\$0	\$0
Municipal Income Taxes	0	0	0	0
Intergovernmental	127,387	48,007	1,804	0
Fees, Licenses and Permits	0	0	480	0
Fines and Forfeitures	0	0	0	689
Charges for Services	0	0	0	0
Contributions and Donations	0	0	0	0
Interest	18	5	0	0
Other	0	0	0	0
<i>Total Revenues</i>	<u>127,405</u>	<u>48,012</u>	<u>2,284</u>	<u>689</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property	0	0	0	0
Public Health Services	0	0	0	0
Leisure Time Activities	0	0	0	0
Community Development	0	0	0	0
Basic Utility Services	0	0	0	0
Transportation	131,540	50,200	0	0
Capital Outlay	0	0	0	0
Debt Service:				
Interest and Fiscal Charges	0	0	1,834	0
<i>Total Expenditures</i>	<u>131,540</u>	<u>50,200</u>	<u>1,834</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(4,135)	(2,188)	450	689
<b>Other Financing Sources</b>				
Transfers In	0	0	0	0
<i>Net Change in Fund Balances</i>	(4,135)	(2,188)	450	689
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>23,817</u>	<u>16,214</u>	<u>9,729</u>	<u>12,627</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$19,682</u></u>	<u><u>\$14,026</u></u>	<u><u>\$10,179</u></u>	<u><u>\$13,316</u></u>

Indigent Drivers	Cemetery	Police Levy	Fire Levy	Indigent Monitoring	Law Enforcement Trust	Municipal Probation Services
\$0	\$0	\$315,230	\$265,660	\$0	\$0	\$0
0	0	0	0	0	0	0
0	0	42,286	13,231	0	0	0
0	30	0	0	0	0	0
2,053	0	0	0	925	0	7,265
0	23,945	0	0	0	0	0
0	0	0	0	0	0	0
0	27	0	0	0	42	0
397	5,725	0	0	1,013	0	0
2,450	29,727	357,516	278,891	1,938	42	7,265
0	0	344,137	274,050	0	0	0
0	0	0	0	1,750	0	0
0	0	0	0	0	0	0
0	28,956	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	28,956	344,137	274,050	1,750	0	0
2,450	771	13,379	4,841	188	42	7,265
0	0	0	0	0	0	0
2,450	771	13,379	4,841	188	42	7,265
65,662	63,255	14,453	10,933	25,626	8,445	25,118
\$68,112	\$64,026	\$27,832	\$15,774	\$25,814	\$8,487	\$32,383

(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, 2020*

	Police Levy II	Drug Task Force	Street Lighting	Community Housing
<b>Revenues</b>				
Property Taxes	\$530,481	\$0	\$0	\$0
Municipal Income Taxes	0	0	29,631	0
Intergovernmental	27,299	41,824	0	4,164
Fees, Licenses and Permits	0	0	160,203	0
Fines and Forfeitures	0	0	0	0
Charges for Services	0	0	0	0
Contributions and Donations	0	0	0	0
Interest	0	0	0	98
Other	60,997	0	1,713	0
<i>Total Revenues</i>	<u>618,777</u>	<u>41,824</u>	<u>191,547</u>	<u>4,262</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property	664,517	37,314	0	0
Public Health Services	0	0	0	0
Leisure Time Activities	0	0	0	0
Community Development	0	0	0	0
Basic Utility Services	0	0	177,756	0
Transportation	0	0	0	0
Capital Outlay	0	0	0	0
Debt Service:				
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>664,517</u>	<u>37,314</u>	<u>177,756</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(45,740)	4,510	13,791	4,262
<b>Other Financing Sources</b>				
Transfers In	0	0	0	0
<i>Net Change in Fund Balances</i>	(45,740)	4,510	13,791	4,262
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>624,303</u>	<u>(2,815)</u>	<u>(34,648)</u>	<u>13,978</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$578,563</u>	<u>\$1,695</u>	<u>(\$20,857)</u>	<u>\$18,240</u>

Office of Justice Grant	TIF	Recreation	Deposits on Fire Losses	Police Pension	Fire Pension	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$147,899	\$119,964	\$1,379,234
0	0	25,275	0	0	0	54,906
12,593	0	0	0	20,382	16,531	355,508
0	0	1,100	0	0	0	161,813
0	0	0	0	0	0	10,932
0	0	0	0	0	0	23,945
0	0	700	0	0	0	700
0	0	0	0	0	0	190
0	201,247	435	11,225	0	0	282,752
<u>12,593</u>	<u>201,247</u>	<u>27,510</u>	<u>11,225</u>	<u>168,281</u>	<u>136,495</u>	<u>2,269,980</u>
10,000	0	0	11,225	207,742	164,903	1,713,888
0	0	0	0	0	0	1,750
0	0	19,857	0	0	0	19,857
0	0	0	0	0	0	28,956
0	0	0	0	0	0	177,756
0	0	0	0	0	0	181,740
0	201,247	0	0	0	0	201,247
0	0	0	0	0	0	1,834
<u>10,000</u>	<u>201,247</u>	<u>19,857</u>	<u>11,225</u>	<u>207,742</u>	<u>164,903</u>	<u>2,327,028</u>
2,593	0	7,653	0	(39,461)	(28,408)	(57,048)
0	0	0	0	35,000	25,000	60,000
2,593	0	7,653	0	(4,461)	(3,408)	2,952
0	0	90,054	0	(15,112)	(9,916)	941,723
<u>\$2,593</u>	<u>\$0</u>	<u>\$97,707</u>	<u>\$0</u>	<u>(\$19,573)</u>	<u>(\$13,324)</u>	<u>\$944,675</u>



**City of Conneaut, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*December 31, 2020*

	Street Improvement	Municipal Court Improvement	Capital Improvement
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$207,730	\$250,972	\$105,798
Intergovernmental Receivable	12,197	0	0
Municipal Income Taxes Receivable	0	0	8,624
Property Taxes Receivable	542,440	0	0
<i>Total Assets</i>	<u>\$762,367</u>	<u>\$250,972</u>	<u>\$114,422</u>
<b>Liabilities</b>			
Accounts Payable	\$0	\$803	\$0
Contracts Payable	25,000	360	0
Accrued Wages	0	2,455	0
Intergovernmental Payable	0	242	0
<i>Total Liabilities</i>	<u>25,000</u>	<u>3,860</u>	<u>0</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes	471,876	0	0
Unavailable Revenue	82,761	0	4,708
<i>Total Deferred Inflows of Resources</i>	<u>554,637</u>	<u>0</u>	<u>4,708</u>
<b>Fund Balances</b>			
Restricted	182,730	247,112	0
Committed	0	0	109,714
<i>Total Fund Balances</i>	<u>182,730</u>	<u>247,112</u>	<u>109,714</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$762,367</u>	<u>\$250,972</u>	<u>\$114,422</u>

Conneaut Dredge Facility	Industrial Park	Total Nonmajor Capital Projects Funds
\$26,611	\$3,803	\$594,914
0	0	12,197
0	0	8,624
0	0	542,440
<u>\$26,611</u>	<u>\$3,803</u>	<u>\$1,158,175</u>
\$0	\$0	\$803
0	0	25,360
0	0	2,455
0	0	242
<u>0</u>	<u>0</u>	<u>28,860</u>
0	0	471,876
0	0	87,469
<u>0</u>	<u>0</u>	<u>559,345</u>
26,611	3,803	460,256
0	0	109,714
<u>26,611</u>	<u>3,803</u>	<u>569,970</u>
<u>\$26,611</u>	<u>\$3,803</u>	<u>\$1,158,175</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, 2020*

	<u>Street Improvement</u>	<u>Municipal Court Improvement</u>	<u>Bureau of Workers' Compensation Grant</u>	<u>Capital Improvement</u>
<b>Revenues</b>				
Property Taxes	\$487,044	\$0	\$0	\$0
Municipal Income Taxes	0	0	0	45,900
Intergovernmental	289,725	0	0	0
Fines and Forfeitures	0	60,652	0	0
<i>Total Revenues</i>	776,769	60,652	0	45,900
<b>Expenditures</b>				
Capital Outlay	747,930	136,066	8,621	6,486
<i>Net Change in Fund Balances</i>	28,839	(75,414)	(8,621)	39,414
<i>Fund Balances (Deficit) Beginning of Year</i>	153,891	322,526	8,621	70,300
<i>Fund Balance End of Year</i>	<u>\$182,730</u>	<u>\$247,112</u>	<u>\$0</u>	<u>\$109,714</u>

Conneaut Dredge Facility	Conneaut Coastal Wetlands	Industrial Park	Total Nonmajor Capital Projects Funds
\$0	\$0	\$0	\$487,044
0	0	0	45,900
400,000	299,550	38,052	1,027,327
0	0	0	60,652
400,000	299,550	38,052	1,620,923
373,389	299,550	0	1,572,042
26,611	0	38,052	48,881
0	0	(34,249)	521,089
\$26,611	\$0	\$3,803	\$569,970

**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, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$328,500	\$328,500	\$328,666	\$166
Municipal Income Taxes	2,527,540	2,527,540	2,285,455	(242,085)
Hotel Taxes	38,000	38,000	24,076	(13,924)
Intergovernmental	445,000	445,000	990,555	545,555
Fees, Licenses and Permits	114,550	114,550	66,963	(47,587)
Fines and Forfeitures	144,450	144,450	146,230	1,780
Rentals	43,116	43,116	42,919	(197)
Charges for Services	350,503	350,503	308,802	(41,701)
Contributions and Donations	3,612	3,612	9,061	5,449
Interest	90,000	90,000	29,834	(60,166)
Franchise Taxes	168,000	168,000	153,032	(14,968)
Other	165,505	164,505	116,596	(47,909)
<i>Total Revenues</i>	4,418,776	4,417,776	4,502,189	84,413
<b>Expenditures</b>				
Current:				
General Government:				
Council				
Personal Services	51,800	51,800	50,331	1,469
Materials and Supplies	900	700	620	80
Contractual Services	7,567	7,767	2,011	5,756
Total Council	60,267	60,267	52,962	7,305
Clerk of Council				
Personal Services	8,554	8,554	8,287	267
City Manager				
Personal Services	129,884	132,874	124,061	8,813
Materials and Supplies	2,750	2,750	2,694	56
Contractual Services	4,300	4,300	3,765	535
Capital Outlay	1,650	15,150	15,051	99
Total City Manager	138,584	155,074	145,571	9,503
Finance Office				
Personal Services	248,440	248,740	247,155	1,585
Materials and Supplies	26,448	26,448	19,311	7,137
Contractual Services	4,556	4,556	3,336	1,220
Capital Outlay	2,000	2,000	1,901	99
Total Finance Office	\$281,444	\$281,744	\$271,703	\$10,041

(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, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Law Director				
Personal Services	\$160,854	\$162,354	\$152,077	\$10,277
Materials and Supplies	2,800	2,800	1,282	1,518
Contractual Services	17,852	17,852	16,541	1,311
Capital Outlay	2,772	3,272	2,734	538
Total Law Director	184,278	186,278	172,634	13,644
Civil Service				
Personal Services	5,470	5,470	5,349	121
Materials and Supplies	2,500	2,500	2,076	424
Contractual Services	1,885	1,885	1,526	359
Total Civil Service	9,855	9,855	8,951	904
Court				
Personal Services	363,760	418,910	385,112	33,798
Materials and Supplies	19,414	19,414	15,173	4,241
Contractual Services	21,000	41,952	29,508	12,444
Purchased Services	1,100	500	0	500
Capital Outlay	2,000	68,462	60,696	7,766
Total Court	407,274	549,238	490,489	58,749
City Hall				
Personal Services	10,904	38,448	36,258	2,190
Materials and Supplies	25,347	25,347	21,053	4,294
Contractual Services	8,500	8,500	6,000	2,500
Purchased Services	6,000	6,000	666	5,334
Total City Hall	50,751	78,295	63,977	14,318
Planning Commission				
Personal Services	5,200	5,200	1,761	3,439
Materials and Supplies	900	900	230	670
Total Planning Commission	6,100	6,100	1,991	4,109
Demolition				
Purchased Services	255	255	0	255
Reserve Fund				
Contractual Services	75,200	67,200	62,900	4,300
Purchased Services	76,462	84,462	80,867	3,595
Capital Outlay	23,090	23,090	20,077	3,013
Total Reserve Fund	\$174,752	\$174,752	\$163,844	\$10,908

(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, 2020*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Unclaimed Funds				
Other	\$9,000	\$1,000	\$0	\$1,000
General Services				
Contractual Services	83,500	86,500	73,816	12,684
Capital Outlay	70,000	122,100	82,614	39,486
Other	86,935	90,935	88,430	2,505
Total General Services	240,435	299,535	244,860	54,675
Total General Government	1,571,549	1,810,947	1,625,269	185,678
Security of Persons and Property				
Police Department				
Personal Services	972,805	541,614	433,786	107,828
Materials and Supplies	71,619	73,119	68,900	4,219
Contractual Services	32,550	36,850	23,424	13,426
Purchased Services	30,798	30,798	28,047	2,751
Capital Outlay	112,257	62,707	59,018	3,689
Other	5,000	5,000	3,570	1,430
Total Police Department	1,225,029	750,088	616,745	133,343
Jail				
Materials and Supplies	5,000	5,000	4,468	532
Purchased Services	9,774	9,774	7,701	2,073
Capital Outlay	5,000	5,000	2,686	2,314
Other	5,100	5,100	2,204	2,896
Total Jail	24,874	24,874	17,059	7,815
Dispatch				
Personal Services	283,100	146,109	114,832	31,277
Fire Department				
Personal Services	843,650	518,782	398,186	120,596
Materials and Supplies	55,678	59,678	53,798	5,880
Contractual Services	34,000	32,000	18,595	13,405
Purchased Services	66,646	66,646	55,582	11,064
Capital Outlay	47,788	58,788	51,663	7,125
Total Fire Department	1,047,762	735,894	577,824	158,070
Ambulance Fund				
Capital Outlay	9,000	9,000	7,097	1,903
Total Security of Persons and Property	\$2,589,765	\$1,665,965	\$1,333,557	\$332,408

(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, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Health Services:				
Health Department				
Intergovernmental Expense	\$0	\$161,836	\$161,836	\$0
Street Lighting				
Purchased Services	0	12,000	10,407	1,593
Total Public Health Services	0	173,836	172,243	1,593
Leisure Time Activities:				
Museum Railroad				
Purchased Service	4,025	4,025	2,519	1,506
Bureau of Tourism				
Personal Services	8,000	8,000	8,000	0
Materials and Supplies	10,090	10,090	7,861	2,229
Contractual Services	2,500	2,500	1,731	769
Purchased Services	15,390	15,390	5,741	9,649
Total Bureau of Tourism	35,980	35,980	23,333	12,647
Cable Advisory Board				
Personal Services	21,789	21,789	20,575	1,214
Materials and Supplies	500	500	275	225
Contractual Services	350	350	30	320
Capital Outlay	8,777	8,777	8,084	693
Total Cable Advisory Board	31,416	31,416	28,964	2,452
Total Leisure Time Activities	71,421	71,421	54,816	16,605
Community Development:				
Housing and Zoning:				
Personal Services	121,300	96,076	78,344	17,732
Materials and Supplies	5,893	4,392	2,935	1,457
Contractual Services	10,770	10,770	7,290	3,480
Purchased Services	2,000	3,500	2,126	1,374
Capital Outlay	3,800	3,800	0	3,800
Other	30,400	30,400	1,000	29,400
Total Community Development	\$174,163	\$148,938	\$91,695	\$57,243

(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, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Debt Service				
Principal Retirement	\$272,890	\$263,270	\$236,598	\$26,672
Interest and Fiscal Charges	38,155	38,155	34,184	3,971
<b>Total Debt Service</b>	<b>311,045</b>	<b>301,425</b>	<b>270,782</b>	<b>30,643</b>
<i>Total Expenditures</i>	<i>4,717,943</i>	<i>4,172,532</i>	<i>3,548,362</i>	<i>624,170</i>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>(299,167)</i>	<i>245,244</i>	<i>953,827</i>	<i>708,583</i>
<b>Other Financing Sources (Uses)</b>				
General Obligation Notes Issued	40,000	40,000	40,000	0
Capital Lease Issued	114,000	114,000	0	(114,000)
Transfers Out	(72,000)	(80,000)	(60,000)	20,000
<i>Total Other Financing Sources (Uses)</i>	<i>82,000</i>	<i>74,000</i>	<i>(20,000)</i>	<i>(94,000)</i>
<i>Net Change in Fund Balance</i>	<i>(217,167)</i>	<i>319,244</i>	<i>933,827</i>	<i>614,583</i>
<i>Fund Balance Beginning of Year</i>	<i>701,743</i>	<i>701,743</i>	<i>701,743</i>	<i>0</i>
Prior Year Encumbrances Appropriated	50,962	50,962	50,962	0
<i>Fund Balance End of Year</i>	<i>\$535,538</i>	<i>\$1,071,949</i>	<i>\$1,686,532</i>	<i>\$614,583</i>

**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, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Municipal Income Taxes	\$571,302	\$571,302	\$516,717	(\$54,585)
Special Assessments	1,000	1,000	734	(266)
Intergovernmental	910,500	910,500	836,358	(74,142)
Fees, Licenses and Permits	387,360	387,360	104,484	(282,876)
Interest	101	101	3	(98)
Other	15,000	15,000	140,759	125,759
<i>Total Revenues</i>	<u>1,885,263</u>	<u>1,885,263</u>	<u>1,599,055</u>	<u>(286,208)</u>
<b>Expenditures</b>				
Current:				
Transportation:				
Street Department				
Personal Services	800,701	800,701	759,494	41,207
Materials and Supplies	179,000	179,000	118,298	60,702
Contractual Services	918,400	921,400	875,206	46,194
Purchased Services	107,300	112,300	102,856	9,444
Other	292,000	292,000	3,226	288,774
Total Transportation	<u>2,297,401</u>	<u>2,305,401</u>	<u>1,859,080</u>	<u>446,321</u>
Capital Outlay:				
Street Department				
Capital Outlay	699,000	703,000	537,694	165,306
Debt Service:				
Principal Retirement	70,274	70,274	66,510	3,764
Interest and Fiscal Charges	13,495	43,452	43,389	63
Total Debt Service	<u>83,769</u>	<u>113,726</u>	<u>109,899</u>	<u>3,827</u>
<i>Total Expenditures</i>	<u>3,080,170</u>	<u>3,122,127</u>	<u>2,506,673</u>	<u>615,454</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,194,907)</u>	<u>(1,236,864)</u>	<u>(907,618)</u>	<u>329,246</u>
<b>Other Financing Sources</b>				
General Obligation Bonds Issued	420,000	420,000	420,000	0
Capital Lease Issued	0	0	153,671	153,671
State Infrastructure Bank Loan Issued	771,000	799,699	306,866	(492,833)
OPWC Loan Issued	100,000	100,000	66,248	(33,752)
Transfers In	0	40,000	0	(40,000)
<i>Total Other Financing Sources</i>	<u>1,291,000</u>	<u>1,359,699</u>	<u>946,785</u>	<u>(412,914)</u>
<i>Net Change in Fund Balance</i>	96,093	122,835	39,167	(83,668)
<i>Fund Balance Beginning of Year</i>	19,750	19,750	19,750	0
Prior Year Encumbrances Appropriated	300	300	300	0
<i>Fund Balance End of Year</i>	<u>\$116,143</u>	<u>\$142,885</u>	<u>\$59,217</u>	<u>(\$83,668)</u>

**City of Conneaut, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Coronavirus Relief Fund*  
*For the Year Ended December 31, 2020*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$1,154,798	\$1,154,798	\$1,154,798	\$0
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police Department				
Personal Services	543,326	543,326	543,326	0
Dispatch				
Personal Services	166,348	166,348	166,348	0
Fire Department				
Personal Services	445,124	445,124	445,124	0
<i>Total Expenditures</i>	<u>1,154,798</u>	<u>1,154,798</u>	<u>1,154,798</u>	<u>0</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><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**City of Conneaut, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*in Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Water Fund*  
*For the Year Ended December 31, 2020*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Revenues</b>				
Charges for Services	\$2,394,050	\$2,394,050	\$2,306,094	(\$87,956)
Tap-In Fees	3,000	3,000	7,705	4,705
Special Assessments	4,000	4,000	4,594	594
Intergovernmental	310,689	310,689	336,200	25,511
Rentals	4,200	4,200	3,200	(1,000)
Proceeds of OPWC Loans	386,200	386,200	0	(386,200)
Proceeds of OWDA Loans	1,584,000	1,584,000	0	(1,584,000)
Other	14,500	14,500	136,828	122,328
<i>Total Revenues</i>	<u>4,700,639</u>	<u>4,700,639</u>	<u>2,794,621</u>	<u>(1,906,018)</u>
<b>Expenses</b>				
Personal Services	1,319,704	1,330,104	1,284,666	45,438
Purchased Services	328,922	328,922	228,811	100,111
Contractual Services	774,405	774,405	455,236	319,169
Materials and Supplies	217,957	223,457	171,873	51,584
Capital Outlay	2,100,310	2,089,910	277,549	1,812,361
Other	3,300	3,300	2,105	1,195
Debt Service:				
Principal Retirement	146,795	146,795	126,986	19,809
Interest and Fiscal Charges	54,780	54,780	54,301	479
<i>Total Expenses</i>	<u>4,946,173</u>	<u>4,951,673</u>	<u>2,601,527</u>	<u>2,350,146</u>
<i>Net Change in Fund Equity</i>	(245,534)	(251,034)	193,094	444,128
<i>Fund Equity Beginning of Year</i>	648,394	648,394	648,394	0
Prior Year Encumbrances Appropriated	191,850	191,850	191,850	0
<i>Fund Equity End of Year</i>	<u>\$594,710</u>	<u>\$589,210</u>	<u>\$1,033,338</u>	<u>\$444,128</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, 2020*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Revenues</b>				
Charges for Services	\$2,384,310	\$2,384,310	\$2,298,729	(\$85,581)
Tap-In Fees	5,000	5,000	4,000	(1,000)
Special Assessments	2,500	2,500	5,749	3,249
Intergovernmental	277,475	277,475	0	(277,475)
Proceeds of OPWC Loans	37,825	37,825	0	(37,825)
Other	24,030	24,030	127,089	103,059
<i>Total Revenues</i>	<u>2,731,140</u>	<u>2,731,140</u>	<u>2,435,567</u>	<u>(295,573)</u>
<b>Expenses</b>				
Personal Services	1,065,715	1,065,713	1,026,111	39,602
Purchased Services	440,746	468,148	330,362	137,786
Contractual Services	172,773	145,373	111,971	33,402
Materials and Supplies	176,593	176,593	137,311	39,282
Capital Outlay	931,841	931,841	533,929	397,912
Other	6,250	6,250	2,665	3,585
Debt Service:				
Principal Retirement	450,547	450,547	448,453	2,094
Interest and Fiscal Charges	111,935	111,935	104,084	7,851
<i>Total Expenses</i>	<u>3,356,400</u>	<u>3,356,400</u>	<u>2,694,886</u>	<u>661,514</u>
<i>Excess of Revenues Under Expenses before Advances and Transfers</i>	(625,260)	(625,260)	(259,319)	365,941
Advances Out	(15,000)	(15,000)	0	15,000
Transfers Out	0	(7,077)	(7,077)	0
<i>Net Change in Fund Equity</i>	(640,260)	(647,337)	(266,396)	380,941
<i>Fund Equity Beginning of Year</i>	1,905,564	1,905,564	1,905,564	0
Prior Year Encumbrances Appropriated	167,555	167,555	167,555	0
<i>Fund Equity End of Year</i>	<u>\$1,432,859</u>	<u>\$1,425,782</u>	<u>\$1,806,723</u>	<u>\$380,941</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, 2020*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$134,000	\$134,000	\$127,892	(\$6,108)
Interest	100	100	18	(82)
<i>Total Revenues</i>	<u>134,100</u>	<u>134,100</u>	<u>127,910</u>	<u>(6,190)</u>
<b>Expenditures</b>				
Current:				
Transportation:				
Auto Permissive				
Personal Services	119,000	114,000	113,600	400
Materials and Supplies	15,000	24,200	17,940	6,260
<i>Total Expenditures</i>	<u>134,000</u>	<u>138,200</u>	<u>131,540</u>	<u>6,660</u>
<i>Net Change in Fund Balance</i>	100	(4,100)	(3,630)	470
<i>Fund Balance Beginning of Year</i>	<u>4,248</u>	<u>4,248</u>	<u>4,248</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$4,348</u>	<u>\$148</u>	<u>\$618</u>	<u>\$470</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, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$54,000	\$54,000	\$48,649	(\$5,351)
Interest	5	5	5	0
<i>Total Revenues</i>	54,005	54,005	48,654	(5,351)
<b>Expenditures</b>				
Current:				
Transportation:				
State Highway				
Personal Services	50,000	61,800	50,200	11,600
<i>Net Change in Fund Balance</i>	4,005	(7,795)	(1,546)	6,249
<i>Fund Balance Beginning of Year</i>	7,802	7,802	7,802	0
<i>Fund Balance End of Year</i>	\$11,807	\$7	\$6,256	\$6,249



**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, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$32,200	\$32,200	\$61,804	\$29,604
Fees, Licenses and Permits	585	585	480	(105)
<i>Total Revenues</i>	<u>32,785</u>	<u>32,785</u>	<u>62,284</u>	<u>29,499</u>
<b>Expenditures</b>				
Current:				
Leisure Time Activities:				
Marina				
Contractual Services	500	500	0	500
Other	0	438,000	438,000	0
<i>Total Marina</i>	<u>500</u>	<u>438,500</u>	<u>438,000</u>	<u>500</u>
Debt Service:				
Principal Retirement	60,000	60,000	60,000	0
Interest and Fiscal Charges	2,200	2,200	1,804	396
<i>Total Debt Service</i>	<u>62,200</u>	<u>62,200</u>	<u>61,804</u>	<u>396</u>
<i>Total Expenditures</i>	<u>62,700</u>	<u>500,700</u>	<u>499,804</u>	<u>896</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(29,915)</u>	<u>(467,915)</u>	<u>(437,520)</u>	<u>30,395</u>
<b>Other Financing Sources</b>				
General Obligation Notes Issued	30,000	468,000	438,000	(30,000)
<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>9,944</u>	<u>9,944</u>	<u>9,944</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$10,029</u>	<u>\$10,029</u>	<u>\$10,424</u>	<u>\$395</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, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines and Forfeitures	\$500	\$500	\$694	\$194
<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>	(500)	(500)	694	1,194
<i>Fund Balance Beginning of Year</i>	12,547	12,547	12,547	0
<i>Fund Balance End of Year</i>	<u>\$12,047</u>	<u>\$12,047</u>	<u>\$13,241</u>	<u>\$1,194</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, 2020*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Fines and Forfeitures	\$2,500	\$2,500	\$2,043	(\$457)
Other	1,000	1,000	397	(603)
<i>Total Revenues</i>	3,500	3,500	2,440	(1,060)
<b>Expenditures</b>				
Current:				
Public Health Services:				
Indigent Drivers				
Contractual Services	1,000	1,000	0	1,000
<i>Net Change in Fund Balance</i>	2,500	2,500	2,440	(60)
<i>Fund Balance Beginning of Year</i>	65,525	65,525	65,525	0
<i>Fund Balance End of Year</i>	<u>\$68,025</u>	<u>\$68,025</u>	<u>\$67,965</u>	<u>(\$60)</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, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fees, Licenses and Permits	\$100	\$100	\$30	(\$70)
Charges for Services	24,000	24,000	23,945	(55)
Interest	80	80	27	(53)
Other	1,000	1,000	5,725	4,725
<i>Total Revenues</i>	25,180	25,180	29,727	4,547
<b>Expenditures</b>				
Current:				
Community Development:				
Cemetery				
Personal Services	19,565	19,565	19,408	157
Materials and Supplies	1,500	1,500	905	595
Contractual Services	3,000	8,000	5,250	2,750
Purchased Services	4,000	4,000	3,499	501
<i>Total Expenditures</i>	28,065	33,065	29,062	4,003
<i>Net Change in Fund Balance</i>	(2,885)	(7,885)	665	8,550
<i>Fund Balance at Beginning of Year</i>	65,356	65,356	65,356	0
<i>Fund Balance End of Year</i>	\$62,471	\$57,471	\$66,021	\$8,550

**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, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$297,052	\$297,052	\$315,230	\$18,178
Intergovernmental	41,570	41,570	42,381	811
<i>Total Revenues</i>	338,622	338,622	357,611	18,989
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police Levy				
Personal Services	337,880	337,880	337,880	0
Other	6,500	6,500	6,257	243
<i>Total Expenditures</i>	344,380	344,380	344,137	243
<i>Net Change in Fund Balance</i>	(5,758)	(5,758)	13,474	19,232
<i>Fund Balance Beginning of Year</i>	14,358	14,358	14,358	0
<i>Fund Balance End of Year</i>	\$8,600	\$8,600	\$27,832	\$19,232

**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, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$253,363	\$253,363	\$265,660	\$12,297
Intergovernmental	12,240	12,240	13,305	1,065
<i>Total Revenues</i>	<u>265,603</u>	<u>265,603</u>	<u>278,965</u>	<u>13,362</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Fire Levy				
Personal Services	260,889	270,389	269,082	1,307
Other	6,000	6,000	4,968	1,032
<i>Total Expenditures</i>	<u>266,889</u>	<u>276,389</u>	<u>274,050</u>	<u>2,339</u>
<i>Net Change in Fund Balance</i>	(1,286)	(10,786)	4,915	15,701
<i>Fund Balance Beginning of Year</i>	<u>10,859</u>	<u>10,859</u>	<u>10,859</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$9,573</u>	<u>\$73</u>	<u>\$15,774</u>	<u>\$15,701</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, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines and Forfeitures	\$900	\$900	\$775	(\$125)
Other	600	600	1,013	413
<i>Total Revenues</i>	1,500	1,500	1,788	288
<b>Expenditures</b>				
Current:				
Public Health Services:				
Indigent Monitoring				
Other	10,000	10,000	1,750	8,250
<i>Net Change in Fund Balance</i>	(8,500)	(8,500)	38	8,538
<i>Fund Balance Beginning of Year</i>	25,626	25,626	25,626	0
<i>Fund Balance End of Year</i>	<u>\$17,126</u>	<u>\$17,126</u>	<u>\$25,664</u>	<u>\$8,538</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, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines and Forfeitures	\$3,000	\$3,000	\$0	(\$3,000)
Interest	0	0	42	42
<i>Total Revenues</i>	3,000	3,000	42	(2,958)
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Law Enforcement Trust:				
Capital Outlay	19,870	19,870	9,935	9,935
<i>Net Change in Fund Balance</i>	(16,870)	(16,870)	(9,893)	6,977
<i>Fund Balance Beginning of Year</i>	8,445	8,445	8,445	0
Prior Year Encumbrances Appropriated	9,935	9,935	9,935	0
<i>Fund Balance End of Year</i>	\$1,510	\$1,510	\$8,487	\$6,977



**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, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines and Forfeitures	\$100	\$100	\$6,815	\$6,715
<b>Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	100	100	6,815	6,715
<i>Fund Balance Beginning of Year</i>	<u>24,703</u>	<u>24,703</u>	<u>24,703</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$24,803</u></u>	<u><u>\$24,803</u></u>	<u><u>\$31,518</u></u>	<u><u>\$6,715</u></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, 2020*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property Taxes	\$503,346	\$503,346	\$530,481	\$27,135
Intergovernmental	27,860	27,860	27,442	(418)
Other	0	0	60,997	60,997
<i>Total Revenues</i>	<u>531,206</u>	<u>531,206</u>	<u>618,920</u>	<u>87,714</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police Levy				
Personal Services	605,500	650,900	578,823	72,077
Capital Outlay	0	84,000	83,838	162
Other	10,500	10,500	9,936	564
Total Security of Persons and Property	<u>616,000</u>	<u>745,400</u>	<u>672,597</u>	<u>72,803</u>
Debt Service:				
Principal Retirement	25,630	0	0	0
Interest and Fiscal Charges	3,250	0	0	0
Total Debt Service	<u>28,880</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Expenditures</i>	<u>644,880</u>	<u>745,400</u>	<u>672,597</u>	<u>72,803</u>
<i>Net Change in Fund Balance</i>	(113,674)	(214,194)	(53,677)	160,517
<i>Fund Balance Beginning of Year</i>	<u>636,954</u>	<u>636,954</u>	<u>636,954</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$523,280</u>	<u>\$422,760</u>	<u>\$583,277</u>	<u>\$160,517</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, 2020*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$50,000	\$50,000	\$41,824	(\$8,176)
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Drug Task Force				
Personal Services	26,000	33,000	26,696	6,304
Other	24,000	17,000	11,944	5,056
<i>Total Expenditures</i>	<u>50,000</u>	<u>50,000</u>	<u>38,640</u>	<u>11,360</u>
<i>Net Change in Fund Balance</i>	0	0	3,184	3,184
<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>\$3,184</u>	<u>\$3,184</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, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Municipal Income Taxes	\$32,880	\$32,880	\$29,610	(\$3,270)
Fees, Licenses and Permits	161,000	161,000	160,203	(797)
Other	1,700	1,700	1,713	13
<i>Total Revenues</i>	195,580	195,580	191,526	(4,054)
<b>Expenditures</b>				
Current:				
Basic Utility Services:				
Street Lighting				
Purchased Services	190,000	199,500	195,509	3,991
<i>Net Change in Fund Balance</i>	5,580	(3,920)	(3,983)	(63)
<i>Fund Balance Beginning of Year</i>	3,983	3,983	3,983	0
<i>Fund Balance End of Year</i>	\$9,563	\$63	\$0	(\$63)

**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, 2020*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$3,000	\$3,000	\$4,164	\$1,164
Interest	40	40	98	58
<i>Total Revenues</i>	3,040	3,040	4,262	1,222
<b>Expenditures</b>				
Current:				
Community Development:				
Community Housing				
Capital Outlay	7,000	7,000	0	7,000
<i>Net Change in Fund Balance</i>	(3,960)	(3,960)	4,262	8,222
<i>Fund Balance Beginning of Year</i>	13,978	13,978	13,978	0
<i>Fund Balance End of Year</i>	<u>\$10,018</u>	<u>\$10,018</u>	<u>\$18,240</u>	<u>\$8,222</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, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$10,000	\$10,000	\$12,593	\$2,593
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police Department				
Personal Services	9,372	9,372	9,372	0
Capital Outlay	628	628	628	0
<i>Total Expenditures</i>	10,000	10,000	10,000	0
<i>Net Change in Fund Balance</i>	0	0	2,593	2,593
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$2,593	\$2,593

**City of Conneaut, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*TIF Fund*  
*For the Year Ended December 31, 2020*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Other	\$300,000	\$300,000	\$231,376	(\$68,624)
<b>Expenditures</b>				
Capital Outlay:				
TIF				
Capital Outlay	293,000	293,000	231,376	61,624
<i>Net Change in Fund Balance</i>	7,000	7,000	0	(7,000)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$7,000</u>	<u>\$7,000</u>	<u>\$0</u>	<u>(\$7,000)</u>

**City of Conneaut, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Recreation Fund*  
*For the Year Ended December 31, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Municipal Income Taxes	\$31,790	\$31,790	\$25,256	(\$6,534)
Fees, Licenses and Permits	1,050	1,050	1,100	50
Contributions and Donations	8,625	8,625	700	(7,925)
Other	200	200	435	235
<i>Total Revenues</i>	41,665	41,665	27,491	(14,174)
<b>Expenditures</b>				
Current:				
Leisure Time Activities:				
Recreation				
Personal Services	16,635	16,635	5,670	10,965
Materials and Supplies	11,750	12,200	3,339	8,861
Contractual Services	270	270	0	270
Purchased Services	3,985	4,470	1,732	2,738
Other	3,500	3,500	0	3,500
<i>Total Recreation</i>	36,140	37,075	10,741	26,334
Parks				
Personal Services	17,050	17,050	452	16,598
Materials and Supplies	4,900	4,900	3,057	1,843
Contractual Services	900	900	0	900
Purchased Services	11,200	11,200	5,396	5,804
Capital Outlay	27,500	48,000	1,500	46,500
<i>Total Parks</i>	61,550	82,050	10,405	71,645
<i>Total Expenditures</i>	97,690	119,125	21,146	97,979
<i>Net Change in Fund Balance</i>	(56,025)	(77,460)	6,345	83,805
<i>Fund Balance Beginning of Year</i>	76,432	76,432	76,432	0
Prior Year Encumbrances Appropriated	12,685	12,685	12,685	0
<i>Fund Balance End of Year</i>	\$33,092	\$11,657	\$95,462	\$83,805



**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, 2020*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Other	\$50,000	\$50,000	\$11,225	(\$38,775)
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Fire Losses				
Other	75,000	75,000	3,892	71,108
<i>Net Change in Fund Balance</i>	(25,000)	(25,000)	7,333	32,333
<i>Fund Balance Beginning of Year</i>	39,348	39,348	39,348	0
<i>Fund Balance End of Year</i>	<u>\$14,348</u>	<u>\$14,348</u>	<u>\$46,681</u>	<u>\$32,333</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, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$139,242	\$139,242	\$147,899	\$8,657
Intergovernmental	20,120	20,120	20,426	306
<i>Total Revenues</i>	<u>159,362</u>	<u>159,362</u>	<u>168,325</u>	<u>8,963</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police Pension				
Personal Services	201,500	201,500	201,500	0
Other	3,500	3,500	2,951	549
<i>Total Expenditures</i>	<u>205,000</u>	<u>205,000</u>	<u>204,451</u>	<u>549</u>
<i>Excess of Revenues Under Expenditures</i>	(45,638)	(45,638)	(36,126)	9,512
<b>Other Financing Sources</b>				
Transfers In	40,000	40,000	35,000	(5,000)
<i>Net Change in Fund Balance</i>	(5,638)	(5,638)	(1,126)	4,512
<i>Fund Balance Beginning of Year</i>	<u>5,700</u>	<u>5,700</u>	<u>5,700</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$62</u>	<u>\$62</u>	<u>\$4,574</u>	<u>\$4,512</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, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$112,960	\$112,960	\$119,964	\$7,004
Intergovernmental	16,300	16,300	16,567	267
<i>Total Revenues</i>	<u>129,260</u>	<u>129,260</u>	<u>136,531</u>	<u>7,271</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Fire Pension				
Personal Services	165,000	165,000	162,857	2,143
Other	2,800	2,800	2,393	407
<i>Total Expenditures</i>	<u>167,800</u>	<u>167,800</u>	<u>165,250</u>	<u>2,550</u>
<i>Excess of Revenues Under Expenditures</i>	(38,540)	(38,540)	(28,719)	9,821
<b>Other Financing Sources</b>				
Transfers In	32,000	32,000	25,000	(7,000)
<i>Net Change in Fund Balance</i>	(6,540)	(6,540)	(3,719)	2,821
<i>Fund Balance Beginning of Year</i>	<u>6,939</u>	<u>6,939</u>	<u>6,939</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$399</u>	<u>\$399</u>	<u>\$3,220</u>	<u>\$2,821</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, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Special Assessments	\$46,000	\$46,000	\$35,618	(\$10,382)
<b>Expenditures</b>				
Current:				
General Government:				
Special Assessment Bond Retirement				
Other	4,000	4,000	1,148	2,852
Debt Service:				
Principal Retirement	45,620	45,620	45,596	24
Interest and Fiscal Charges	1,250	1,250	1,030	220
Total Debt Service	46,870	46,870	46,626	244
<i>Total Expenditures</i>	50,870	50,870	47,774	3,096
<i>Excess of Revenues Under Expenditures</i>	(4,870)	(4,870)	(12,156)	(7,286)
<b>Other Financing Sources</b>				
Transfer In	0	0	7,077	7,077
Advances In	25,000	25,000	0	(25,000)
<i>Total Other Financing Sources</i>	25,000	25,000	7,077	(17,923)
<i>Net Change in Fund Balance</i>	20,130	20,130	(5,079)	(25,209)
<i>Fund Balance Beginning of Year</i>	5,079	5,079	5,079	0
<i>Fund Balance End of Year</i>	\$25,209	\$25,209	\$0	(\$25,209)

**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, 2020*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property Taxes	\$462,237	\$462,237	\$487,044	\$24,807
Intergovernmental	240,170	240,170	289,860	49,690
<i>Total Revenues</i>	702,407	702,407	776,904	74,497
<b>Expenditures</b>				
Capital Outlay:				
Street Improvement				
Capital Outlay	714,595	849,595	769,767	79,828
<i>Net Change in Fund Balance</i>	(12,188)	(147,188)	7,137	154,325
<i>Fund Balance Beginning of Year</i>	152,309	152,309	152,309	0
Prior Year Encumbrances Appropriated	1,447	1,447	1,447	0
<i>Fund Balance End of Year</i>	<u>\$141,568</u>	<u>\$6,568</u>	<u>\$160,893</u>	<u>\$154,325</u>

**City of Conneaut, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Municipal Court Improvement Fund*  
*For the Year Ended December 31, 2020*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Fines and Forfeitures	\$79,800	\$79,800	\$61,989	(\$17,811)
<b>Expenditures</b>				
Capital Outlay:				
Municipal Court Improvement				
Capital Outlay	<u>181,773</u>	<u>189,273</u>	<u>138,465</u>	<u>50,808</u>
<i>Net Change in Fund Balance</i>	(101,973)	(109,473)	(76,476)	32,997
<i>Fund Balance Beginning of Year</i>	322,305	322,305	322,305	0
Prior Year Encumbrances Appropriated	<u>1,773</u>	<u>1,773</u>	<u>1,773</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$222,105</u>	<u>\$214,605</u>	<u>\$247,602</u>	<u>\$32,997</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, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Capital Outlay:				
BWC Grant				
Capital Outlay	8,621	8,621	8,621	0
<i>Net Change in Fund Balance</i>	(8,621)	(8,621)	(8,621)	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	8,621	8,621	8,621	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**City of Conneaut, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Capital Improvement Fund*  
*For the Year Ended December 31, 2020*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Municipal Income Taxes	\$50,582	\$50,582	\$45,867	(\$4,715)
<b>Expenditures</b>				
Capital Outlay:				
Capital Improvement				
Capital Outlay	<u>60,000</u>	<u>60,000</u>	<u>6,486</u>	<u>53,514</u>
<i>Net Change in Fund Balance</i>	(9,418)	(9,418)	39,381	48,799
<i>Fund Balance Beginning of Year</i>	<u>66,417</u>	<u>66,417</u>	<u>66,417</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$56,999</u>	<u>\$56,999</u>	<u>\$105,798</u>	<u>\$48,799</u>



**City of Conneaut, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Chestnut Street Phase III Project Fund*  
*For the Year Ended December 31, 2020*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$337,925	\$337,925	\$0	(\$337,925)
<b>Expenditures</b>				
Capital Outlay:				
Chestnut Street				
Capital Outlay	67,700	67,700	0	67,700
<i>Excess of Revenues Over Expenditures</i>	270,225	270,225	0	(270,225)
<b>Other Financing Sources</b>				
OPWC Loan Issued	12,175	12,175		(12,175)
<i>Net Change in Fund Balance</i>	282,400	282,400	0	(282,400)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$282,400	\$282,400	\$0	(\$282,400)

**City of Conneaut, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Conneaut Dredge Facility Fund*  
*For the Year Ended December 31, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$4,000,000	\$4,000,000	\$400,000	(\$3,600,000)
<b>Expenditures</b>				
Capital Outlay:				
Dredge Facility				
Capital Outlay	4,000,000	4,000,000	373,389	3,626,611
<i>Net Change in Fund Balance</i>	0	0	26,611	26,611
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$26,611	\$26,611

**City of Conneaut, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Conneaut Coastal Wetlands Fund*  
*For the Year Ended December 31, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$299,550	\$299,550	\$299,550	\$0
<b>Expenditures</b>				
Capital Outlay:				
Coastal Wetlands				
Capital Outlay	299,550	299,550	299,550	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*  
*Paddle Grant Fund*  
*For the Year Ended December 31, 2020*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$27,000	\$27,000	\$0	(\$27,000)
<b>Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	27,000	27,000	0	(27,000)
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$27,000</u>	<u>\$27,000</u>	<u>\$0</u>	<u>(\$27,000)</u>

**City of Conneaut, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Municipal Court Grant Fund*  
*For the Year Ended December 31, 2020*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$19,805	\$19,805	\$0	(\$19,805)
<b>Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	19,805	19,805	0	(19,805)
<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>\$19,805</u>	<u>\$19,805</u>	<u>\$0</u>	<u>(\$19,805)</u>

**City of Conneaut, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Industrial Park Fund*  
*For the Year Ended December 31, 2020*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$42,000	\$42,000	\$38,052	(\$3,948)
<b>Expenditures</b>				
Capital Outlay:				
Rural Industrial Park				
Capital Outlay	42,000	42,000	35,000	7,000
<i>Net Change in Fund Balance</i>	0	0	3,052	3,052
<i>Fund Balance Beginning of Year</i>	751	751	751	0
<i>Fund Balance End of Year</i>	<u>\$751</u>	<u>\$751</u>	<u>\$3,803</u>	<u>\$3,052</u>

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# **STATISTICAL SECTION**

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## Statistical Section

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

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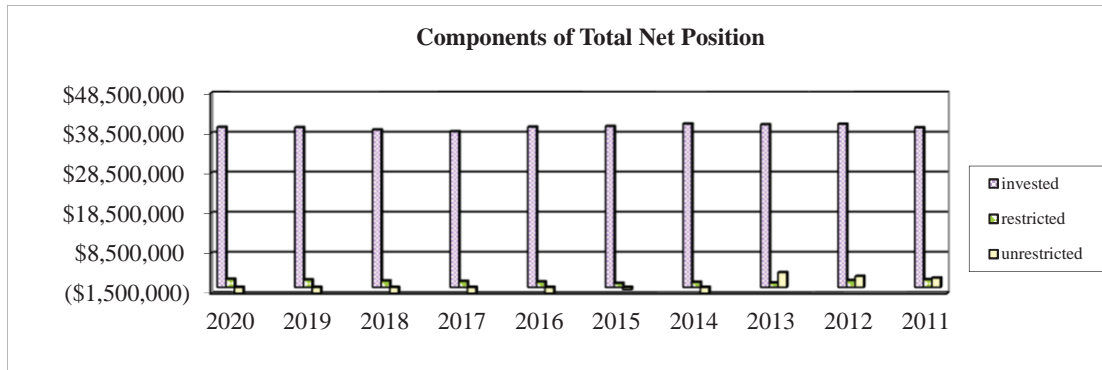
<b>Contents</b>	<b>Pages(s)</b>
<b><i>Financial Trends</i></b> .....	<b><i>S2 – S13</i></b>
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
<b><i>Revenue Capacity</i></b> .....	<b><i>S14 – S23</i></b>
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)*

	2020	2019 (3)	2018 (2)	2017
<b>Governmental Activities</b>				
Net Investment in Capital Assets	\$23,249,059	\$23,758,469	\$23,893,913	\$24,342,868
Restricted:				
Capital Projects	372,596	350,247	266,923	167,262
Debt Service	0	0	0	0
Street Construction, Maintenance and Repair	551,318	464,941	377,934	413,941
Police and Fire Operations	848,845	823,205	733,662	736,057
Drug and Alcohol Enforcement	81,428	78,289	74,354	69,761
Cemetery Operations	64,026	63,255	64,073	52,271
Economic Development	18,240	23,707	19,712	10,436
USEPA	0	0	0	0
Other Purposes	105,186	80,855	71,603	53,926
Unrestricted (Deficit)	<u>(7,705,898)</u>	<u>(8,184,475)</u>	<u>(10,617,413)</u>	<u>(9,341,123)</u>
<i>Total Governmental Activities Net Position</i>	<u>17,584,800</u>	<u>17,458,493</u>	<u>14,884,761</u>	<u>16,505,399</u>
<b>Business-Type - Activities</b>				
Net Investment in Capital Assets	16,734,171	16,134,759	15,419,190	14,549,006
Unrestricted	<u>(598,588)</u>	<u>(286,499)</u>	<u>1,285,859</u>	<u>1,860,325</u>
<i>Total Business-Type Activities Net Position</i>	<u>16,135,583</u>	<u>15,848,260</u>	<u>16,705,049</u>	<u>16,409,331</u>
<b>Primary Government</b>				
Net Investment in Capital Assets	39,983,230	39,893,228	39,313,103	38,891,874
Restricted	2,041,639	1,884,499	1,608,261	1,503,654
Unrestricted	<u>(8,304,486)</u>	<u>(8,470,974)</u>	<u>(9,331,554)</u>	<u>(7,480,798)</u>
<i>Total Primary Government Net Position</i>	<u>\$33,720,383</u>	<u>\$33,306,753</u>	<u>\$31,589,810</u>	<u>\$32,914,730</u>

- (1) The City reported the impact of GASB Statement No. 68 beginning in 2015.
- (2) The City reported the impact of GASB Statement No. 75 beginning in 2018.
- (3) The City reported the impact of GASB Statement No. 83 beginning in 2019.



2016	2015 (1)	2014	2013	2012	2011
\$25,201,005	\$26,060,414	\$26,506,355	\$26,751,490	\$27,886,020	\$27,936,348
148,285	0	17,713	84,680	791,699	625,348
9,204	0	0	0	0	0
494,648	605,531	768,474	575,566	347,209	241,401
520,364	218,313	296,491	270,622	220,558	0
64,271	68,248	76,755	69,654	62,277	0
52,507	59,495	49,172	52,533	45,156	0
46,956	23,647	55,086	0	72,220	223,944
0	0	0	0	0	60,223
47,501	48,683	46,645	72,817	197,930	803,024
(3,932,829)	(2,507,776)	(2,863,943)	2,101,712	1,288,417	1,134,968
22,651,912	24,576,555	24,952,748	29,979,074	30,911,486	31,025,256
14,833,885	14,125,413	14,298,798	13,880,043	12,848,459	11,935,329
2,058,500	1,931,779	1,089,207	1,580,056	1,452,234	1,191,639
16,892,385	16,057,192	15,388,005	15,460,099	14,300,693	13,126,968
40,034,890	40,185,827	40,805,153	40,631,533	40,734,479	39,871,677
1,383,736	1,023,917	1,310,336	1,125,872	1,737,049	1,953,940
(1,874,329)	(575,997)	(1,774,736)	3,681,768	2,740,651	2,326,607
\$39,544,297	\$40,633,747	\$40,340,753	\$45,439,173	\$45,212,179	\$44,152,224

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

	2020	2019	2018 (2)	2017
<b>Program Revenues</b>				
<b>Governmental Activities:</b>				
Charges for Services and Assessments:				
General Government	\$317,378	\$295,566	\$336,197	\$332,884
Security of Persons and Property	248,728	395,419	427,336	399,930
Public Health Services	2,978	2,909	37,927	36,581
Leisure Time Activities	11,806	11,392	16,189	13,906
Community Development	41,704	38,323	74,660	62,113
Basic Utility Services	160,203	164,372	161,149	157,202
Transportation	112,531	340,891	42,094	111,935
Subtotal - Charges for Services	<u>895,328</u>	<u>1,248,872</u>	<u>1,095,552</u>	<u>1,114,551</u>
Operating Grants and Contributions:				
General Government	0	0	0	0
Security of Persons and Property	1,333,560	143,610	121,002	184,347
Public Health Services	0	0	3,775	6,124
Leisure Time Activities	2,504	10,940	29,670	43,598
Community Development	6,929	14,374	47,273	27,400
Transportation	979,899	720,590	607,588	512,243
Subtotal - Operating Grants and Contributions	<u>2,322,892</u>	<u>889,514</u>	<u>809,308</u>	<u>773,712</u>
Capital Grants and Assessments:				
General Government	0	0	0	0
Security of Persons and Property	0	15,219	0	2,093
Leisure Time Activities	0	0	6,719	18,200
Community Development	737,602	40,972	0	0
Transportation	289,753	783,726	24,621	0
Subtotal - Capital Grants and Assessments	<u>1,027,355</u>	<u>839,917</u>	<u>31,340</u>	<u>20,293</u>
<i>Total Governmental Activities</i>				
<i>Program Revenues</i>	<u>4,245,575</u>	<u>2,978,303</u>	<u>1,936,200</u>	<u>1,908,556</u>
<b>Business-Type Activities:</b>				
Charges for Services:				
Water	2,367,443	2,337,153	2,353,501	2,333,830
Sewer	2,359,066	2,375,526	2,399,516	2,422,437
Capital Grants and Assessments				
Water	336,200	30,059	111,853	125,000
Sewer	0	0	193,399	326,417
<i>Total Business-Type Activities</i>				
<i>Program Revenues</i>	<u>5,062,709</u>	<u>4,742,738</u>	<u>5,058,269</u>	<u>5,207,684</u>
<i>Total Primary Government</i>				
<i>Program Revenues</i>	<u>\$9,308,284</u>	<u>\$7,721,041</u>	<u>\$6,994,469</u>	<u>\$7,116,240</u>

2016	2015 (1)	2014	2013	2012	2011
\$150,111	\$352,705	\$359,075	\$342,133	\$318,582	\$348,583
191,510	474,037	453,367	495,024	428,794	556,754
15,264	36,955	37,215	41,973	39,160	58,426
51,692	43,425	45,825	43,477	42,852	46,378
50,346	61,928	54,221	65,248	56,373	54,225
129,363	127,334	123,698	123,056	124,708	124,473
93,937	24,618	91,847	138,364	52,031	53,406
682,223	1,121,002	1,165,248	1,249,275	1,062,500	1,242,245
15,252	0	0	0	0	0
109,401	156,610	123,178	126,853	85,931	156,429
0	0	0	0	0	0
31,052	3,364	3,287	3,600	4,946	302,750
14,414	209,277	317,792	272,528	102,036	255,725
531,166	595,399	521,060	307,256	615,517	626,342
701,285	964,650	965,317	710,237	808,430	1,341,246
0	107,000	48,351	55,455	55,455	23,750
10,071	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
10,071	459,971	151,217	180,435	580,400	228,673
1,393,579	2,545,623	2,281,782	2,139,947	2,451,330	2,812,164
2,274,899	2,244,357	2,234,837	2,164,625	2,126,057	2,063,031
2,398,051	2,404,611	2,381,691	2,299,651	2,247,383	2,383,343
50,233	14,268	360	411,285	64,346	0
26,764	23,364	256,461	133,803	235,283	67,973
4,749,947	4,686,600	4,873,349	5,009,364	4,673,069	4,514,347
\$6,143,526	\$7,232,223	\$7,155,131	\$7,149,311	\$7,124,399	\$7,326,511

(continued)

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

	2020	2019 (3)	2018 (3)	2017
<b>Expenses</b>				
<i>Governmental Activities:</i>				
General Government	\$1,689,627	\$1,813,569	\$1,735,723	\$1,623,407
Security of Persons and Property	4,795,231	1,714,741	4,772,997	4,219,555
Public Health Services	173,993	181,513	232,483	218,089
Leisure Time Activities	94,794	161,214	130,195	145,635
Community Development	139,462	185,934	181,611	261,048
Basic Utility Services	177,756	199,418	204,919	200,724
Transportation	3,800,790	2,900,301	2,247,526	2,680,196
Interest and Fiscal Charges	114,937	50,707	56,681	70,393
<i>Total Governmental Activities Expenses</i>	<u>10,986,590</u>	<u>7,207,397</u>	<u>9,562,135</u>	<u>9,419,047</u>
<i>Business-Type Activities</i>				
Water	2,508,882	2,210,030	2,368,947	2,564,360
Sewer	2,524,594	2,702,728	2,437,995	2,458,780
<i>Total Business-Type Activities Expenses</i>	<u>5,033,476</u>	<u>4,912,758</u>	<u>4,806,942</u>	<u>5,023,140</u>
<i>Total Primary Government Program Expenses</i>	<u>16,020,066</u>	<u>12,120,155</u>	<u>14,369,077</u>	<u>14,442,187</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(6,741,015)	(4,229,094)	(7,625,935)	(7,510,491)
Business-Type Activities	29,233	(170,020)	251,327	184,544
<i>Total Primary Government Net Expense</i>	<u>(\$6,711,782)</u>	<u>(\$4,399,114)</u>	<u>(\$7,374,608)</u>	<u>(\$7,325,947)</u>

2016	2015 (2)	2014	2013	2012	2011
\$1,574,431	\$1,586,680	\$1,292,248	\$1,228,286	\$1,184,781	\$1,424,515
4,386,740	3,634,530	3,322,801	3,275,647	3,061,292	3,043,520
202,382	185,703	176,534	177,336	190,035	211,538
114,558	122,354	121,622	124,444	125,943	141,303
139,890	156,956	362,079	463,946	376,556	513,096
162,842	348,553	159,031	157,911	141,999	155,121
2,391,079	2,455,888	2,544,047	2,492,999	1,812,092	2,628,167
78,960	89,634	78,000	84,250	80,138	111,373
<u>9,050,882</u>	<u>8,580,298</u>	<u>8,056,362</u>	<u>8,004,819</u>	<u>6,972,836</u>	<u>8,228,633</u>
2,009,333	2,149,651	2,276,702	1,959,425	2,069,126	2,183,135
1,920,961	1,900,079	1,846,843	2,069,309	1,926,287	1,982,892
<u>3,930,294</u>	<u>4,049,730</u>	<u>4,123,545</u>	<u>4,028,734</u>	<u>3,995,413</u>	<u>4,166,027</u>
<u>12,981,176</u>	<u>12,630,028</u>	<u>12,179,907</u>	<u>12,033,553</u>	<u>10,968,249</u>	<u>12,394,660</u>
(7,657,303)	(6,034,675)	(5,774,580)	(5,864,872)	(4,521,506)	(5,416,469)
819,653	636,870	749,804	980,630	677,656	348,320
<u>(\$6,837,650)</u>	<u>(\$5,397,805)</u>	<u>(\$5,024,776)</u>	<u>(\$4,884,242)</u>	<u>(\$3,843,850)</u>	<u>(\$5,068,149)</u>

(continued)



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

	2020	2019 (3)	2018 (3)	2017
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities				
Taxes:				
Property Taxes Levied For:				
General Purposes	\$343,361	\$326,498	\$309,057	\$319,487
Debt Service	0	0	0	26
Capital Outlay	508,716	485,056	457,588	492,228
Other Purposes	1,440,812	1,372,660	1,294,704	1,392,266
Municipal Income Taxes levied for:				
General Purposes	2,222,009	2,619,713	2,386,131	2,528,319
Capital Outlay	44,598	52,572	47,895	50,738
Street Construction, Maintenance and Repair	502,376	592,288	539,489	571,624
Other Purposes	53,343	62,889	57,281	60,698
Hotel Taxes	24,076	42,681	28,137	22,877
Grants and Entitlements not Restricted to Specific Programs	990,821	569,256	389,868	418,681
Franchise Taxes	152,237	159,801	168,471	145,056
Unrestricted Contributions	9,061	11,774	6,639	24,650
Investment Earnings	29,967	103,155	95,672	49,920
Gain on Sale of Capital Assets	0	0	0	0
Miscellaneous	540,118	113,928	215,070	162,255
Special Item - Transfer of Health Department Operations (3)	0	293,055	0	0
Transfers	5,827	(2,500)	9,295	(2,500)
<i>Total Governmental Activities</i>	<u>6,867,322</u>	<u>6,802,826</u>	<u>6,005,297</u>	<u>6,236,325</u>
Business-Type Activities				
Gain on Sale of Capital Assets	0	0	0	120,470
Miscellaneous	263,917	85,644	53,686	48,574
Transfers	(5,827)	2,500	(9,295)	2,500
<i>Total Business-Type Activities</i>	<u>258,090</u>	<u>88,144</u>	<u>44,391</u>	<u>171,544</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<u>7,125,412</u>	<u>6,890,970</u>	<u>6,049,688</u>	<u>6,407,869</u>
<b>Change in Net Position</b>				
Governmental Activities	126,307	2,573,732	(1,620,638)	(1,274,166)
Business-Type Activities	287,323	(81,876)	295,718	356,088
<i>Total Primary Government Change in Net Position</i>	<u>\$413,630</u>	<u>\$2,491,856</u>	<u>(\$1,324,920)</u>	<u>(\$918,078)</u>

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

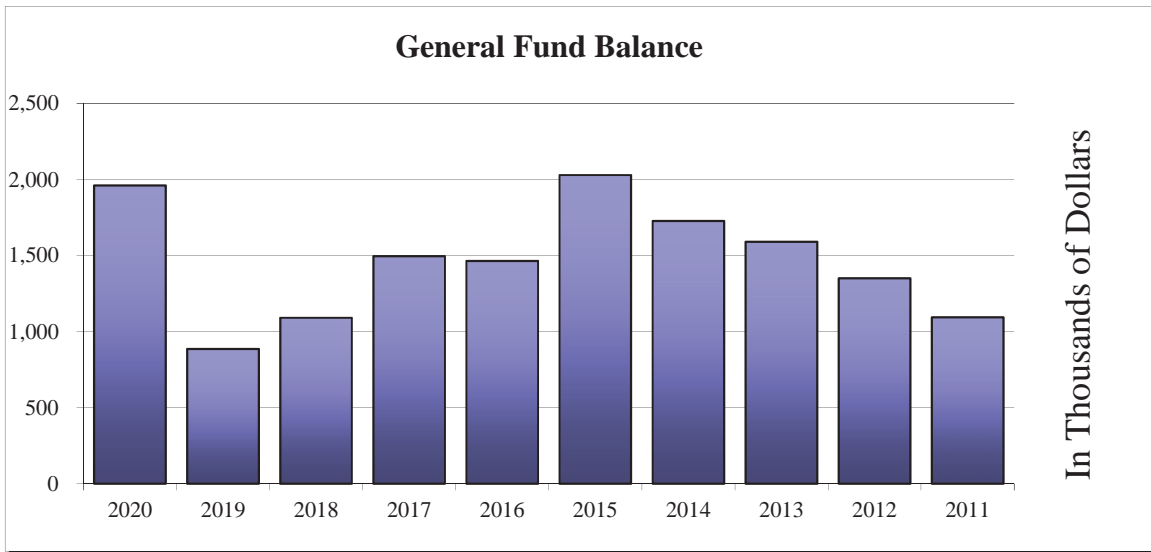
(2) Expenses are first impacted by the implementation of GASB Statement No. 75 beginning in 2018.

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

2016	2015 (2)	2014	2013	2012	2011
\$311,464	\$316,065	\$365,055	\$357,968	\$303,604	\$355,721
85,082	85,313	84,961	99,499	94,984	146,123
444,849	473,019	563,092	0	0	0
1,370,348	722,423	710,714	694,993	589,108	756,686
2,122,639	2,589,415	2,337,586	2,305,411	2,243,409	2,028,347
42,617	51,963	61,935	42,449	303,620	274,515
479,927	585,435	528,499	521,201	506,860	458,270
50,953	62,164	56,118	55,323	53,766	48,613
24,138	20,392	21,381	20,655	20,477	18,744
416,296	479,906	409,787	658,227	480,529	675,631
164,729	133,313	139,189	145,370	145,880	130,915
17,873	19,609	17,098	23,085	22,173	0
24,033	6,819	5,253	5,101	3,716	2,935
0	18,582	0	0	0	20,056
180,212	95,314	174,638	141,150	77,092	84,221
0	0	0	0	0	0
(2,500)	(1,250)	296,789	(137,972)	(437,482)	0
5,732,660	5,658,482	5,772,095	4,932,460	4,407,736	5,000,777
0	0	0	0	0	4,768
13,040	31,067	39,405	40,804	58,587	14,989
2,500	1,250	(296,789)	137,972	437,482	0
15,540	32,317	(257,384)	178,776	496,069	19,757
5,748,200	5,690,799	5,514,711	5,111,236	4,903,805	5,020,534
(1,924,643)	(376,193)	(2,485)	(932,412)	(113,770)	(415,692)
835,193	669,187	492,420	1,159,406	1,173,725	368,077
(\$1,089,450)	\$292,994	\$489,935	\$226,994	\$1,059,955	(\$47,615)

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

	2020	2019	2018	2017
<b>General Fund</b>				
Nondisposable	\$118,376	\$43,846	\$34,876	\$43,821
Assigned	1,081,177	369,229	637,520	661,488
Unassigned	761,495	473,253	418,490	790,303
<b>Total General Fund</b>	<b>1,961,048</b>	<b>886,328</b>	<b>1,090,886</b>	<b>1,495,612</b>
<b>All Other Governmental Funds</b>				
Nondisposable	116,052	91,042	65,282	56,228
Restricted	1,557,405	1,520,847	1,379,612	1,324,704
Committed	207,363	160,354	170,366	143,904
Unassigned (Deficit)	(126,661)	(164,568)	(145,102)	(139,151)
<b>Total All Other Governmental Funds</b>	<b>1,754,159</b>	<b>1,607,675</b>	<b>1,470,158</b>	<b>1,385,685</b>
<b>Total Governmental Funds</b>	<b>\$3,715,207</b>	<b>\$2,494,003</b>	<b>\$2,561,044</b>	<b>\$2,881,297</b>



2016	2015	2014	2013	2012	2011
\$27,140	\$33,281	\$47,130	\$43,139	\$40,845	\$52,597
886,245	822,244	679,916	383,150	343,253	345,329
551,341	1,173,552	999,680	1,164,537	965,912	695,947
1,464,726	2,029,077	1,726,726	1,590,826	1,350,010	1,093,873
49,479	50,738	61,601	51,723	66,015	59,912
1,410,639	1,152,337	1,406,367	1,209,060	1,171,627	1,398,644
120,361	77,864	75,403	38,707	30,049	46,874
(105,918)	(104,614)	(55,005)	(115,317)	(55,840)	(430,812)
1,474,561	1,176,325	1,488,366	1,184,173	1,211,851	1,074,618
\$2,939,287	\$3,205,402	\$3,215,092	\$2,774,999	\$2,561,861	\$2,168,491

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

	2020	2019	2018	2017
<b>Revenues</b>				
Property Taxes	\$2,194,944	\$2,167,433	\$2,154,234	\$2,175,269
Municipal Income Taxes	2,904,977	3,289,860	3,129,270	3,111,685
Hotel Taxes	24,076	42,681	28,137	22,877
Special Assessments	36,352	50,464	46,335	88,436
Intergovernmental	4,364,218	2,273,543	1,193,129	1,164,899
Fees, Licenses and Permits	333,425	578,763	349,550	402,943
Fines and Forfeitures	221,199	233,855	367,508	318,365
Rentals	42,919	48,061	30,608	25,500
Charges for Services	332,747	362,069	344,141	384,055
Contributions and Donations	9,761	19,779	33,421	65,255
Interest	29,967	103,155	95,672	49,920
Franchise Taxes	153,032	169,322	170,370	131,414
Other	540,118	113,928	215,070	162,255
<i>Total Revenues</i>	<u>11,187,735</u>	<u>9,452,913</u>	<u>8,157,445</u>	<u>8,102,873</u>
<b>Expenditures</b>				
Current:				
General Government	1,536,076	1,487,778	1,543,626	1,407,467
Security of Persons and Property	4,149,141	4,252,568	3,932,977	3,686,376
Public Health Services	173,993	181,513	218,143	190,285
Leisure Time Activities	72,490	130,788	100,201	114,268
Community Development	118,099	145,283	168,693	243,395
Basic Utilities Services	177,756	199,418	204,919	200,724
Transportation	1,976,756	1,464,039	1,281,653	1,230,353
Capital Outlay	2,306,941	2,188,464	726,623	682,739
Debt Service:				
Principal Retirement	287,454	327,417	513,352	514,418
Interest and Fiscal Charges	80,437	52,454	59,559	72,338
Principal Retirement - Current Refunding	40,000	20,000	30,000	30,000
<i>Total Expenditures</i>	<u>10,919,143</u>	<u>10,449,722</u>	<u>8,779,746</u>	<u>8,372,363</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>268,592</u>	<u>(996,809)</u>	<u>(622,301)</u>	<u>(269,490)</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	0	0	0	0
General Obligation Bonds Issued	420,000	0	0	214,000
General Obligation Notes Issued	0	40,000	60,000	90,000
Current Refunding	0	(40,000)	(60,000)	(90,000)
Capital Lease Issued	153,671	231,807	204,548	0
State Infrastructure Bank Loan Issued	306,866	652,633	100,000	0
OPWC Loans Issued	66,248	50,000	0	0
Transfer of Health Department Operations	0	(2,172)	0	0
Transfers In	67,077	49,000	56,922	96,000
Transfers Out	(61,250)	(51,500)	(59,422)	(98,500)
<i>Total Other Financing Sources (Uses)</i>	<u>952,612</u>	<u>929,768</u>	<u>302,048</u>	<u>211,500</u>
<i>Net Change in Fund Balances</i>	<u>\$1,221,204</u>	<u>(\$67,041)</u>	<u>(\$320,253)</u>	<u>(\$57,990)</u>
Debt Service as a Percentage of Noncapital Expenditures	4.6%	5.0%	8.1%	8.2%

2016	2015	2014	2013	2012	2011
\$2,228,798	\$1,617,111	\$1,632,504	\$1,155,333	\$1,021,308	\$1,047,455
2,839,766	3,163,103	3,021,077	2,931,872	3,067,806	2,771,887
24,138	23,409	18,364	20,655	20,477	18,744
104,042	94,534	113,575	142,659	149,561	125,719
1,156,616	1,860,461	1,616,276	1,534,596	2,145,486	2,015,466
421,606	324,522	354,471	338,594	251,207	686,084
271,665	301,696	316,332	321,006	281,892	316,679
67,231	51,650	51,725	58,661	40,464	89,720
417,825	418,461	420,540	480,371	456,002	47,210
21,358	20,569	17,598	23,885	23,963	26,036
24,033	6,819	5,253	5,101	3,716	2,935
127,503	153,209	135,793	128,870	145,880	144,227
180,212	95,314	174,638	141,150	77,092	84,221
<u>7,884,793</u>	<u>8,130,858</u>	<u>7,878,146</u>	<u>7,282,753</u>	<u>7,684,854</u>	<u>7,376,383</u>
1,486,438	1,504,861	1,215,590	1,132,241	1,110,431	1,346,573
3,865,687	3,634,608	3,212,086	3,111,589	2,867,862	2,847,980
184,504	188,370	174,357	172,451	186,860	223,038
90,088	95,671	98,353	100,758	103,469	112,259
131,772	353,683	369,484	453,549	374,504	505,419
162,842	156,956	163,261	155,068	141,999	155,125
1,149,087	1,236,421	1,269,511	1,114,909	1,174,367	1,129,878
615,544	1,126,461	836,317	340,170	1,168,624	1,402,792
675,992	476,410	400,430	478,715	619,379	1,283,255
82,230	85,703	81,164	90,358	76,581	117,198
0	0	7,500	7,500	26,000	26,000
<u>8,444,184</u>	<u>8,859,144</u>	<u>7,828,053</u>	<u>7,157,308</u>	<u>7,850,076</u>	<u>9,149,517</u>
<u>(559,391)</u>	<u>(728,286)</u>	<u>50,093</u>	<u>125,445</u>	<u>(165,222)</u>	<u>(1,773,134)</u>
0	18,582	0	0	0	20,056
0	450,000	360,000	0	544,352	735,000
120,000	150,000	37,500	15,000	73,000	399,000
0	0	(7,500)	(15,000)	(73,000)	(99,000)
175,776	101,264	0	88,485	0	0
0	0	0	0	0	0
0	0	0	0	14,240	0
0	0	0	0	0	0
70,750	30,750	161,234	176,308	200,750	36,250
<u>(73,250)</u>	<u>(32,000)</u>	<u>(161,234)</u>	<u>(177,100)</u>	<u>(200,750)</u>	<u>(36,250)</u>
<u>293,276</u>	<u>718,596</u>	<u>390,000</u>	<u>87,693</u>	<u>558,592</u>	<u>1,055,056</u>
<u>(\$266,115)</u>	<u>(\$9,690)</u>	<u>\$440,093</u>	<u>\$213,138</u>	<u>\$393,370</u>	<u>(\$718,078)</u>
10.1%	7.5%	6.3%	10.0%	10.8%	16.7%

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

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2020	\$133,626,170	\$56,604,400	\$543,515,914	\$10,446,790	\$11,871,352
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

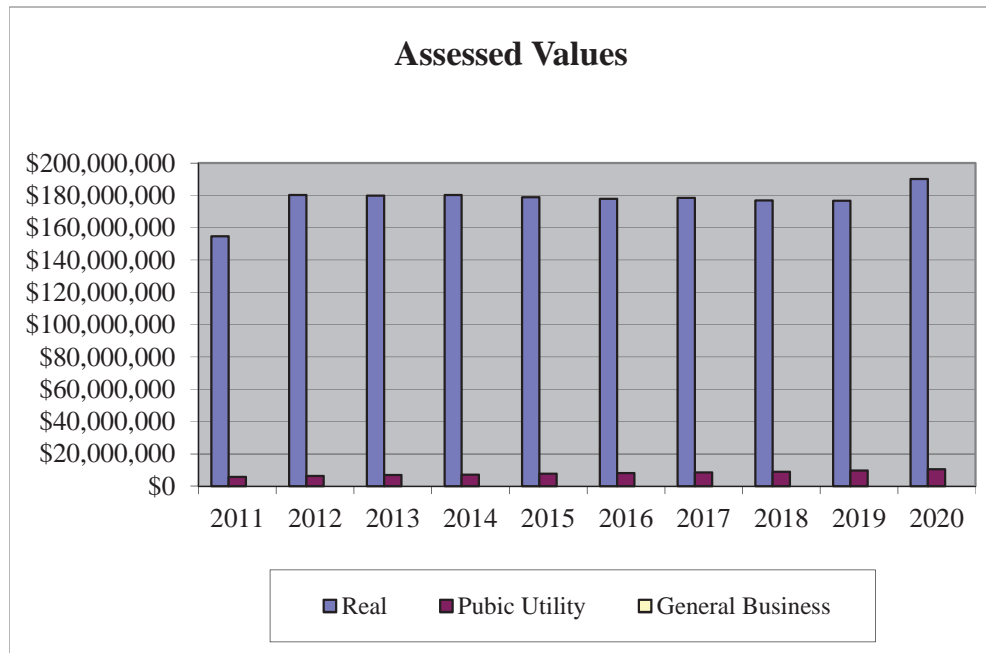
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each appraisal.

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.

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

Assessed Value	Total		Weighted Average Tax Rate (per \$1,000 of Assessed Value)
	Estimated Actual Value	Ratio	
\$200,677,360	\$555,387,267	36.13%	\$13.7099
186,388,130	515,898,749	36.13	12.8418
185,669,200	515,202,926	36.04	12.8404
186,848,220	519,226,587	35.99	12.8341
185,836,650	517,249,105	35.93	12.8352
186,385,450	519,544,565	35.87	13.4615
187,290,380	522,834,119	35.82	9.8012
186,664,810	521,546,352	35.79	7.7511
186,327,820	521,745,755	35.71	7.0926
160,449,260	448,608,981	35.77	7.1727





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

	2020	2019	2018	2017
<b>Unvoted Millage</b>				
Operating	\$2.0000	\$2.0000	\$2.0000	\$2.0000
Fire Pension	0.7300	0.7300	0.7300	0.7300
Police Pension	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>
<b>Voted Millage - by levy</b>				
1995 Library Bond	0.0000	0.0000	0.0000	0.0000
2003 Police Operating				
Residential/Agricultural Real	1.7209	2.0000	2.0000	2.0000
Commercial/Industrial and Public Utility Real	1.9820	1.8673	1.8628	1.8553
General Business and Public Utility Personal	2.0000	2.0000	2.0000	1.9835
2005 Fire				
Residential/Agricultural Real	0.0000	0.0000	0.0000	0.0000
Commercial/Industrial and Public Utility Real	0.0000	0.0000	0.0000	0.0000
General Business and Public Utility Personal	0.0000	0.0000	0.0000	0.0000
2013 Road and Bridge				
Residential/Agricultural Real	2.5343	2.7500	2.7500	2.7500
Commercial/Industrial and Public Utility Real	2.7253	2.7500	2.7500	2.7500
General Business and Public Utility Personal	2.7500	2.7500	2.7500	2.7273
2015 Fire				
Residential/Agricultural Real	0.0000	1.5000	1.5000	1.5000
Commercial/Industrial and Public Utility Real	0.0000	1.5000	1.5000	1.5000
General Business and Public Utility Personal	0.0000	1.5000	1.5000	1.4876
2015 Police				
Residential/Agricultural Real	2.7647	3.0000	3.0000	3.0000
Commercial/Industrial and Public Utility Real	2.9730	3.0000	3.0000	3.0000
General Business and Public Utility Personal	3.0000	3.0000	3.0000	2.9752
2020 Fire				
Residential/Agricultural Real	2.7647	0.0000	0.0000	0.0000
Commercial/Industrial and Public Utility Real	2.9730	0.0000	0.0000	0.0000
General Business and Public Utility Personal	3.0000	0.0000	0.0000	0.0000
<i>Total Voted Millage by Type of Property</i>				
Residential/Agricultural Real	\$9.7846	\$9.2500	\$9.2500	\$9.2500
Commercial/Industrial and Public Utility Real	10.6533	9.1173	9.1128	9.1053
General Business and Public Utility Personal	10.7500	9.2500	9.2500	9.1736
<i>Total Millage by Type of Property</i>				
Residential/Agricultural Real	\$13.4146	\$12.8800	\$12.8800	\$12.8800
Commercial/Industrial and Public Utility Real	14.2833	12.7473	12.7428	12.7353
General Business and Public Utility Personal	14.3800	12.8800	12.8800	12.8036
<i>Total Weighted Average Tax Rate</i>	<u>\$13.7099</u>	<u>\$12.8418</u>	<u>\$12.8404</u>	<u>\$12.8341</u>

2016	2015	2014	2013	2012	2011
\$2.0000	\$2.0000	\$2.0000	\$2.2000	\$2.2000	\$2.2000
0.7300	0.7300	0.7300	0.6300	0.6300	0.6300
0.9000	0.9000	0.9000	0.8000	0.8000	0.8000
3.6300	3.6300	3.6300	3.6300	3.6300	3.6300
0.0000	0.6300	0.5300	0.5300	0.6300	0.7300
2.0000	2.0000	2.0000	1.8534	1.8537	1.8527
1.8506	1.8466	1.8065	1.9704	1.9510	1.9387
2.0000	2.0000	2.0000	2.0000	2.0000	2.0000
0.0000	0.0000	1.0000	0.9267	0.9268	0.9264
0.0000	0.0000	0.9033	0.9852	0.9755	0.9693
0.0000	0.0000	1.0000	1.0000	1.0000	1.0000
2.7500	2.7500	2.7500	2.7496	0.0000	0.0000
2.7455	2.7395	2.6801	2.7500	0.0000	0.0000
2.7500	2.7500	2.7500	2.7500	0.0000	0.0000
1.5000	1.5000	0.0000	0.0000	0.0000	0.0000
1.5000	1.5000	0.0000	0.0000	0.0000	0.0000
1.5000	1.5000	0.0000	0.0000	0.0000	0.0000
3.0000	3.0000	0.0000	0.0000	0.0000	0.0000
3.0000	3.0000	0.0000	0.0000	0.0000	0.0000
3.0000	3.0000	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
\$9.2500	\$9.8800	\$6.2800	\$6.0597	\$3.4105	\$3.5091
9.0961	9.7160	5.9199	6.2356	3.5565	3.6380
9.2500	9.8800	6.2800	6.2800	3.6300	3.7300
\$12.8800	\$13.5100	\$9.9100	\$9.6897	\$7.0405	\$7.1391
12.7261	13.3460	9.5499	9.8656	7.1865	7.2680
12.8800	13.5100	9.9100	9.9100	7.2600	7.3600
\$12.8352	\$13.4615	\$9.8012	\$7.7511	\$7.0926	\$7.1727

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

	2020	2019	2018	2017
<b>Overlapping Rates by Taxing District</b>				
Conneaut City School District				
Residential/Agricultural Real	\$27.3936	\$40.5900	\$40.5900	\$40.5900
Commercial/Industrial and Public Utility Real	31.0335	28.2171	28.1750	28.1145
General Business and Public Utility Personal	40.5900	31.2111	31.1646	30.7731
Ashtabula County				
Residential/Agricultural Real	9.3688	11.5200	11.5200	11.5200
Commercial/Industrial and Public Utility Real	10.9510	9.8224	9.8182	9.7962
General Business and Public Utility Personal	11.5200	11.2552	11.2384	11.2001
Special Taxing Districts (1)				
Residential/Agricultural Real	6.4631	8.6500	7.1500	7.1500
Commercial/Industrial and Public Utility Real	7.2022	6.8981	5.4105	5.4034
General Business and Public Utility Personal	8.6500	7.3524	5.8405	5.7964

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, 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.

2016	2015	2014	2013	2012	2011
\$36.3900	\$36.3900	\$26.0683	\$24.3233	\$25.5513	\$25.5424
23.9602	23.9227	23.5787	25.5875	26.6359	26.5549
26.7154	26.6232	36.3900	39.3900	37.6300	37.6300
11.5200	9.5530	10.8876	9.0012	8.9962	8.9922
10.0306	8.0465	9.4306	9.9622	9.9304	9.9223
11.2176	9.2017	11.5200	11.0200	11.0200	11.0200
8.7600	7.6500	3.5383	3.5917	3.5894	2.5972
8.3339	5.9616	3.8581	3.6610	3.6489	2.6574
8.1487	6.2914	5.2500	5.2500	5.2500	4.2600

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

Year	Total Original Tax Levy	Current Tax Collections	Percent of Current Tax Collections To Original Tax Levy	Delinquent Tax Collections	Total Tax Collections (1)
2020	\$2,486,165	\$2,299,263	92.48 %	\$80,753	\$2,380,016
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

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 Tax Collections To Original Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes To Original Tax Levy
95.73 %	\$318,096	12.79 %
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

**City of Conneaut, Ohio**  
*Principal Real Property Taxpayers*  
 2020 and 2011

<i>2020</i>		
Taxpayer	Real Property Assessed Valuation	Percentage of Total Real Assessed Valuation
CCA Western Properties	\$25,051,460	13.17 %
Cleveland Electric Illuminating Company	6,823,100	3.59
American Transmission	2,267,680	1.19
Millwork Properties	1,383,590	0.73
Villa At the Lake	1,340,960	0.70
East Ohio Gas	1,356,010	0.71
CSP of Ohio, LLC	1,015,220	0.53
Brown Memorial	3,060,260	1.61
Industrial Attitude	857,540	0.45
Overhead Door	816,490	0.43
<b>Total</b>	<b>\$43,972,310</b>	<b>23.11 %</b>
<b>Total Real Assessed Valuation</b>	<b>\$190,230,570</b>	

<i>2011</i>		
Taxpayer	Real Property Assessed Valuation	Percentage of Total Real Assessed Valuation
Cascade Ohio, Inc.	\$2,374,386	1.53 %
Inn at the Lake	1,969,562	1.27
Inn Conn Health Care	1,200,556	0.78
CSP of Ohio, LLC	1,787,044	1.15
Emster XV, LLC	1,583,708	1.02
CVS	1,466,136	0.95
Highland Place	1,120,196	0.72
Mobile Grove Limited	1,214,864	0.79
Kolman Properties	1,101,730	0.71
Union Railroad	1,043,420	0.67
<b>Total</b>	<b>\$14,861,602</b>	<b>9.59 %</b>
<b>Total Real Assessed Valuation</b>	<b>\$154,744,010</b>	

Source: Ashtabula County Auditor

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

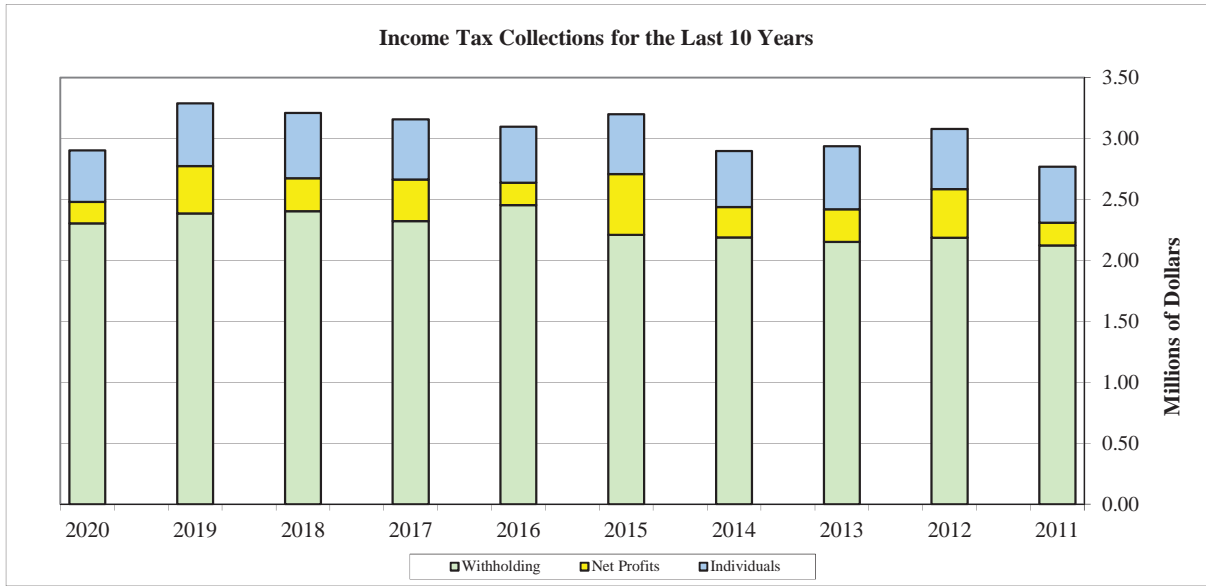
Tax Year	Tax Rate (2)	Total Tax Collected (1)	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individuals	Percentage of Taxes from Individuals
2020	1.65%	\$2,902,905	\$2,303,999	79.37%	\$175,563	6.05%	\$423,343	14.58%
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

(1) Cash Basis of Accounting

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

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

Source: City Financial Records





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

Year	Governmental Activities					
	General Obligation Bonds	OWDA Loans	Loans	OPWC Loans	Bond Anticipation Notes	Capital Leases
2020	\$1,075,101	\$0	\$1,229,920	\$130,913	\$0	\$510,431
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

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

Source: City Financial Records

Business-Type Activities							
OWDA Loans	OPWC Loans	General Obligation Bonds	Loans	Bond Anticipation Notes	Total Debt	Percentage of Personal Income (1)	Per Capita (1)
\$5,534,452	\$543,222	\$496,427	\$0	\$0	\$9,520,466	4.34%	\$741.41
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

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

Year	Population (1)	Estimated True Values of Taxable Property (2)	Gross Bonded Debt (3)			Ratio of Bonded Debt to Estimated True Values of Taxable Property	Bonded Debt Per Capital
			Governmental	Business- Type	Total		
2020	12,841	\$555,387,267	\$1,075,101	\$496,427	\$1,571,528	0.28 %	\$122.38
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

Sources:

- (1) 2010 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, 2020*

Jurisdiction	Governmental Activites Debt	Percentage Applicable to City (1)	Amount Applicable to City of Conneaut
<b>Direct</b>			
General Obligation Bonds	\$1,075,101	100.00 %	\$1,075,101
Loans	1,229,920	100.00	1,229,920
OPWC Loans	130,913	100.00	130,913
Capital Leases	510,431	100.00	510,431
<i>Total Direct Debt</i>	<u>2,946,365</u>		<u>2,946,365</u>
<b>Overlapping</b>			
Ashtabula County			
General Obligation Bonds	14,437,199	10.32	1,489,919
OPWC Loans	138,588	10.32	14,302
Conneaut City School District			
General Obligation Bonds	2,560,000	85.55	2,190,080
<i>Total Overlapping Debt</i>	<u>17,135,787</u>		<u>3,694,303</u>
<b>Total</b>	<u><u>\$20,082,152</u></u>		<u><u>\$6,640,668</u></u>

Source: Ashtabula County, Ohio; County Auditor

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

**City of Conneaut, Ohio**  
*Legal Debt Margin*  
*Last Ten Years*

	2020	2019	2018	2017
Total Assessed Property Value	\$200,677,360	\$186,388,130	\$185,669,200	\$186,848,220
General Bonded Debt Outstanding:				
General Obligation Bonds	\$1,571,528	\$1,391,088	\$1,627,393	\$2,033,691
OWDA Loans	5,534,452	6,046,823	6,259,560	6,510,407
OPWC Loans	674,135	640,052	599,212	540,628
Bond Anticipation Notes	0	120,000	180,000	240,000
Loans	1,229,920	949,236	393,806	430,512
Total Gross Indebtedness	9,010,035	9,147,199	9,059,971	9,755,238
Less:				
Bond Anticipation Notes	0	0	0	0
OPWC Loans	(674,135)	(640,052)	(599,212)	(540,628)
OWDA Loans	(5,534,452)	(6,046,823)	(6,259,560)	(6,510,407)
General Obligation Bond Retirement Fund Balance	0	0	0	(96,605)
Total Net Debt Applicable to Debt Limit	2,801,448	2,460,324	2,201,199	2,607,598
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	21,071,123	19,570,754	19,495,266	19,619,063
Legal Debt Margin Within 10 ½ % Limitations	\$18,269,675	\$17,110,430	\$17,294,067	\$17,011,465
Legal Debt Margin as a Percentage of the Debt Limit	86.70%	87.43%	88.71%	86.71%
Unvoted Debt Limitation 5 ½ % of Assessed Valuation	\$11,037,255	\$10,251,347	\$10,211,806	\$10,276,652
Total Gross Indebtedness	9,010,035	9,147,199	9,059,971	9,755,238
Less:				
Bond Anticipation Notes	0	0	0	0
OPWC Loans	(674,135)	(640,052)	(599,212)	(540,628)
OWDA Loans	(5,534,452)	(6,046,823)	(6,259,560)	(6,510,407)
General Obligation Bond Retirement Fund Balance	0	0	0	(96,605)
Net Debt Within 5 ½ % Limitations	2,801,448	2,460,324	2,201,199	2,607,598
Unvoted Legal Debt Margin Within 5 ½ % Limitations	\$8,235,807	\$7,791,023	\$8,010,607	\$7,669,054
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	74.62%	76.00%	78.44%	74.63%

Source: City Financial Records

2016	2015	2014	2013	2012	2011
<u>\$185,836,650</u>	<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>
\$1,458,332	\$1,761,011	\$1,563,429	\$1,419,824	\$1,630,790	\$1,105,000
4,993,083	5,467,809	5,192,362	4,693,742	4,204,732	4,195,190
526,214	576,826	626,188	582,421	417,175	386,006
300,000	440,000	420,000	598,000	739,000	880,000
629,248	1,029,188	1,415,804	1,789,611	2,126,304	2,289,340
7,906,877	9,274,834	9,217,783	9,083,598	9,118,001	8,855,536
0	(37,500)	(27,500)	(125,500)	(126,000)	(151,000)
(526,214)	(576,826)	(626,188)	(582,421)	(417,175)	(386,006)
(4,993,083)	(5,467,809)	(5,192,362)	(4,693,742)	(4,204,732)	(4,195,190)
(200,058)	(190,293)	(196,347)	(201,824)	(191,063)	(178,020)
2,187,522	3,002,406	3,175,386	3,480,111	4,179,031	3,945,320
19,512,848	19,570,472	19,665,490	19,599,805	19,564,421	16,847,172
<u>\$17,325,326</u>	<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>
88.79%	84.66%	83.85%	82.24%	78.64%	76.58%
<u>\$10,221,016</u>	<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>
7,906,877	9,274,834	9,217,783	9,083,598	9,118,001	8,855,536
0	(37,500)	(27,500)	(125,500)	(126,000)	(151,000)
(526,214)	(576,826)	(626,188)	(582,421)	(417,175)	(386,006)
(4,993,083)	(5,467,809)	(5,192,362)	(4,693,742)	(4,204,732)	(4,195,190)
(200,058)	(190,293)	(196,347)	(201,824)	(191,063)	(178,020)
2,187,522	3,002,406	3,175,386	3,480,111	4,179,031	3,945,320
<u>\$8,033,494</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>
78.60%	70.71%	69.17%	66.10%	59.22%	55.29%

**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	
2020	\$2,504,271	\$2,008,064	\$496,207	\$122,832	\$53,909	\$176,741	2.81
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

\* 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	
2020	\$2,486,155	\$1,908,845	\$577,310	\$373,711	\$86,662	\$460,373	1.25
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

\* 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*

2020		
Employer	Employees	Percentage of Total City Employment
Corrections Corporation of America (CCA)	254	6.07 %
CSP of Ohio, LLC	241	5.75
Conneaut Area City School District	227	5.42
General Aluminum	190	4.53
University Heights Hospital System	185	4.42
Ashtabula County	138	3.29
Lukjan Metal Products	135	3.22
City of Conneaut	112	2.67
Cascade Ohio	106	2.53
Orlando Brothers	79	1.88
Total	<u>1,667</u>	<u>39.78 %</u>
Total Employment within the City	<u>4,191</u>	

2011		
Employer	Employees	Percentage of Total City 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	<u>2,138</u>	<u>47.05 %</u>
Total Employment within the City	<u>4,544</u>	

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

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

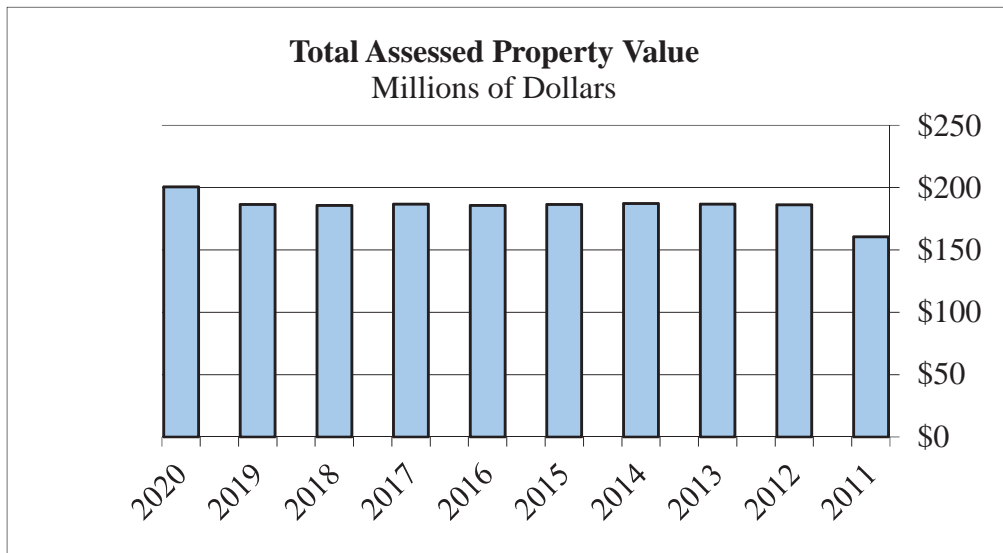
<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (3)</u>	<u>Personal Income Per Capita (1)</u>	<u>Median Household Income (1)</u>	<u>Median Age (1)</u>
2020	12,841	\$219,131,665	\$17,065	\$38,250	40
2019	12,841	219,131,665	17,065	38,250	40
2018	12,841	219,131,665	17,065	38,250	40
2017	12,841	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

(1) 2010 Federal Census of Population

(2) Source: Ohio Department of Education Website: "<http://www.ode.state.oh.us/data/>"

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

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



Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Ashtabula County Unemployment Rate (4)	Average Sales Price of Residential Property	Total Assessed Property Value
11.2%	1,618	6.1%	\$104,900	\$200,677,360
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



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

Function/Program	2020	2019	2018	2017
<b>General Government</b>				
Council	7.00	7.00	7.00	7.00
Clerk of Council	1.00	1.00	1.00	1.00
City Manager	2.00	2.00	2.00	2.00
Finance	3.50	3.50	3.50	3.50
Law	2.50	2.50	2.50	2.50
Court	8.00	7.00	7.00	6.00
<b>Security of Persons and Property</b>				
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
<b>Public Health Services</b>				
Health	3.50	3.50	3.00	3.00
Cemetery	1.00	1.00	1.00	1.00
<b>Leisure Time Activities</b>				
Recreation	1.00	1.00	1.00	1.00
<b>Community Environment</b>				
Housing/Zoning	2.00	2.00	1.50	1.00
<b>Transportation</b>				
Street/Public Works	13.00	13.00	13.00	13.00
<b>Basic Utility Services</b>				
Water	13.00	13.00	15.00	15.00
Sewer	10.00	10.00	11.00	11.00
<b>Totals:</b>	<u>109.00</u>	<u>108.00</u>	<u>110.00</u>	<u>108.50</u>

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

Source: City Financial Records

2016	2015	2014	2013	2012	2011
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
2.50	2.00	2.00	2.00	2.00	2.00
6.00	6.00	6.00	6.00	6.00	7.00
19.00	17.00	17.00	16.00	16.00	16.00
4.00	4.00	4.00	4.00	4.00	4.00
2.00	0.00	0.00	0.00	0.00	0.00
11.50	10.50	10.50	10.00	10.00	10.00
5.00	5.00	5.00	5.00	5.00	5.00
3.00	3.00	3.00	3.00	3.50	2.50
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.50	1.50
1.00	1.00	1.00	1.00	0.50	0.50
13.00	12.00	12.00	12.00	12.00	15.00
15.00	15.00	15.00	15.00	15.00	15.00
11.00	11.00	11.00	11.00	11.00	11.00
<u>108.50</u>	<u>102.00</u>	<u>102.00</u>	<u>100.50</u>	<u>101.00</u>	<u>104.00</u>

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

Function/Program	2020	2019	2018
<b>General Government</b>			
<i>Council and Clerk</i>			
Number of Ordinances Passed	107	101	89
Number of Resolutions Passed	11	15	9
<i>Finance Department</i>			
Number of checks/vouchers issued	3,374	3,352	3,775
Amount of checks written	\$16,506,772	\$16,348,283	\$14,468,162
Interest earnings for fiscal year (cash basis)	\$30,027	\$103,155	\$95,881
Number of Receipts issued	564	570	509
Number of Budget Adjustments issued	16	10	5
Agency Ratings - Moody's Financial Services	Aaa	Aaa	Aaa
Health Insurance Costs vs General Fund Expenditures %	16.20%	14.05%	14.18%
General Fund Receipts (cash basis)	\$5,603,100	\$4,692,478	\$4,358,140
General Fund Expenditures (cash basis)	\$4,477,150	\$4,875,367	\$4,653,990
General Fund Cash Balances	\$1,610,483	\$653,002	\$835,891
<i>Income Tax Department</i>			
Number of Individual Returns	4,232	4,140	4,322
Number of Business Returns	468	489	416
Number of business withholding accounts	688	636	593
Amount of Penalties and Interest Collected	\$29,351	\$38,307	\$37,633
Annual number of Corporate withholding forms processed	4,644	4,232	4,432
Annual number of balance due statements forms processed	1,432	1,064	1,123
Annual number of estimated payment forms processed	1,565	2,152	2,432
Annual number of reconciliations of withholdings processed	688	600	627
<i>Engineer Contracted Services</i>			
Dollar amount of Construction overseen by Engineer	\$1,227,088	\$1,910,488	\$1,406,743
<i>Municipal Court</i>			
Number of Civil Cases	192	288	290
Number of Criminal Cases	476	440	504
<i>Vital Statistics</i>			
Certificates Filed			
Number of Births	3	1	2
Number of Deaths	112	115	96
Certificates Issued			
Number of Births	318	436	380
Number of Deaths	475	456	452
Burial Permits Issued	138	131	152
<i>Civil Service</i>			
Number of police entry tests administered	0	1	0
Number of fire entry tests administered	0	0	17
Number of police promotional tests administered	0	0	0
Number of fire promotional tests administered	0	1	0
Number of hires of Police Officers from certified lists	0	2	0
Number of hires of Fire/Medics from certified lists	2	1	0
Number of promotions from fire certified lists	1	1	0

2017	2016	2015	2014	2013	2012	2011
97	118	116	100	119	106	112
12	7	6	7	7	7	8
3,154	3,046	3,347	3,122	3,356	3,248	3,321
\$15,672,972	\$13,684,900	\$13,893,413	\$14,399,049	\$13,965,336	\$13,598,713	\$15,117,766
\$47,961	\$23,126	\$6,818	\$5,253	\$5,002	\$3,716	\$2,935
554	573	509	519	667	545	541
8	14	9	11	8	12	6
Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa
14.06%	12.76%	12.40%	13.33%	11.85%	12.12%	12.04%
\$4,510,408	\$4,583,015	\$4,902,538	\$4,111,116	\$4,149,116	\$3,981,654	\$4,250,115
\$4,514,923	\$4,822,199	\$4,741,073	\$4,077,850	\$3,974,476	\$3,753,279	\$3,767,922
\$1,131,741	\$1,136,255	\$1,375,440	\$1,213,975	\$1,180,709	\$1,006,069	\$833,058
4,322	4,249	4,430	4,534	4,456	4,058	4,031
417	408	483	420	441	392	456
532	526	537	524	467	501	515
\$48,537	\$50,216	\$34,291	\$41,369	\$37,900	\$29,107	\$27,399
4,056	3,325	2,300	2,101	2,130	2,179	2,240
1,224	1,181	982	952	1,128	1,111	984
1,862	1,560	1,575	1,635	1,616	1,469	1,481
558	548	571	355	429	501	515
\$1,804,480	\$755,002	\$2,282,649	\$719,793	\$1,312,011	\$2,059,385	\$784,499
261	270	257	251	220	283	282
506	648	885	1,084	965	999	907
1	1	2	2	1	2	0
108	110	96	85	106	99	110
330	355	391	403	352	392	420
393	443	494	444	549	480	595
134	129	124	137	147	163	143
0	11	4	0	1	0	1
0	9	0	9	1	1	0
0	0	0	0	0	1	0
0	0	5	0	0	0	1
2	0	0	0	0	0	0
0	0	0	0	0	1	1
0	0	1	0	0	0	1



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

Function/Program	2020	2019	2018
<b><i>Building Department Indicators</i></b>			
Construction Permits			
Estimated Value of Construction	\$3,453,360	\$3,055,350	\$2,868,702
Number of permits issued	179	131	145
Amount of Revenue generated from permits	\$7,360	\$6,945	\$5,940
<b>Security of Persons and Property</b>			
<b><i>Police</i></b>			
Total Calls for Services	15,159	16,546	19,096
911 Calls Answered (1)	600	296	387
Arrests/Citations	1,148	1,280	1,474
Community Policing Hours	4,084	3,169	1,166
Investigations	1,698	1,827	2,066
Jail Inmates	279	355	390
Vehicle Crashes	187	233	215
Prisoner costs	\$10,541	\$11,436	\$9,046
Gasoline costs of fleet	\$31,073	\$28,652	\$32,828
<b><i>Fire</i></b>			
EMS Calls	1,682	1,642	1,661
Fire Calls	637	657	717
Fires with Loss	30	66	54
Fires with Losses exceeding \$10K	8	4	12
Fire Losses	\$373,010	\$234,750	\$653,380
Fire Safety Inspections	32	121	104
Number of times Mutual Aid given to Fire and EMS	14	26	12
Number of times Mutual Aid received for Fire and EMS	13	34	0
<b>Public Health Services</b>			
Cemetery burials	42	30	48
Cemetery sale of lots	26	15	39
Cemetery receipts	\$27,675	\$20,861	\$19,425
<b>Leisure Time Activities</b>			
<b><i>Recreation</i></b>			
City Tax	\$25,256	\$28,612	\$27,918
Softball Fees	1,100	0	0
Facilities rentals	0	0	7,500
Total Recreation Department receipts	<u>\$26,356</u>	<u>\$28,612</u>	<u>\$35,418</u>

2017	2016	2015	2014	2013	2012	2011
\$1,991,375	\$2,210,590	\$1,523,971	\$2,873,929	\$3,994,229	\$944,196	\$748,499
147	167	161	188	161	147	148
\$6,080	\$6,840	\$5,290	\$5,210	\$5,585	\$4,682	\$4,652
19,982	16,507	17,898	21,028	28,334	23,110	21,912
4,890	6,275	5,533	5,779	5,478	5,277	4,429
1,572	1,107	1,135	1,548	1,419	1,808	2,199
942	925	850	8,412	8,642	8,924	8,847
1,918	2,319	2,226	2,481	2,541	2,689	2,813
289	324	300	280	247	271	273
245	222	244	269	246	238	230
\$5,827	\$7,230	\$6,922	\$8,102	\$9,029	\$11,234	\$6,709
\$29,026	\$22,564	\$25,441	\$38,113	\$36,457	\$37,498	\$29,989
1,645	1,727	1,877	1,606	1,558	1,463	1,575
623	691	346	221	203	204	89
34	29	49	60	82	90	80
9	4	6	7	10	8	3
\$467,330	\$272,416	\$582,402	\$347,732	\$548,385	\$301,600	\$363,650
117	111	132	132	99	120	79
6	7	10	46	24	20	27
9	9	18	17	23	22	42
44	40	53	39	57	55	54
13	7	16	17	24	8	9
\$27,213	\$20,782	\$29,170	\$22,890	\$32,900	\$30,137	\$24,565
\$27,481	\$26,956	\$27,827	\$25,201	\$24,817	\$24,325	\$21,876
0	0	0	800	600	1,650	7,850
40,605	37,375	31,650	31,725	28,225	29,375	29,075
<u>\$68,086</u>	<u>\$64,331</u>	<u>\$59,477</u>	<u>\$57,726</u>	<u>\$53,642</u>	<u>\$55,350</u>	<u>\$58,801</u>

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

Function/Program	2020	2019	2018
<b>Transportation</b>			
Street Improvements - asphalt overlay (linear feet)	9,286	20,062	9,815
Crackseal Coating Program (Miles)	5	4	5
Street Repair (Curbs, aprons, berms, asphalt) (hours)	603	710	791
Guardrail Repair (hours)	35	0	0
Paint Striping (hours)	260	240	239
Street Sweeper (hours)	410	372	391
Cold Patch (hours)	930	890	741
Snow and Ice Removal regular hours	1,768	1,864	1,560
Snow and Ice Removal overtime hours	385	410	389
Storm Sewer Calls for Service - Sewer Jet Regular Hours	971	989	1,173
Storm Sewer Calls for Service - Sewer Jet Overtime Hours	55	57	62
Sewer Crew (hours)	1,085	1,050	1,143
Landscaping Stump-Chipper service (hours)	0	0	0
Leaf collection (hours)	650	661	639
Holiday lights setup (hours)	60	60	60
Downtown Square Repair After Events	0	24	24
Street/Traffic Signs (Hours)	344	305	254
Equipment repair/body shop (hours)	2,080	2,080	2,080
Tons of snow melting salt purchased (Nov-Mar)	1,300	1,200	1,180
Cost of salt purchased	\$88,972	\$60,228	\$47,879
<b>Water Department</b>			
Water Rates per 1st 2,000 gallons of water	\$19.90	\$19.90	\$19.90
Avg. number of water accounts billed monthly (Cubic Feet)	4,866	4,852	4,877
Total Water Collections Annually (Including Principal and Interest)	\$2,322,398	\$2,404,914	\$2,383,344
<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)	0.791	0.798	0.985
Average daily flow (Millions of gallons per day)	2.163	2.434	2.705
Tons of dry sludge removed	245.97	302.69	147.23

Source: City Financial Records and Departments

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

2017	2016	2015	2014	2013	2012	2011
15,375	16,075	17,935	7,320	0	14,347	8,092
6	6	5	7	8	6	31
721	750	771	1,454	578	2,879	2,198
0	0	0	0	0	0	0
243	224	192	177	274	172	231
385	380	349	375	308	553	390
608	580	404	501	380	361	482
1,864	1,750	1,542	2,177	1,763	1,656	1,743
636	375	315	454	529	285	492
1,241	1,200	1,311	1,180	1,467	1,397	1,280
46	56	45	48	24	53	6
975	1,500	446	431	774	784	1,114
0	0	10	31	0	0	0
650	640	0	0	0	0	0
60	60	29	30	28	54	16
20	0	0	0	0	0	0
341	800	311	280	352	547	646
2,080	2,080	2,010	1,200	2,281	2,218	5,760
1,160	1,088	1,564	1,237	937	918	899
\$39,093	\$62,674	\$105,000	\$47,741	\$39,565	\$39,253	\$40,522
\$19.41	\$18.84	\$18.29	\$18.29	\$17.76	\$17.00	\$17.24
4,901	4,880	4,850	4,800	4,800	4,900	4,900
\$2,332,586	\$2,327,785	\$2,266,166	\$2,256,350	\$2,168,960	\$2,228,733	\$2,103,537
\$20.10	\$19.70	\$19.70	\$19.70	\$19.30	\$18.90	\$19.76
0.885	0.701	0.729	0.949	1.162	0.972	1.212
2.430	1.919	1.998	26.020	3.187	2.657	3.316
219.87	226.71	317.28	177.98	292.48	270.54	186.06

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

Function/Program	2020	2019	2018	2017
<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

2016	2015	2014	2013	2012	2011
11,580 1	11,580 1	11,580 1	11,580 1	11,580 1	11,580 1
1 8,944 20	1 8,944 20	1 8,944 20	1 8,944 20	1 8,944 20	1 8,944 20
2 12,880 10	2 12,880 10	2 12,880 10	2 12,880 10	2 12,880 10	2 12,880 10
5 2 0 2 1,790 2	5 2 0 2 1,790 2	5 2 0 2 1,790 2	5 2 0 2 1,790 2	5 2 1 2 1,790 2	5 2 1 2 1,790 2
565 22	565 22	565 22	565 22	565 22	565 22
60 35	60 35	60 35	60 35	60 35	60 35
91 9	91 9	91 9	91 9	91 9	91 9

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