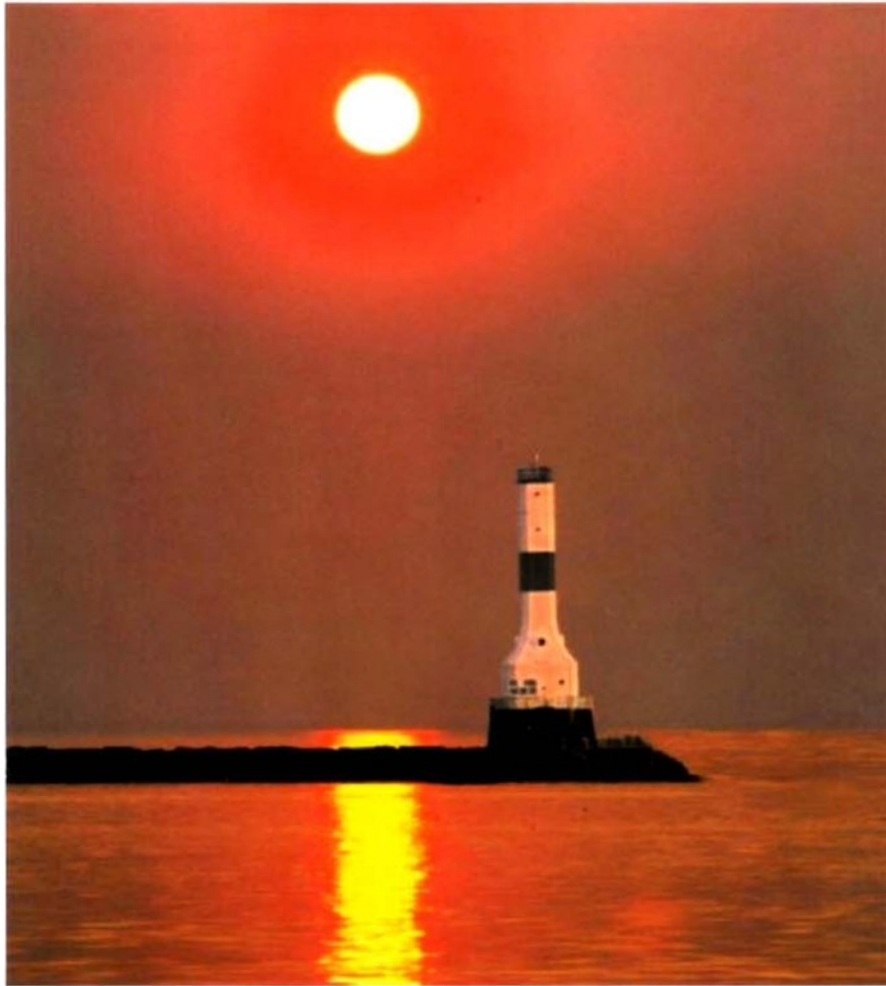


# CITY OF CONNEAUT, OHIO



Comprehensive Annual Financial Report  
For The Year Ended December 31, 2014

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# INTRODUCTORY SECTION

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**CITY OF CONNEAUT, OHIO**

**COMPREHENSIVE**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2014**

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, 2014*  
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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 30, 2015

Citizens of Conneaut  
City Manager, Jim Hockaday  
And Honorable Members of City Council  
Conneaut, Ohio

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

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

Canter & Associates, Certified Public Accountants, has issued an unqualified ("clean") opinion of the City of Conneaut's financial statements for the year ended December 31, 2014. Canter & Associates' report is located at the front of this financial report.

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

### **Profile of Government**

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

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

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

The City operated under the statutory Mayor-Council form of government until the electors of the City passed the City Charter with a Council-Manager form of government. Members of the Conneaut Charter Commission were

elected at the general election held November 7, 1989 to frame and submit a Charter to the electors of the City. In the general election held Tuesday, November 6, 1990, the electors of the City of Conneaut approved the proposed charter and the City's first City Manager began serving in February of 1992. Beginning in January, 1997, and at least every seven years thereafter, City Council must appoint a Committee to review the Charter and propose any amendments, as the Committee deems advisable. Amendments shall be submitted to the electorate at the next November general election. The City has all powers of a local self-government and home rule subject to certain general laws applicable to all Ohio cities.

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

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

### **Local Economy**

To assist local businesses and to encourage local investment, several City programs have been developed. One such program to foster the retention and creation of jobs within the City is the Grants to Foster Economic Development program. Depending on the number of jobs created and the annual payroll, this program allows the City to provide the employer with a credit against tax on income with varying percentages and grant year terms. The maximum allowable credit is 75 percent for the creation of 100 or more new jobs and the maximum term is 15 years for an annual payroll in excess of \$3,000,000. In addition, a CRA (Community Reinvestment Area) has been established. The CRA provides a tax reduction on the increase in taxable value of a property for new construction and renovation of existing structures. The City offers up to 100 percent real estate tax abatement for fifteen years for new commercial or industrial facilities and up to 100 percent real estate tax abatement for twelve years for the renovation of an existing commercial or industrial facility.

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

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



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

The local economy continues to improve, as several of the City's largest employers that are affiliated with the automotive industry continued to improve most dramatically over the past several years, increasing sales, profit, and employment. Some of the City's largest employers have not returned to pre-recession employment levels, particularly those employers that are affiliated with the housing industry. Unemployment in Ashtabula County decreased to 5.9 percent in 2014, down from 9.0 percent in 2013. While the recovery has been slower than anticipated, the effects of the recession have largely dissipated, as income tax collections have markedly improved over the last five years.

The value of new construction was \$2,873,929 for 2014, and while the number of zoning permits increased to 188 from 161 in 2013, the value decreased by \$1,120,300. However, the construction value for 2014 remained higher than any time within the past seven years, excluding 2013. A new housing development has begun at the former Conneaut Shores Golf course. Approximately 80 acres are being developed, with more than 100 homes expected to be built. Real estate assessed valuation was \$187,290,380 which is a record high for the City. This significant increase in assessed valuation was due primarily through the addition of the Lake Erie Correctional Institution on the tax rolls and new homes being built throughout the City. The prison was sold to a private company and the real estate became subject to real estate taxes. Home sales have showed some improvement with the median sales price increasing to \$84,000.

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

### **Long-Term Financial Planning**

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

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

Funding the City's street paving program is a long-term financial planning goal. The City of Conneaut has a large land mass, and it is very difficult to maintain the roads in optimal condition without sufficient revenue. A seven-year street improvement income tax of .15 percent had been approved by the voters, but this tax expired December 31, 2012. Due to the dramatic increase in the price of asphalt over the past several years, combined with a decrease in income tax collections over this same period, the income tax levy is no longer generating sufficient revenue to pave and maintain City streets. In 2013, the City Manager and City Council proposed an alternative method of funding the program with a 2.75 mill, five-year real estate tax levy, which was approved by the voters of Conneaut on November 5, 2013. The levy generates approximately \$513,000 annually, nearly double the revenue of the previous income tax levy.

### **Relevant Financial Policies**

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

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

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

The City's largest revenue source is a 1.65 percent income tax. City Council can allocate the one percent however they wish, but the .65 percent is allocated by city ordinance, as directed by the voters through specific ballot language. At 1.65 percent the City's income tax on a cash basis generated \$2,896,554 in 2014 and was allocated as follows: General Fund: 74.79 percent or \$2,166,330 which is used to fund the fire, police, municipal

court and administrative offices; Street Department: 17.80 percent or \$515,587, 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 \$114,125, which is used for financial support for various programs as determined by city council; Capital Improvement: 1.58 percent or \$45,766, which is used for infrastructure repairs and the acquisition of capital assets; Street Lighting: 1.02 percent or \$29,545, which is used to pay for street lighting along state routes, the downtown district, and traffic lights throughout the city; and Recreation: .87 percent or \$25,201, 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 \$414,295, the police pension fund allocation was .90 mills or \$150,653 and the fire pension fund allocation was .73 mills or \$118,639. With regard to outside millage .53 was levied to pay debt service on one general obligation bond, with collections totaling \$99,811, the street improvement levy generated \$512,857 with 2.75 mills, the police levy generated \$356,619 with 2.00 mills and the fire levy generated \$178,310 with 1.00 mill. Total millage levied by the City in 2014 was 9.91, generating total revenue of \$1,831,184. Inside and debt millage allocations are reviewed by the Finance Department and City Council before the annual tax budget is prepared. The above allocations include homestead and rollback exemption.

## **Major Initiatives**

***For the Year*** - In 2014, the City of Conneaut embarked on a variety of capital improvement and infrastructure projects, with the assistance of grants and zero interest loans. Infrastructure repair and replacement is a high priority for the City. Some of the completed projects are:

**Harbor Street Infrastructure Project:** This project consisted of replacing two existing sanitary sewers, one which was an 18 inch line and the other a 24 inch line, with a new 30 inch line. The existing lines were over one hundred years old. The storm sewer was also be replaced with a new 30 inch line, as well as an 8 inch water main installed in the 1950's. This project cost over \$824,000, with funding of \$299,000 provided by the Ohio Public Works Commission, and the balance funded through a 20 year, 3.16 percent interest, OWDA loan.

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

**Creek Road Water Tank Replacement:** This project was completed in 2014 with the demolition of an existing 175,000 gallon water tank in Kingsville Township and replacing it with a larger 300,000 gallon steel tank on Creek Road, which is within the city limits. This tank is more centrally located, providing residents with better water pressure and more capacity. Major repairs and painting of the Brown Avenue water tank was part of the contract as well. The total contract amount is \$1,916,632, which was funded by a \$322,500 OPWC grant, a \$150,000 OPWC 0 percent loan and the balance of \$1,444,132 was funded by a 20-year, 3.24 percent, OWDA loan.

**Road Paving Improvements:** This project consisted of pavement replacement and overlays for nine roads and 7,320 linear feet of roadway. An outside contractor was hired to perform the work, with a total cost of over \$388,000. All of the paving and road maintenance has been paid for with tax dollars provided by the 2.75 mill street improvement levy.

## **Awards and Acknowledgements**

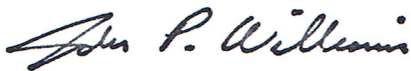
The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Conneaut for its Comprehensive Annual

Financial Report (CAFR) for the year ended December 31, 2013. This was the ninth year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR) that satisfied both generally accepted accounting principles and applicable legal requirements.

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

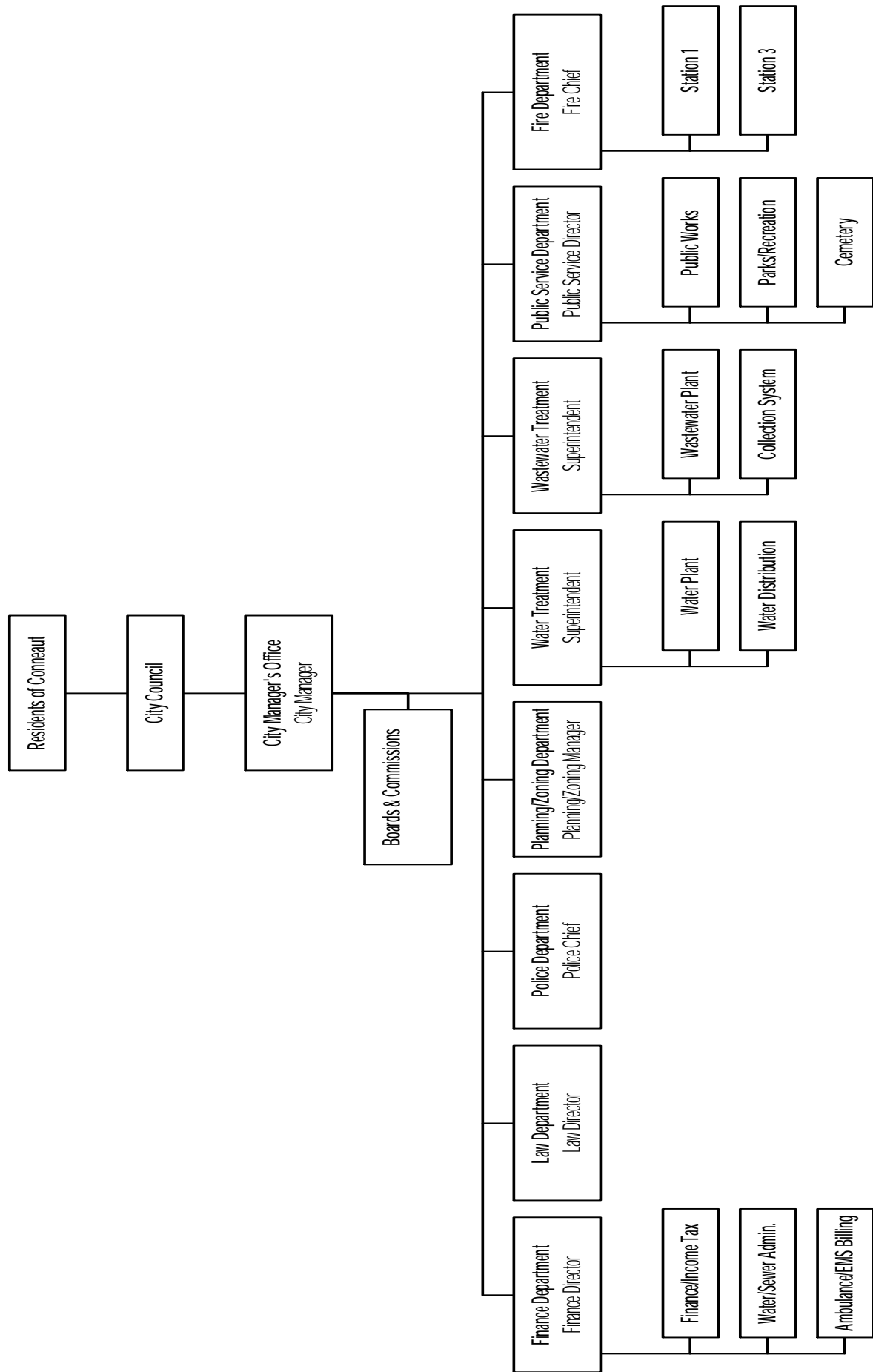
The successful preparation of the Comprehensive Annual Financial Report required the contribution and dedication of the Finance Department. Sincere appreciation is extended to City Council and City Manager Timothy J. Eggleston for their commitment to sound financial reporting. Gratitude is also expressed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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John P. Williams". The signature is fluid and cursive, with the first name "John" and last name "Williams" clearly distinguishable.

John Williams, J.D., CPA  
Finance Director

CITY ORGANIZATIONAL CHART - ESTABLISHED BY CITY CHARTER



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

**CITY COUNCIL**

Nic Church, President

John Roach, At Large

Jon Arcaro, At Large

Doug Hedrick, Ward 1

Phil Garcia, Ward 2

Deborah Newcomb, Ward 3

Tom Kosesky, Ward 4

**CITY MANAGER**

Timothy Eggleston\*

**APPOINTED OFFICIALS**

John Williams, Director of Finance

Carly Prather, Director of Law\*\*

Charles Burlingham, Chief of Police

Steve Lee, Chief of Fire

Richard Neubauer, Water Superintendent

Brian Bidwell, Wastewater Superintendent

Randy Luce, Public Service Director

Deanna Gates, Planning Zoning Manager

\*Timothy Eggleston was City Manager until December 31, 2014. Jim Hockady was hired as the new City Manager, effective April 20, 2015.

\*\*Carly Prather was Director of Law until April 17, 2015. Kyle Smith was hired as the new Director of Law, effective June 1, 2015.



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, 2013**

Executive Director/CEO

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## **FINANCIAL SECTION**

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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, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We did not audit the financial statements of the Conneaut Port Authority which represent 4.4 percent, 4.1 percent, and 5.8 percent, respectively, of the assets, net position, and revenues of the Governmental Activities. Those statements were audited by other auditors whose report was furnished to us, and our opinion, insofar as it relates to the amount included for the Conneaut Port Authority, is based solely on the report of other auditors. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

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

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

### ***Opinions***

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Conneaut, Ashtabula County, Conneaut, Ohio, as of December 31, 2014, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General and Street Construction Maintenance and Repair funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

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

#### ***Supplementary and Other Information***

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2015, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Canter & Assoc".

**CANTER & ASSOCIATES**

Poland, Ohio  
June 30, 2015

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**City of Conneaut, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2014*  
*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, 2014. 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 2014 are as follows:

- In governmental activities, total revenues increased by \$546,709 or 7.58 percent, primarily due to the increase in property taxes, specifically from the first full year of collections from the street levy passed in November, 2013.
- Total assets exceeded liabilities and deferred inflows of resources for 2014 by \$45,929,108, of which \$3,813,619 was unrestricted. The net position increased by \$489,935 from 2013.
- On a GAAP basis, the City's general fund had a balance of \$1,726,726, which is an increase of \$135,900 from the prior year. The unassigned fund balance was \$999,680 or 58 percent of the total, which is a decrease of \$164,857 from the prior year.
- In governmental activities, long term liabilities of \$3,254,378 increased by \$76,995, while in business-type activities long term liabilities increased by \$232,446 for a total of \$6,783,132. This was due to additional OWDA and OPWC loans being issued during the year.

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

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

The Statement of Net Position and the Statement of Activities provide information from a summary perspective showing the effects of the operations for the year 2014 and how they affected the operations of the City as a whole.

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

#### *Statement of Net Position and Statement of Activities*

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

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

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*Management's Discussion and Analysis*  
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In the Statement of Net Position and the Statement of Activities, the City is divided into two major activities:

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

***Reporting on the Most Significant Funds of the City of Conneaut***

***Fund Financial Statements***

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

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

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

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

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

**The City of Conneaut as a Whole**

The Statement of Net Position provides an overall view of the City. Table 1 shows a summary of the City's net position for 2014 as compared to 2013.

**City of Conneaut, Ohio**  
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(Table 1)  
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
<b>Assets</b>						
Current and Other Assets	\$7,864,976	\$7,625,032	\$2,265,251	\$2,286,792	\$10,130,227	\$9,911,824
Capital Assets, Net	27,669,777	27,917,466	20,844,722	20,175,341	48,514,499	48,092,807
<i>Total Assets</i>	<u>35,534,753</u>	<u>35,542,498</u>	<u>23,109,973</u>	<u>22,462,133</u>	<u>58,644,726</u>	<u>58,004,631</u>
<b>Liabilities</b>						
Current and Other Liabilities	730,558	875,655	374,322	451,348	1,104,880	1,327,003
Long-Term Liabilities:						
Due Within One Year	614,391	556,846	776,802	676,122	1,391,193	1,232,968
Due in More than One Year	2,639,987	2,620,537	6,006,330	5,874,564	8,646,317	8,495,101
<i>Total Liabilities</i>	<u>3,984,936</u>	<u>4,053,038</u>	<u>7,157,454</u>	<u>7,002,034</u>	<u>11,142,390</u>	<u>11,055,072</u>
<b>Deferred Inflows of Resources</b>						
Property Taxes	1,573,228	1,510,386	0	0	1,573,228	1,510,386
<b>Net Position</b>						
Net Investment in						
Capital Assets	26,506,355	26,751,490	14,298,798	13,880,043	40,805,153	40,631,533
Restricted:						
Capital Projects	17,713	84,680	0	0	17,713	84,680
Street Construction,						
Maintenance and Repair	768,474	575,566	0	0	768,474	575,566
Police and Fire Operations	296,491	270,622	0	0	296,491	270,622
Drug and Alcohol						
Enforcement	76,755	69,654	0	0	76,755	69,654
Cemetery Operations	49,172	52,533	0	0	49,172	52,533
Economic Development	55,086	0	0	0	55,086	0
Other Purposes	46,645	72,817	0	0	46,645	72,817
Unrestricted	2,159,898	2,101,712	1,653,721	1,580,056	3,813,619	3,681,768
<i>Total Net Position</i>	<u>\$29,976,589</u>	<u>\$29,979,074</u>	<u>\$15,952,519</u>	<u>\$15,460,099</u>	<u>\$45,929,108</u>	<u>\$45,439,173</u>

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

Governmental activities saw very little change in net position going from \$29,979,074 in 2013 to \$29,976,589 in 2014, which was a decrease of only \$2,485. Business-type activities saw an increase in net position from \$15,460,099 in 2013 to \$15,952,519 in 2014, which is an increase of \$492,420. Assets in the



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business-type activities had an increase of \$647,840 when compared with 2013, primarily due to an increase in depreciable assets. Operating revenues increased by \$150,853 or 3.3 percent from 2013. Operating expenses increased \$172,127 or 4.5 percent, but were well below the operating revenues. This is largely due to management's efforts to control costs. Therefore, at the end of the current year, the City of Conneaut is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities

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

(Table 2)  
Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
<b>Revenues</b>						
<b><i>Program Revenues</i></b>						
Charges for Services and Assessments	\$1,165,248	\$1,249,275	\$4,616,528	\$4,464,276	\$5,781,776	\$5,713,551
Operating Grants and Contributions	965,317	710,237	0	0	965,317	710,237
Capital Grants	151,217	180,435	256,821	545,088	408,038	725,523
<b><i>Total Program Revenues</i></b>	<b>2,281,782</b>	<b>2,139,947</b>	<b>4,873,349</b>	<b>5,009,364</b>	<b>7,155,131</b>	<b>7,149,311</b>
<b><i>General Revenues</i></b>						
Property Taxes	1,723,822	1,152,460	0	0	1,723,822	1,152,460
Municipal Income Taxes	2,984,138	2,924,384	0	0	2,984,138	2,924,384
Hotel Taxes	21,381	20,655	0	0	21,381	20,655
Grants and Entitlements not						
Restricted to Specific Programs	409,787	658,227	0	0	409,787	658,227
Franchise Taxes	139,189	145,370	0	0	139,189	145,370
Unrestricted Contributions	17,098	23,085	0	0	17,098	23,085
Investment Earnings	5,253	5,101	0	0	5,253	5,101
Miscellaneous	174,638	141,150	39,405	40,804	214,043	181,954
<b><i>Total General Revenues</i></b>	<b>5,475,306</b>	<b>5,070,432</b>	<b>39,405</b>	<b>40,804</b>	<b>5,514,711</b>	<b>5,111,236</b>
<b><i>Total Revenues</i></b>	<b>\$7,757,088</b>	<b>\$7,210,379</b>	<b>\$4,912,754</b>	<b>\$5,050,168</b>	<b>\$12,669,842</b>	<b>\$12,260,547</b>

(continued)

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(Table 2)  
Change in Net Position (continued)

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
<b>Program Expenses</b>						
General Government	\$1,292,248	\$1,228,286	\$0	\$0	(\$1,292,248)	(\$1,228,286)
Security of Persons and Property	3,322,801	3,275,647	0	0	(3,322,801)	(3,275,647)
Public Health Services	176,534	177,336	0	0	(176,534)	(177,336)
Leisure Time Activities	121,622	124,444	0	0	(121,622)	(124,444)
Community Development	362,079	463,946	0	0	(362,079)	(463,946)
Basic Utility Services	159,031	157,911	0	0	(159,031)	(157,911)
Transportation	2,544,047	2,492,999	0	0	(2,544,047)	(2,492,999)
Interest and Fiscal Charges	78,000	84,250	0	0	(78,000)	(84,250)
Water	0	0	2,276,702	1,959,425	(2,276,702)	(1,959,425)
Sewer	0	0	1,846,843	2,069,309	(1,846,843)	(2,069,309)
<b>Total Program Expenses</b>	<b>8,056,362</b>	<b>8,004,819</b>	<b>4,123,545</b>	<b>4,028,734</b>	<b>(12,179,907)</b>	<b>(12,033,553)</b>
<b>Increase (Decrease) in Net Position</b>	<b>(299,274)</b>	<b>(794,440)</b>	<b>789,209</b>	<b>1,021,434</b>	<b>489,935</b>	<b>226,994</b>
Transfers	296,789	(137,972)	(296,789)	137,972	0	0
<b>Change in Net Position</b>	<b>(2,485)</b>	<b>(932,412)</b>	<b>492,420</b>	<b>1,159,406</b>	<b>489,935</b>	<b>226,994</b>
<b>Net Position Beginning of Year</b>	<b>29,979,074</b>	<b>30,911,486</b>	<b>15,460,099</b>	<b>14,300,693</b>	<b>45,439,173</b>	<b>45,212,179</b>
<b>Net Position End of Year</b>	<b>\$29,976,589</b>	<b>\$29,979,074</b>	<b>\$15,952,519</b>	<b>\$15,460,099</b>	<b>\$45,929,108</b>	<b>\$45,439,173</b>

### ***Governmental Activities***

The City's net position in governmental activities decreased by \$2,485 for a net position total of \$29,976,589 in 2014. Total revenues increased by \$546,709 or 7.6 percent, with expenses increasing \$51,543 or less than one percent. Funding for governmental activities is derived from many sources, the largest of which is the City's municipal income tax, representing almost half of the general fund revenue budget. The City's income tax rate is 1.65 percent. Total income tax collections were \$2,984,138 for 2014, an increase of \$59,754 from 2013. 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 increased \$571,362 or 49.6 percent due to 2014 being the first year of collections on the street improvement levy passed in November 2013.

The largest program function for the City is security of persons and property, which includes expenses of the police and fire departments. In 2014, the City spent \$3,322,801 on police and fire protection. The police department employs sixteen officers and four full-time dispatchers. The fire department has ten full-time positions. There are two fire stations within the City, one staffed by the full-time firefighters, while the other station is staffed by part-time or volunteer personnel. The City also operates its own ambulance service with full-time employees. During 2014, there was an increase in expenses of \$47,154 for the police and fire departments or a 1.4 percent increase from 2013. The increase was attributable to an increase in operating costs.

The City's Public Works Department (transportation) has 13 employees, including one mechanic, ten equipment operators, one manager, and one full-time administrative assistant. In 2014, they spent \$2,544,047 in transportation activities. The public works department is responsible for maintaining 565 lane

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miles of roads, including the paving of local streets, as well as snow plowing, storm sewer and ditch maintenance, tree trimming/removal, park and cemetery maintenance, litter pick up, and various other duties. A capital improvement plan has been developed to address aging vehicles and equipment, with nearly \$300,000 expensed in 2014.

***Business-Type Activities***

The City operates two business-type activities: the water and sewer treatment facilities. Net position increased in business-type activities by \$492,420 to \$15,952,519. Total revenues decreased by \$137,414 or 2.7 percent, and total program expenses increased by \$94,811 or less 2.4 percent. The major revenue sources for these activities are charges for services. There was a decrease in capital grants due to fewer projects being funded by Ohio Public Water Commission grants during 2014. The water plant provides water to approximately 4,900 customers. Approximately forty million gallons of water and ninety-seven million gallons of wastewater are processed each month.

***The City's Funds***

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

The City's major governmental funds are the general fund and the street construction, maintenance and repair special revenue fund. All governmental funds had total revenues of \$7,878,146 and total expenditures of \$7,828,053, resulting in revenues over expenditures by \$50,093. The most significant change in revenues was an increase in property taxes revenue of \$477,171, while the most significant change in expenditures was an increase of \$496,147 in capital outlay. During 2014, there was an increase in general fund revenues of \$64,303, with revenues exceeding expenditures by \$212,134, adding to the general fund cash carryover of \$1,726,726. Expenditures exceeded revenues in the street construction, maintenance and repair fund due to increased paving projects completed and equipment acquisitions made during the year. The City's funds are monitored consistently with adjustments made throughout the year in budgets to accommodate yearly revenues.

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

Business type funds had GAAP operating revenues of \$4,655,933 and operating expenses of \$4,008,197, generating an operating income of \$647,736. Operating revenues increased by \$150,853 or 3.3 percent due to increases in charges for water and sewer services. Operating expenses increased by \$172,127 due to increases in personnel and purchased services costs. The City consistently reviews these funds, and if necessary, rate adjustments are made to ensure strength in our enterprise funds.

***General Fund Budgeting Highlights***

The general fund is the City's largest and most versatile operating fund. It funds the police and fire departments, and all of the administrative departments, as well as the municipal court, the health department, and general services. Furthermore, it assists other funds, primarily the street department, with cash transfers when necessary. Budgeting is prescribed by the Ohio Revised Code. The City's budgeted appropriations are restricted by the amounts of anticipated revenues certified by the Budget Commission in accordance with the Ohio Revised Code. General fund revenues and expenses are monitored on a monthly basis to ensure that

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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 2014, the general fund's original revenue budget and the final revenue budget estimates were unchanged at \$3,950,661, while actual revenues were higher at \$4,105,783 or a \$155,122 positive variance. A large part of the difference was made from more than anticipated municipal income tax, intergovernmental and real estate tax collections. The general fund's original appropriation budget was \$4,165,151, and the final appropriation budget was \$4,432,851. Actual expenditures were substantially less than final budgeted appropriations with a positive variance of \$320,306. This difference is made from the City becoming more conservative in spending due to the current economic conditions that entities are facing State-wide. The combination of increased revenues and decreased expenses helped create a larger unencumbered general fund carryover. On a cash basis, the actual net change in fund balance decreased by \$45,412, for an ending fund balance of \$1,291,826.

## **Capital Assets and Debt Administration**

### ***Capital Assets***

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

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$554,972	\$554,972	\$6,880	\$6,880	\$561,852	\$561,852
Construction in Progress	0	17,299	0	1,601,788	0	1,619,087
Buildings and Improvements	312,913	282,975	413,753	123,012	726,666	405,987
Equipment	1,196,512	1,115,547	3,064,622	3,194,065	4,261,134	4,309,612
Vehicles	396,412	318,683	348,523	413,442	744,935	732,125
Furniture and Fixtures	0	0	0	0	0	0
Infrastructure						
Traffic Signals	204,037	202,523	0	0	204,037	202,523
Roads	11,845,627	12,263,264	0	0	11,845,627	12,263,264
Bridges	11,689,657	11,954,829	0	0	11,689,657	11,954,829
Storm Sewers	1,469,647	1,207,374	0	0	1,469,647	1,207,374
Water and Sewer Lines	0	0	17,010,944	14,836,154	17,010,944	14,836,154
<b>Total</b>	<b>\$27,669,777</b>	<b>\$27,917,466</b>	<b>\$20,844,722</b>	<b>\$20,175,341</b>	<b>\$48,514,499</b>	<b>\$48,092,807</b>

The largest increase in governmental capital assets were new vehicles and trucks for Public Works totaling nearly \$300,000. The Fire Department purchased a variety of new and used vehicles at a cost of \$74,800. However, these additions were offset by another year of depreciation. Major infrastructure improvements were completed, including the Harbor Street Storm Sewer, the Keefus Road Bank Stabilization, and the road construction and pavement overlays, totaling \$877,000.

The largest increase in business-type capital assets was the completion of the Creek Road Water Tank, at a cost of \$1,731,359. New sanitary sewer lines and water lines were installed as part of Harbor Street Infrastructure project, totaling \$313,277 and \$214,348, respectively. Major upgrades to the lower service and main service buildings were completed at cost of \$243,308, with most of the funding provided by an OPWC

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grant. The water department continued to replace old fire hydrants throughout the City, purchasing ten hydrants at a cost of \$22,630. In addition, the sewer department purchased a new bobcat versahandler for \$58,521. The City continues to work on major capital projects in the business type funds.

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

### ***Long-term Obligations***

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

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

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
General Obligation Bonds	\$1,186,931	\$967,749	\$376,498	\$452,075	\$1,563,429	\$1,419,824
OWDA Loans	390,855	485,908	4,801,507	4,207,834	5,192,362	4,693,742
Loans Payable	789,295	922,072	626,509	867,539	1,415,804	1,789,611
OPWC Loans	29,778	32,071	596,410	550,350	626,188	582,421
Notes Payable	37,500	15,000	72,500	135,000	110,000	150,000
Capital Leases	30,236	59,725	0	0	30,236	59,725
Compensated Absences	789,783	694,858	309,708	337,888	1,099,491	1,032,746
Total	<u>\$3,254,378</u>	<u>\$3,177,383</u>	<u>\$6,783,132</u>	<u>\$6,550,686</u>	<u>\$10,037,510</u>	<u>\$9,728,069</u>

Total debt in governmental activities increased by \$76,995, and business-type activities had an increase of \$232,446. Debt service began on several new debt issues for the Industrial Park Infrastructure, the Lake Erie Sanitary Sewer, the Aerial Sewer Bridge, and the Creek Road Storage and Water Tanks. All of the debt service for these new issues are being paid from water and/or sewer fees. In total, there are fifteen OPWC and twelve OWDA loans, the majority of which are being funded by special assessments and water and sewer user fees.

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

Special assessment loans consist of various sewer projects. The debt service on these loans is paid from real estate tax assessments on those property owners who benefited from the improvements. These funds are deposited into the special assessment debt retirement fund.

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

### **Current Financial Issues**

In 2014, the general fund ended the year with a fund balance of \$1,726,726 on a GAAP basis and of this amount, \$999,680 was unassigned. This increase was due in part to a recovery in income tax and property tax revenue, however, efforts by the City Administration and City Council to implement numerous cost savings measures, including staff reductions, changes to health care benefits, and restructuring of

**City of Conneaut, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2014*  
*Unaudited*

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departments have had a more positive impact on the general fund budget. There continues to be a concerted effort by the City Manager and staff to curtail spending wherever possible without compromising City services. Since 2008, fund balances have been improving, but in order to add to, or at least maintain, the fund balance, the City must remain diligent in exploring new ways to improve efficiency, cut costs and increase revenue, if possible.

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. Health insurance rates increased approximately 4.48 percent over the prior year, and approximately 20 percent over a two year period. This increase was considered modest in comparison with prior years' increases, and nationwide averages. The cost of this plan for the City's 84 full-time employees is approximately \$1,189,000 per year or an increase of \$54,000 from the prior year. 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 \$108,000 annually, which is an increase of \$44,000 from the prior year.

One of the most critical financial issues for the City remains the reduction of the local government funds provided by the State of Ohio. These funds have accounted for 15 percent of the City's general fund revenues, generating between \$600,000- \$760,000 annually in years 2000 through 2011. As a result, the City experienced a decrease in local government revenue of \$287,378 annually from years 2011 to 2014. When all of the reductions are implemented, the City's local government revenue will be reduced from a high of \$760,973 in 2001 to \$325,312 in 2014, resulting in an annual reduction of \$435,661 from the peak collection year. Although the City collected \$1,861 in inheritance taxes in 2014, the State of Ohio eliminated this revenue source as well. This will reduce general fund revenue by approximately \$100,000 - \$150,000 annually from its average collections. Taken together, these reductions in local government funds and inheritance tax will reduce general fund revenue by approximately twelve percent or about \$500,000 per year in comparison with peak collection years.

Income tax is the largest revenue source in the general fund and is a critical funding source for many departments, including the City's safety forces. Delinquent income tax accounts represent a very large source of potential revenue that needs to be collected in order to adequately fund critical operations. Although the City continues to be very aggressive in pursuing delinquent income taxpayers, there is a substantial amount of delinquent income tax due to the City for various tax years. As of December 31, 2014, there were over 952 delinquent income tax accounts, and 587 accounts were in collection. This represents \$686,970 in delinquent income tax, including interest and penalties, due the City. The income tax department utilizes a variety of methods to collect delinquent income taxes, including in house collection, the City's municipal court and an outside collection agency. The number of income tax accounts sent to collection has risen from 199 in 2007 to 587 in 2014, an increase of 388. Due to more intensive collection efforts, revenues from accounts sent to collections average \$7,559 per month in 2014 compared to \$3,200 in 2013.

### **Contacting the City's Finance Department**

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

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## Basic Financial Statements

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**City of Conneaut, Ohio**  
*Statement of Net Position*  
*December 31, 2014*

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Conneaut Port Authority
<b>Assets</b>				
Equity in Pooled Cash and				
Cash Equivalents	\$2,802,262	\$1,400,150	\$4,202,412	\$148,758
Accounts Receivable	172,223	605,280	777,503	0
Internal Balances	(33,802)	33,802	0	0
Intergovernmental Receivable	555,365	0	555,365	0
Prepaid Items	0	0	0	10,217
Materials and Supplies Inventory	85,217	192,788	278,005	4,330
Property Taxes Receivable	1,878,090	0	1,878,090	0
Municipal Income Taxes Receivable	1,026,105	0	1,026,105	0
Hotel Taxes Receivable	10,680	0	10,680	0
Special Assessments Receivable	1,158,836	33,231	1,192,067	0
Loans Receivable from Component Unit	210,000	0	210,000	0
Nondepreciable Capital Assets	554,972	6,880	561,852	124,529
Depreciable Capital Assets, Net	27,114,805	20,837,842	47,952,647	1,279,006
<i>Total Assets</i>	<u>35,534,753</u>	<u>23,109,973</u>	<u>58,644,726</u>	<u>1,566,840</u>
<b>Liabilities</b>				
Accounts Payable	117,434	23,555	140,989	4,787
Contracts Payable	21,074	27,073	48,147	0
Accrued Wages	154,791	64,651	219,442	8,117
Intergovernmental Payable	162,590	60,887	223,477	0
Accrued Interest Payable	13,696	57,879	71,575	373
Matured Compensated Absences Payable	23,473	67,777	91,250	0
Notes Payable	237,500	72,500	310,000	0
Due to Primary Government	0	0	0	210,000
Deferred Income	0	0	0	101,995
Deposits on Future Revenue	0	0	0	2,335
Long-Term Liabilities:				
Due Within One Year	614,391	776,802	1,391,193	0
Due In More Than One Year	2,639,987	6,006,330	8,646,317	0
<i>Total Liabilities</i>	<u>3,984,936</u>	<u>7,157,454</u>	<u>11,142,390</u>	<u>327,607</u>
<b>Deferred Inflows of Resources</b>				
Property Taxes	1,573,228	0	1,573,228	0
<b>Net Position</b>				
Net Investment in Capital Assets	26,506,355	14,298,798	40,805,153	1,193,535
Restricted for:				
Capital Projects	17,713	0	17,713	0
Street Construction, Maintenance and Repair	768,474	0	768,474	0
Police and Fire Operations	296,491	0	296,491	0
Drug and Alcohol Enforcement	76,755	0	76,755	0
Cemetery Operations	49,172	0	49,172	0
Economic Development	55,086	0	55,086	0
Other Purposes	46,645	0	46,645	0
Unrestricted	2,159,898	1,653,721	3,813,619	45,698
<i>Total Net Position</i>	<u>\$29,976,589</u>	<u>\$15,952,519</u>	<u>\$45,929,108</u>	<u>\$1,239,233</u>

See accompanying notes to the basic financial statements



**City of Conneaut, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2014

		Program Revenues		
		Charges for Services and Assessments	Operating Grants and Contributions	Capital Grants
	Expenses			
<b>Governmental Activities:</b>				
General Government	\$1,292,248	\$359,075	\$0	\$48,351
Security of Persons and Property	3,322,801	453,367	123,178	0
Public Health Services	176,534	37,215	0	0
Leisure Time Activities	121,622	45,825	3,287	0
Community Development	362,079	54,221	317,792	0
Basic Utility Services	159,031	123,698	0	0
Transportation	2,544,047	91,847	521,060	102,866
Interest and Fiscal Charges	78,000	0	0	0
<i>Total Governmental Activities</i>	<u>8,056,362</u>	<u>1,165,248</u>	<u>965,317</u>	<u>151,217</u>
<b>Business-Type Activities:</b>				
Water	2,276,702	2,234,837	0	360
Sewer	1,846,843	2,381,691	0	256,461
<i>Total Business-Type Activities</i>	<u>4,123,545</u>	<u>4,616,528</u>	<u>0</u>	<u>256,821</u>
<i>Total - Primary Government</i>	<u>\$12,179,907</u>	<u>\$5,781,776</u>	<u>\$965,317</u>	<u>\$408,038</u>
<b>Component Unit</b>				
Conneaut Port Authority	<u>\$506,739</u>	<u>\$442,979</u>	<u>\$3,160</u>	<u>\$0</u>

**General Revenues**

Property Taxes Levied for:  
General Purposes  
Debt Service  
Capital Projects  
Other Purposes  
Municipal Income Taxes Levied for:  
General Purposes  
Capital Outlay  
Street Construction, Maintenance and Repair  
Other Purposes  
Hotel Taxes  
Grants and Entitlements not Restricted to Specific Programs  
Franchise Taxes  
Unrestricted Contributions  
Investment Earnings  
Gain on Sale of Capital Assets  
Miscellaneous

*Total General Revenues*

Transfers

*Total General Revenues and Transfers*

Change in Net Position

*Net Position Beginning of Year*

*Net Position End of Year*

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Unit
(\$884,822)	\$0	(\$884,822)	\$0
(2,746,256)	0	(2,746,256)	0
(139,319)	0	(139,319)	0
(72,510)	0	(72,510)	0
9,934	0	9,934	0
(35,333)	0	(35,333)	0
(1,828,274)	0	(1,828,274)	0
(78,000)	0	(78,000)	0
(5,774,580)	0	(5,774,580)	0
0	(41,505)	(41,505)	0
0	791,309	791,309	0
0	749,804	749,804	0
(5,774,580)	749,804	(5,024,776)	0
0	0	0	(60,600)
365,055	0	365,055	0
84,961	0	84,961	0
563,092	0	563,092	0
710,714	0	710,714	0
2,337,586	0	2,337,586	0
61,935	0	61,935	0
528,499	0	528,499	0
56,118	0	56,118	0
21,381	0	21,381	0
409,787	0	409,787	0
139,189	0	139,189	0
17,098	0	17,098	0
5,253	0	5,253	0
0	0	0	607
174,638	39,405	214,043	2,827
5,475,306	39,405	5,514,711	3,434
296,789	(296,789)	0	0
5,772,095	(257,384)	5,514,711	3,434
(2,485)	492,420	489,935	(57,166)
29,979,074	15,460,099	45,439,173	1,296,399
\$29,976,589	\$15,952,519	\$45,929,108	\$1,239,233

**City of Conneaut, Ohio**

*Balance Sheet*

*Governmental Funds*

*December 31, 2014*

	General	Street Construction, Maintenance and Repair	Other Governmental Funds
<b>Assets</b>			
Equity in Pooled Cash and			
Cash Equivalents	\$1,336,508	\$286,099	\$1,156,141
Materials and Supplies Inventory	23,616	61,601	
Accounts Receivable	162,090	0	10,133
Intergovernmental Receivable	193,438	210,621	151,306
Municipal Income Taxes Receivable	807,924	182,609	35,572
Hotel Taxes Receivable	10,680	0	0
Property Taxes Receivable	381,738	0	1,496,352
Loans Receivable from Component Unit	0	0	210,000
Interfund Receivable	9,297	0	0
Special Assessments Receivable	484,719	155,896	518,221
Restricted Assets:			
Equity in Pooled Cash and			
Cash Equivalents	23,514	0	0
<b>Total Assets</b>	<u>\$3,433,524</u>	<u>\$896,826</u>	<u>\$3,577,725</u>
<b>Liabilities</b>			
Accounts Payable	\$26,224	\$4,376	\$86,834
Contracts Payable	5,477	224	15,373
Accrued Wages	130,414	22,267	2,110
Intergovernmental Payable	106,208	22,932	33,450
Interfund Payable	0	0	43,099
Matured Compensated Absences Payable	0	23,473	0
Accrued Interest Payable	148	55	381
Notes Payable	20,000	7,500	210,000
<b>Total Liabilities</b>	<u>288,471</u>	<u>80,827</u>	<u>391,247</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes	314,673	0	1,258,555
Unavailable Revenue	1,103,654	360,196	895,360
<b>Total Deferred Inflows of Resources</b>	<u>1,418,327</u>	<u>360,196</u>	<u>2,153,915</u>
<b>Fund Balances</b>			
Nonspendable	47,130	61,601	0
Restricted	0	394,202	1,012,165
Committed	0	0	75,403
Assigned	679,916	0	0
Unassigned (Deficit)	999,680	0	(55,005)
<b>Total Fund Balances</b>	<u>1,726,726</u>	<u>455,803</u>	<u>1,032,563</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u><u>\$3,433,524</u></u>	<u><u>\$896,826</u></u>	<u><u>\$3,577,725</u></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, 2014*

Total Governmental Funds	<b>Total Governmental Funds Balances</b>	\$3,215,092
	<i>Amounts reported for governmental activities in the statement of net position are different because</i>	
\$2,778,748	Capital assets used in governmental activities are not	
85,217	financial resources and therefore are not reported in the	
172,223	funds.	27,669,777
555,365		
1,026,105	Other long-term assets are not available to pay for current period	
10,680	expenditures and therefore are reported as unavailable in the funds.	
1,878,090	Delinquent Property Taxes	304,862
210,000	Municipal Income Taxes	360,377
9,297	Hotel Taxes	3,017
1,158,836	Intergovernmental	398,304
	Special Assessments	1,158,836
	Franchise Taxes	19,896
23,514	Charges for Services	113,918
		<hr/>
<u>\$7,908,075</u>	Total	2,359,210
	In the statement of activities, interest is accrued on outstanding	
\$117,434	bonds, whereas in governmental funds, an interest expenditure	
21,074	is reported when due.	(13,112)
154,791		
162,590	Long-term liabilities are not due and payable in the current	
43,099	period and therefore are not reported in the funds.	
23,473	General Obligation Bonds	(1,186,931)
584	OWDA Loans Payable	(390,855)
237,500	Loans Payable	(789,295)
	OPWC Loans Payable	(29,778)
760,545	Long-term Notes Payable	(37,500)
	Capital Leases Payable	(30,236)
	Compensated Absences	(789,783)
		<hr/>
1,573,228	Total	(3,254,378)
2,359,210		
3,932,438	<i>Net Position of Governmental Activities</i>	<u>\$29,976,589</u>
108,731		
1,406,367		
75,403		
679,916		
944,675		
3,215,092		
<u>\$7,908,075</u>		

**City of Conneaut, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2014*

	General	Street Construction, Maintenance and Repair	Other Governmental Funds
<b>Revenues</b>			
Property Taxes	\$362,299	\$0	\$1,270,205
Municipal Income Taxes	2,371,679	536,205	113,193
Hotel Taxes	18,364	0	0
Special Assessments	0	8,134	105,441
Intergovernmental	420,123	360,081	836,072
Fees, Licenses and Permits	474,847	96,285	146,903
Fines and Forfeitures	203,865	0	112,467
Rentals	20,000	0	31,725
Charges for Services	32,686	0	24,290
Contributions and Donations	17,098	0	500
Interest	5,172	36	45
Franchise Taxes	135,793	0	0
Other	121,125	49,136	4,377
<i>Total Revenues</i>	<u>4,183,051</u>	<u>1,049,877</u>	<u>2,645,218</u>
<b>Expenditures</b>			
Current:			
General Government	1,210,043	0	5,547
Security of Persons and Property	2,360,387	0	851,699
Public Health Services	174,357	0	0
Leisure Time Activities	55,711	0	42,642
Community Development	49,986	0	319,498
Basic Utility Services	0	0	163,261
Transportation	0	1,105,637	163,874
Capital Outlay	0	0	836,317
Debt Service:			
Principal Retirement	90,928	80,324	229,178
Principal Retirement - Current Refunding	0	7,500	0
Interest and Fiscal Charges	29,505	11,985	39,674
<i>Total Expenditures</i>	<u>3,970,917</u>	<u>1,205,446</u>	<u>2,651,690</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>212,134</u>	<u>(155,569)</u>	<u>(6,472)</u>
<b>Other Financing Sources (Uses)</b>			
General Obligation Bonds Issued	55,000	305,000	0
General Obligation Notes Issued	30,000	7,500	0
Current Refunding	0	(7,500)	0
Transfers In	0	70,000	91,234
Transfers Out	(161,234)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(76,234)</u>	<u>375,000</u>	<u>91,234</u>
<i>Net Change in Fund Balances</i>	<u>135,900</u>	<u>219,431</u>	<u>84,762</u>
<i>Fund Balances Beginning of Year</i>	<u>1,590,826</u>	<u>236,372</u>	<u>947,801</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,726,726</u></u>	<u><u>\$455,803</u></u>	<u><u>\$1,032,563</u></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, 2014*

Total Governmental Funds	<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$440,093
\$1,632,504	<i>Amounts reported for governmental activities in the statement of activities are different because</i>	
3,021,077	Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.	
18,364	Capital Outlay	1,345,295
113,575	Depreciation	(1,584,736)
1,616,276	Total	(239,441)
718,035	Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.	
316,332		
51,725		
56,976		
17,598		
5,253		
135,793		(8,248)
174,638		
7,878,146	Revenue in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	
	Delinquent Property Taxes	91,318
	Municipal Income Taxes	(36,939)
	Hotel Taxes	3,017
1,215,590	Intergovernmental	(90,455)
3,212,086	Special Assessments	(78,627)
174,357	Franchise Taxes	3,396
98,353	Charges for Services	(12,768)
369,484	Total	(121,058)
163,261		
1,269,511	Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.	
836,317	General Obligation Bonds Payable	140,818
	OWDA Loans Payable	95,053
400,430	Loans Payable	132,777
7,500	OPWC Loans Payable	2,293
81,164	Notes Payable	15,000
7,828,053	Capital Leases Payable	29,489
	Total	415,430
50,093	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.	
		3,164
360,000	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.	
37,500		
(7,500)		
161,234		
(161,234)		(94,925)
390,000	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.	
440,093	General Obligation Bonds Issued	(360,000)
2,774,999	General Obligation Notes Issued	(37,500)
	Total	(397,500)
\$3,215,092	<i>Change in Net Position of Governmental Activities</i>	<u>(\$2,485)</u>

**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, 2014*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property Taxes	\$351,000	\$351,000	\$362,299	\$11,299
Municipal Income Taxes	2,244,004	2,244,004	2,280,455	36,451
Hotel Taxes	18,000	18,000	14,155	(3,845)
Intergovernmental	394,500	394,500	419,385	24,885
Fees, Licenses and Permits	519,487	519,487	474,847	(44,640)
Fines and Forfeitures	186,150	186,150	203,892	17,742
Rentals	20,000	20,000	20,000	0
Charges for Services	24,900	24,900	29,893	4,993
Contributions and Donations	18,600	18,600	17,098	(1,502)
Interest	3,000	3,000	5,172	2,172
Franchise Taxes	140,000	140,000	157,360	17,360
Other	31,020	31,020	121,227	90,207
<i>Total Revenues</i>	<u>3,950,661</u>	<u>3,950,661</u>	<u>4,105,783</u>	<u>155,122</u>
<b>Expenditures</b>				
Current:				
General Government	1,334,351	1,392,560	1,242,898	149,662
Security of Persons and Property	2,330,740	2,532,986	2,396,515	136,471
Public Health Services	186,265	189,915	173,719	16,196
Leisure Time Activities	67,745	67,745	55,940	11,805
Community Development	57,683	58,783	52,681	6,102
Debt Service:				
Principal Retirement	160,928	160,928	160,928	0
Interest and Fiscal Charges	27,439	29,934	29,864	70
<i>Total Expenditures</i>	<u>4,165,151</u>	<u>4,432,851</u>	<u>4,112,545</u>	<u>320,306</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(214,490)</u>	<u>(482,190)</u>	<u>(6,762)</u>	<u>475,428</u>
<b>Other Financing Sources (Uses)</b>				
General Obligation Bonds Issued	0	0	55,000	55,000
General Obligation Notes Issued	30,000	30,000	50,000	20,000
Advances In	0	0	26,881	26,881
Advances Out	0	(9,297)	(9,297)	0
Transfers Out	(215,750)	(215,750)	(161,234)	54,516
<i>Total Other Financing Sources (Uses)</i>	<u>(185,750)</u>	<u>(195,047)</u>	<u>(38,650)</u>	<u>156,397</u>
<i>Net Change in Fund Balance</i>	<u>(400,240)</u>	<u>(677,237)</u>	<u>(45,412)</u>	<u>631,825</u>
<i>Fund Balance Beginning of Year</i>	<u>1,282,087</u>	<u>1,282,087</u>	<u>1,282,087</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>55,151</u>	<u>55,151</u>	<u>55,151</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u>\$936,998</u>	<u>\$660,001</u>	<u>\$1,291,826</u>	<u>\$631,825</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, 2014*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Municipal Income Taxes	\$507,196	\$507,196	\$515,587	\$8,391
Special Assessments	7,000	7,000	8,134	1,134
Intergovernmental	365,000	365,000	359,665	(5,335)
Fees, Licenses and Permits	97,500	97,500	96,285	(1,215)
Interest	300	300	36	(264)
Other	30,000	30,000	49,136	19,136
<i>Total Revenues</i>	<u>1,006,996</u>	<u>1,006,996</u>	<u>1,028,843</u>	<u>21,847</u>
<b>Expenditures</b>				
Current:				
Transportation	1,387,706	1,424,206	1,266,213	157,993
Debt Service:				
Principal Retirement	151,234	151,234	150,824	410
Interest and Fiscal Charges	13,460	13,460	12,238	1,222
<i>Total Expenditures</i>	<u>1,552,400</u>	<u>1,588,900</u>	<u>1,429,275</u>	<u>159,625</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(545,404)</u>	<u>(581,904)</u>	<u>(400,432)</u>	<u>181,472</u>
<b>Other Financing Sources (Uses)</b>				
General Obligation Bonds Issued	300,000	300,000	305,000	5,000
General Obligation Notes Issued	48,000	48,000	15,000	(33,000)
Transfers In	155,000	155,000	70,000	(85,000)
<i>Total Other Financing Sources (Uses)</i>	<u>503,000</u>	<u>503,000</u>	<u>390,000</u>	<u>(113,000)</u>
<i>Net Change in Fund Balance</i>	<u>(42,404)</u>	<u>(78,904)</u>	<u>(10,432)</u>	<u>68,472</u>
<i>Fund Balance Beginning of Year</i>	<u>111,296</u>	<u>111,296</u>	<u>111,296</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>42,716</u>	<u>42,716</u>	<u>42,716</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$111,608</u>	<u>\$75,108</u>	<u>\$143,580</u>	<u>\$68,472</u>

See accompanying notes to the basic financial statements



**City of Conneaut, Ohio**  
*Statement of Fund Net Position*  
*Proprietary Funds*  
*December 31, 2014*

	Business-Type Activities		
	Water	Sewer	Total
<b>Assets</b>			
<i>Current Assets:</i>			
Equity in Pooled Cash and Cash Equivalents	\$717,223	\$682,927	\$1,400,150
Materials and Supplies Inventory	130,540	62,248	192,788
Receivables:			
Accounts	292,717	312,563	605,280
Special Assessments	4,456	419	4,875
Interfund Receivable	0	33,802	33,802
<i>Total Current Assets</i>	<u>1,144,936</u>	<u>1,091,959</u>	<u>2,236,895</u>
<i>Noncurrent Assets:</i>			
Special Assessment Receivable	18,589	9,767	28,356
Capital Assets:			
Nondepreciable Capital Assets	6,880	0	6,880
Depreciable Capital Assets, Net	9,556,191	11,281,651	20,837,842
<i>Total Noncurrent Assets</i>	<u>9,581,660</u>	<u>11,291,418</u>	<u>20,873,078</u>
<i>Total Assets</i>	<u>10,726,596</u>	<u>12,383,377</u>	<u>23,109,973</u>
<b>Liabilities</b>			
<i>Current Liabilities:</i>			
Accounts Payable	15,459	8,096	23,555
Contracts Payable	3,973	23,100	27,073
Accrued Wages	35,002	29,649	64,651
Intergovernmental Payable	32,924	27,963	60,887
Matured Compensated Absences Payable	36,854	30,923	67,777
Compensated Absences Payable	58,826	52,416	111,242
Accrued Interest Payable	4,831	53,048	57,879
General Obligation Bonds Payable	69,444	8,229	77,673
OPWC Loans Payable	37,024	10,045	47,069
OWDA Loans Payable	50,727	239,810	290,537
Notes Payable	0	72,500	72,500
Loans Payable	234,948	15,333	250,281
<i>Total Current Liabilities</i>	<u>580,012</u>	<u>571,112</u>	<u>1,151,124</u>
<i>Long-Term Liabilities (net of current portion):</i>			
Compensated Absences Payable	88,813	109,653	198,466
General Obligation Bonds Payable	237,507	61,318	298,825
OPWC Loans Payable	364,293	185,048	549,341
OWDA Loans Payable	1,784,504	2,726,466	4,510,970
Notes Payable	0	72,500	72,500
Loans Payable	314,893	61,335	376,228
<i>Total Long-Term Liabilities</i>	<u>2,790,010</u>	<u>3,216,320</u>	<u>6,006,330</u>
<i>Total Liabilities</i>	<u>3,370,022</u>	<u>3,787,432</u>	<u>7,157,454</u>
<b>Net Position</b>			
Net Investment in Capital Assets	6,469,731	7,829,067	14,298,798
Unrestricted	886,843	766,878	1,653,721
<i>Total Net Position</i>	<u>\$7,356,574</u>	<u>\$8,595,945</u>	<u>\$15,952,519</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, 2014*

	Business-Type Activities		
	Water	Sewer	Total
<b>Operating Revenues</b>			
Charges for Services	\$2,213,282	\$2,373,796	\$4,587,078
Tap-In Fees	12,416	6,100	18,516
Special Assessments	2,733	1,795	4,528
Rentals	6,406	0	6,406
Other	23,255	16,150	39,405
<i>Total Operating Revenues</i>	<u>2,258,092</u>	<u>2,397,841</u>	<u>4,655,933</u>
<b>Operating Expenses</b>			
Personal Services	1,137,698	932,903	2,070,601
Purchased Services	424,165	408,071	832,236
Contractual Services	128,032	0	128,032
Materials and Supplies	158,804	48,864	207,668
Depreciation	354,858	408,073	762,931
Other	2,967	3,762	6,729
<i>Total Operating Expenses</i>	<u>2,206,524</u>	<u>1,801,673</u>	<u>4,008,197</u>
<i>Operating Income</i>	51,568	596,168	647,736
<b>Non-Operating Income (Expenses)</b>			
Interest and Fiscal Charges	(62,796)	(44,613)	(107,409)
(Loss) on Disposal of Capital Assets	(7,382)	(557)	(7,939)
<i>Total Non-Operating Income (Expenses)</i>	<u>(70,178)</u>	<u>(45,170)</u>	<u>(115,348)</u>
<i>Income (Loss) before Capital Contributions and Transfers</i>	(18,610)	550,998	532,388
Capital Contributions	360	256,461	256,821
Transfers Out	<u>0</u>	<u>(296,789)</u>	<u>(296,789)</u>
<i>Change in Net Position</i>	(18,250)	510,670	492,420
<i>Net Position Beginning of Year</i>	<u>7,374,824</u>	<u>8,085,275</u>	<u>15,460,099</u>
<i>Net Position End of Year</i>	<u><u>\$7,356,574</u></u>	<u><u>\$8,595,945</u></u>	<u><u>\$15,952,519</u></u>

See accompanying notes to the basic financial statements

**City of Conneaut, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds*  
For the Year Ended December 31, 2014

	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	\$2,212,125	\$2,362,187	\$4,574,312
Cash Received from Tap-In Fees	12,416	6,100	18,516
Cash Received from Special Assessments	3,706	2,026	5,732
Cash Received from Rentals	6,406	0	6,406
Other Cash Receipts	23,255	16,150	39,405
Cash Payments to Employees for Services	(1,103,782)	(938,579)	(2,042,361)
Cash Payments for Goods and Services	(770,112)	(521,125)	(1,291,237)
Other Cash Payments	(2,967)	(3,762)	(6,729)
<i>Net Cash Provided by (Used in) Operating Activities</i>	<u>381,047</u>	<u>922,997</u>	<u>1,304,044</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Advances Out	0	(10,670)	(10,670)
Transfers Out	0	(296,789)	(296,789)
<i>Net Cash Provided by (Used in) Noncapital Financing Activities</i>	<u>0</u>	<u>(307,459)</u>	<u>(307,459)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Capital Contributions	360	256,461	256,821
General Obligation Notes Issued	0	145,000	145,000
OWDA Loans Issued	960,123	0	960,123
OPWC Loans Issued	35,123	50,000	85,123
Principal Paid on Loans	(225,697)	(15,333)	(241,030)
Interest Paid on Loans	(31,325)	(3,634)	(34,959)
Principal Paid on OWDA Loans	(48,768)	(317,682)	(366,450)
Interest Paid on OWDA Loans	(21,395)	(40,695)	(62,090)
Principal Paid on OPWC Loans	(31,518)	(7,545)	(39,063)
Principal Paid on General Obligation Bond	(67,474)	(8,103)	(75,577)
Interest Paid on General Obligation Bond	(11,268)	(2,407)	(13,675)
Principal Paid on Long-term Notes	0	(135,000)	(135,000)
Interest Paid on Long-term Notes	0	(1,130)	(1,130)
Principal Paid on Short-term Notes	0	(82,500)	(82,500)
Interest Paid on Short-term Notes	0	(1,106)	(1,106)
Payments for Capital Acquisitions	(941,471)	(498,780)	(1,440,251)
<i>Net Cash Provided by (Used in) Capital and Related Financing Activities</i>	<u>(383,310)</u>	<u>(662,454)</u>	<u>(1,045,764)</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalent</i>	<u>(2,263)</u>	<u>(46,916)</u>	<u>(49,179)</u>
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>719,486</u>	<u>729,843</u>	<u>1,449,329</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$717,223</u>	<u>\$682,927</u>	<u>\$1,400,150</u>

(continued)

**City of Conneaut, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds (continued)*  
*For the Year Ended December 31, 2014*

	Business-Type Activities		
	Water	Sewer	Total
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</b>			
Operating Income	\$51,568	\$596,168	\$647,736
Adjustments:			
Depreciation	354,858	408,073	762,931
(Increase) Decrease in Assets:			
Accounts Receivable	(1,157)	(11,609)	(12,766)
Special Assessments Receivable	973	231	1,204
Materials and Supplies Inventory	9,374	(14,780)	(5,406)
Increase (Decrease) in Liabilities:			
Accounts Payable	(15,778)	(65,204)	(80,982)
Contracts Payable	(52,707)	21,144	(31,563)
Accrued Wages	(3,267)	(1,162)	(4,429)
Compensated Absences Payable	38,228	(5,944)	32,284
Intergovernmental Payable	(1,045)	(3,920)	(4,965)
<i>Total Adjustments</i>	<u>329,479</u>	<u>326,829</u>	<u>656,308</u>
<i>Net Cash Provided by (Used In) Operating Activities</i>	<u><u>\$381,047</u></u>	<u><u>\$922,997</u></u>	<u><u>\$1,304,044</u></u>

**Non-Cash Capital Transactions**

In 2014, the sewer enterprise fund transferred capital assets to governmental activities in the amount of \$296,789.

See accompanying notes to the basic financial statements

**City Of Conneaut, Ohio**  
*Statement of Fiduciary Assets and Liabilities*  
*Agency Fund*  
*December 31, 2014*

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<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$71,993
Cash and Cash Equivalents in Segregated Accounts	<u>3,050</u>
<i>Total Assets</i>	<u><u>\$75,043</u></u>
 <b>Liabilities</b>	
Deposits Held and Due to Others	<u><u>\$75,043</u></u>

See accompanying notes to the basic financial statements

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2014*

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

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

***Reporting Entity***

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City of Conneaut, this includes the agencies and departments that provide the following services: police protection, firefighting and prevention, street maintenance and repairs, building inspection, parks and recreation, water and wastewater. The operation of each of these activities is directly controlled by Council through the budgetary process.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance deficits of, or provide financial support to, the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt or the levying of taxes and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government.

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

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

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

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

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2014*

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

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

***Basis of Presentation***

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

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

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

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

***Fund Accounting***

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

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

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2014*

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The following are the City's major governmental funds:

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

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

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

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

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

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

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

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

**Measurement Focus**

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

**Fund Financial Statements** All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current



**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2014*

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financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

***Basis of Accounting***

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

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 7). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

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

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

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2014*

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which there is an enforceable legal claim as of December 31, 2014, but which were levied to finance year 2015 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represent receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, municipal income taxes, special assessments, intergovernmental grants and ambulance charges. These amounts are deferred and recognized as an inflow of resources in the period the amounts became available.

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

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

***Cash and Cash Equivalents***

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

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

The City of Conneaut has invested in the State Treasury Asset Reserve of Ohio (STAR Ohio) during 2014. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's net asset value per share which is the price the investment could be sold at December 31, 2014.

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 2014 amounted to \$5,172 which includes \$3,472 assigned from other City funds.

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

***Inventory***

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

***Restricted Assets***

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

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

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

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

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

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

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

***Compensated Absences***

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

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

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

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

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

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

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

***Fund Balance***

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

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

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

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

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

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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 2015'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 the energy system improvements capital projects governmental fund and from outside contributions of resources restricted to capital acquisition and construction.

***Interfund Activity***

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

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

***Estimates***

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

***Budgetary Process***

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

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

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Council during the year.

**Note 3 - Budgetary Basis of Accounting**

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual presented for the general and street construction, maintenance and repair funds is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are as follows:

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

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

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

Net Change in Fund Balances		
	General	Street Construction, Maintenance and Repair
GAAP Basis	\$135,900	\$219,431
Net Adjustment for Revenue Accruals	(80,716)	(21,034)
Net Adjustment for Expenditures Accruals	81,856	77,014
Beginning Unrecorded Cash	(2,192)	0
Ending Unrecorded Cash	5,640	0
Advances In	26,881	0
Advances Out	(9,297)	0
Proceeds of Notes	20,000	7,500
Principal Retirement	(160,928)	(150,824)
Encumbrances	(62,556)	(142,519)
Budget Basis	<u>(\$45,412)</u>	<u>(\$10,432)</u>

#### **Note 4 - Fund Balances**

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

Fund Balances	General	Street Construction, Maintenance and Repair	Nonmajor Governmental Funds	Total
<i><b>Nonspendable</b></i>				
Unclaimed Monies	\$23,514	\$0	\$0	\$23,514
Inventory	23,616	61,601	0	85,217
<i><b>Total Nonspendable</b></i>	<u>\$47,130</u>	<u>\$61,601</u>	<u>\$0</u>	<u>\$108,731</u>

(continued)

**City of Conneaut, Ohio**  
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Fund Balances	General	Street Construction, Maintenance and Repair	Nonmajor Governmental Funds	Total
<b><i>Restricted for</i></b>				
Road Improvements	\$0	\$394,202	\$132,595	\$526,797
Drug and Alcohol				
Alcohol Enforcement	0	0	76,755	76,755
Police and Fire				
Departments	0	0	124,453	124,453
Municipal Probation				
Services	0	0	700	700
Economic Development	0	0	55,191	55,191
Restaurant Inspection	0	0	7,734	7,734
Marina Improvements	0	0	7,197	7,197
Cemetery	0	0	49,172	49,172
Debt Service Payments	0	0	196,347	196,347
Municipal Court				
Improvements	0	0	340,658	340,658
Industrial Park Improvements	0	0	751	751
Energy Improvements	0	0	20,612	20,612
<b><i>Total Restricted</i></b>	<b>0</b>	<b>394,202</b>	<b>1,012,165</b>	<b>1,406,367</b>
<b><i>Committed to</i></b>				
Recreation	0	0	45,108	45,108
Capital Improvements	0	0	30,295	30,295
<b><i>Total Committed</i></b>	<b>0</b>	<b>0</b>	<b>75,403</b>	<b>75,403</b>
<b><i>Assigned to</i></b>				
Purchases on Order:				
Salaries and Benefits	2,460	0	0	2,460
Supplies	11,175	0	0	11,175
Purchased/Contractual Services	23,433	0	0	23,433
Capital Outlay	4,264	0	0	4,264
Year 2015 Appropriations	638,584	0	0	638,584
<b><i>Total Assigned</i></b>	<b>679,916</b>	<b>0</b>	<b>0</b>	<b>679,916</b>
<b><i>Unassigned (Deficit)</i></b>	<b>999,680</b>	<b>0</b>	<b>(55,005)</b>	<b>944,675</b>
<b><i>Total Fund Balances</i></b>	<b>\$1,726,726</b>	<b>\$455,803</b>	<b>\$1,032,563</b>	<b>\$3,215,092</b>

## Note 5 - Fund Deficits

Fund balance at December 31, 2014, included the following individual fund deficits:

Fund	Amount
<i>Nonmajor Funds:</i>	
Street Lighting	\$12,776
Police Pension	8,162
Fire Pension	265
Special Assessment Bond Retirement	33,802



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

## **Note 6 - Deposits and Investments**

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

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

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

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

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

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

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

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

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

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

### **Deposits**

***Custodial Credit Risk*** Custodial credit risk for deposits is the risk that, in the event of the failure of the counterparty, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$770,345 of the City's bank balance of \$3,026,940 was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

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

### **Investments**

At December 31, 2014, the City had \$1,336,565 invested in STAR Ohio with an average maturity of 50.1 days.

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

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

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**Note 7 - Receivables**

Receivables at December 31, 2014, consisted primarily of municipal income taxes, property taxes, intergovernmental receivables arising from entitlements and shared revenues, special assessments, loans and accounts (billings for user charged services, including unbilled utility services).

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

Special assessments expected to be collected in more than one year amount to \$420,544 in the special assessment bond retirement fund, \$18,589 in the water enterprise fund and \$9,767 in the sewer enterprise fund. At December 31, 2014, the amount of delinquent special assessments was \$732,274.

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, 2014, the City has a loan receivable in the amount of \$210,000 in the marina special revenue fund. See Note 20 for additional information.

***Property Taxes***

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2014 for real and public utility property taxes represents collections of 2013 taxes.

2014 real property taxes are levied after October 1, 2014 on the assessed value as of January 1, 2014 the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2014 real property taxes are collected in and intended to finance 2015.

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. 2014 public utility property taxes which became a lien December 31, 2013, are levied after October 1, 2014, and are collected in 2015 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2014, was \$9.91 per \$1,000 of assessed value. The assessed values of real property and public utility property upon which 2014 property tax receipts were based are as follows:

Category	Assessed Value
Real Estate	
Residential/Agricultural	\$123,558,190
Other Real Estate	56,595,160
Public Utility Property	7,137,030
Total Assessed Values	<u>\$187,290,380</u>

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

**City of Conneaut, Ohio**  
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measurable as of December 31, 2014 and for which there is an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2015 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collective delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

***Income Taxes***

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

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

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

***Intergovernmental Receivables***

A summary of intergovernmental receivables follows:

Governmental Activities	Amounts
Gasoline Tax	\$188,407
Local Government	167,310
Homestead and Rollback	95,451
Permissive Tax	64,906
Auto License Tax	39,291
Total	<u>\$555,365</u>

**Note 8 – Interfund Transactions**

***Interfund Transfers***

The general fund transferred \$70,000 to the street maintenance, construction and repair special revenue fund and \$91,234 to other governmental funds to provide additional resources for current operations.

***Internal Balances***

The general fund advanced \$9,297 to the FEMA capital projects fund to support projects pending the receipt of grant money that will be used to pay for these projects. The sewer fund made advances to the special assessment bond retirement fund during 2013 and 2014 in the amounts of \$23,132 and \$10,670, respectively, to cover debt requirements. These loans are expected to be repaid in one year.

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**Note 9 - Compensated Absences**

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

**Note 10 - Capital Assets**

Capital asset activity for the year ended December 31, 2014, was as follows:

	Balance 12/31/2013	Additions	Deductions	Balance 12/31/2014
<b>Governmental Activities</b>				
<i>Capital Assets not being Depreciated:</i>				
Land	\$554,972	\$0	\$0	\$554,972
Construction in Progress	17,299	174,916	(192,215)	0
<i>Total Capital Assets not being Depreciated</i>	<u>572,271</u>	<u>174,916</u>	<u>(192,215)</u>	<u>554,972</u>
<i>Capital Assets being Depreciated:</i>				
Buildings and Improvements	1,784,800	85,612	0	1,870,412
Equipment	2,732,234	226,871	0	2,959,105
Vehicles	3,675,785	164,628	(127,046)	3,713,367
Furniture and Fixtures	9,482	0	0	9,482
Infrastructure:				
Traffic Lights	285,338	8,400	0	293,738
Roads	23,173,153	580,294	0	23,753,447
Bridges	13,258,591	0	0	13,258,591
Storm Sewers	2,314,011	296,789	0	2,610,800
<i>Total Capital Assets being Depreciated</i>	<u>47,233,394</u>	<u>1,362,594</u>	<u>(127,046)</u>	<u>48,468,942</u>
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(1,501,825)	(55,674)	0	(1,557,499)
Equipment	(1,616,687)	(145,906)	0	(1,762,593)
Vehicles	(3,357,102)	(78,651)	118,798	(3,316,955)
Furniture and Fixtures	(9,482)	0	0	(9,482)
Infrastructure:				
Traffic Lights	(82,815)	(6,886)	0	(89,701)
Roads	(10,909,889)	(997,931)	0	(11,907,820)
Bridges	(1,303,762)	(265,172)	0	(1,568,934)
Storm Sewers	(1,106,637)	(34,516)	0	(1,141,153)
<i>Total Accumulated Depreciation</i>	<u>(19,888,199)</u>	<u>(1,584,736)</u>	<u>118,798</u>	<u>(21,354,137)</u>
Total Capital Assets being Depreciated, Net	<u>27,345,195</u>	<u>(222,142)</u>	<u>(8,248)</u>	<u>27,114,805</u>
Governmental Activities Capital Assets, Net	<u>\$27,917,466</u>	<u>(\$47,226)</u>	<u>(\$200,463)</u>	<u>\$27,669,777</u>

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	Balance 12/31/2013	Additions	Deductions	Balance 12/31/2014
<b>Business Type Activities:</b>				
<b><i>Capital Assets not being Depreciated:</i></b>				
Land	\$6,880	\$0	\$0	\$6,880
Construction in Progress	1,601,788	918,488	(2,520,276)	0
<b><i>Total Capital Assets not being Depreciated</i></b>	<b>1,608,668</b>	<b>918,488</b>	<b>(2,520,276)</b>	<b>6,880</b>
<b><i>Capital Assets being Depreciated:</i></b>				
Buildings and Improvements	761,276	308,870	0	1,070,146
Equipment	6,387,458	168,704	(3,800)	6,552,362
Vehicles	921,927	0	(60,843)	861,084
Infrastructure:				
Water and Sewer Lines	20,518,794	2,564,465	0	23,083,259
<b><i>Total Capital Assets being Depreciated</i></b>	<b>28,589,455</b>	<b>3,042,039</b>	<b>(64,643)</b>	<b>31,566,851</b>
<b><i>Less Accumulated Depreciation:</i></b>				
Buildings and Improvements	(638,264)	(18,129)	0	(656,393)
Equipment	(3,193,393)	(297,590)	3,243	(3,487,740)
Vehicles	(508,485)	(57,537)	53,461	(512,561)
Infrastructure:				
Water and Sewer Lines	(5,682,640)	(389,675)	0	(6,072,315)
<b><i>Total Accumulated Depreciation</i></b>	<b>(10,022,782)</b>	<b>(762,931)</b>	<b>56,704</b>	<b>(10,729,009)</b>
Total Capital Assets being Depreciated, Net	18,566,673	2,279,108	(7,939)	20,837,842
Business Type Activities Capital Assets, Net	<u>\$20,175,341</u>	<u>\$3,197,596</u>	<u>(\$2,528,215)</u>	<u>\$20,844,722</u>

During 2014, the sewer enterprise fund transferred capital assets to governmental activities in the amount of \$296,789.

Depreciation expense was charged to governmental functions as follows:

General Government	\$96,345
Security of Persons and Property	95,462
Leisure Time Activities	26,503
Community Development	592
Transportation	1,365,834
Total Depreciation Expense	<u>\$1,584,736</u>

## **Note 11 – Insurance Purchasing Pool**

*Ohio Municipal League Workers' Compensation Group Rating Plan* – The City participates in the Ohio Municipal League Workers' Compensation Group 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.

**City of Conneaut, Ohio**  
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**Note 12 – Related Organization**

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

**Note 13 - Notes Payable**

Changes in the City's note activity for the year ended December 31, 2014, were as follows:

	Outstanding 12/31/2013	Additions	(Reductions)	Outstanding 12/31/2014
<i>General Fund:</i>				
Prison Land, 1.34%	\$20,000	\$5,000	(\$20,000)	\$5,000
Madison Street Storm Sewer, 1.34%	50,000	15,000	(50,000)	15,000
<i>Total General Fund</i>	<u>70,000</u>	<u>20,000</u>	<u>(70,000)</u>	<u>20,000</u>
<i>Special Revenue Fund:</i>				
Street Equipment, 1.35%	28,000	0	(28,000)	0
Street Equipment, 1.35%	20,000	0	(20,000)	0
Street Equipment, 1.32%	7,500	7,500	(7,500)	7,500
Port Authority 1.58%	240,000	210,000	(240,000)	210,000
<i>Total Special Revenue Fund</i>	<u>295,500</u>	<u>217,500</u>	<u>(295,500)</u>	<u>217,500</u>
<i>Total Governmental Activities</i>	<u>\$365,500</u>	<u>\$237,500</u>	<u>(\$365,500)</u>	<u>\$237,500</u>
<i>Enterprise Funds:</i>				
<i>Sewer</i>				
Waste Water Improvement, 1.34%	\$50,000	\$15,000	(\$50,000)	\$15,000
Sewer Jet, 1.34%	32,500	57,500	(32,500)	57,500
<i>Total Enterprise Funds</i>	<u>\$82,500</u>	<u>\$72,500</u>	<u>(\$82,500)</u>	<u>\$72,500</u>

In 2014, the City issued \$5,000, \$15,000, \$7,500, \$15,000 and \$57,500 in various purpose improvement notes to help finance the purchase of land for the prison, to help finance the Madison Street storm sewer project, additional street equipment, waste water improvements and a new sewer jet. These projects have been completed by December 31, 2014 and the notes mature on June 12, 2015.

In 2014, the City issued a \$210,000 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 1.58 percent maturing on November 20, 2015. As of December 31, 2014 all proceeds had been disbursed.

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

**City of Conneaut, Ohio**  
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**Note 14 - Long-Term Obligations**

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

Debt Issue	Original Issue Date	Interest Rate	Original Issue Amount	Year of Maturity
<b>Governmental Activities</b>				
<i>General Obligation Bonds:</i>				
Library Refunding	2011	3.00%	\$735,000	2018
Energy Conservation	2012	3.10	544,352	2022
Vehicle Acquisition	2014	5.35	55,000	2024
Various Purpose Improvements	2014	3.48	305,000	2024
<i>Special Assessment Loans:</i>				
East Conneaut Sewer Phase II	1996	4.16	746,716	2016
Gateway Phase II	1993	4.80	87,255	2014
I-90 Sewer	1998	3.98	167,329	2018
East Conneaut Sewer Phase III	1999	3.50	679,445	2020
<i>Loans:</i>				
Industrial Park	2008	3.25	500,000	2023
Road Equipment Acquisition	2009	4.125	153,334	2019
State Infrastructure Loan - Parrish Road	2010	8.00	574,435	2018
<i>Ohio Public Works Commission Loan:</i>				
Under Ridge Road Culvert	2004	0.00	31,626	2025
Roadway Safety	2012	0.00	14,240	2033
<i>Notes:</i>				
Prision Land	2014	1.34	10,000	2015
Madison Street Storm Sewer	2014	1.34	20,000	2015
Street Equipment	2014	1.34	7,500	2015
<b>Business-Type Activities</b>				
<i>Special Assessment Loans:</i>				
East Conneaut Sewer Phase II	1996	4.16	215,671	2016
I-90 Sewer	1998	3.98	94,123	2020
East Conneaut Sewer Phase III	1999	3.50	132,997	2020
<i>Ohio Water Development Authority:</i>				
Water III	1995	4.35	543,845	2017
Dechlorination Project	1997	4.12	89,144	2017
Wastewater Improvement Loan	2006	3.25	3,258,282	2026
Industrial Park	2011	3.00	199,183	2022
Wastewater Aeration Repairs	2012	2.80	130,587	2032
Lake Erie Street Sanitary Sewer	2012	3.32	240,548	2032
Aerial Sewer Repairs	2013	0.00	339,372	N/A
Creek Road Elevated Storage Tank	2013	3.24	1,640,127	N/A
<i>Ohio Public Works Commission</i>				
South Conneaut Water Tank	2000	0.00	385,000	2021
Liberty Water Line	2003	0.00	118,483	2023
Madison Sanitary Sewer	2004	0.00	37,833	2024
Finished Water and Booster Pump	2011	0.00	40,875	2030
Water and Booster Pump Station	2011	0.00	11,001	2030
Sandusky Sanitary Sewer	2011	0.00	28,178	2030
Sanitary Sewer Repairs	2011	0.00	10,051	2032
Roadway Safety	2012	0.00	31,700	2033
Wastewater Aeration Improvement	2012	0.00	18,130	2033
Creek Road Water Tank	2013	0.00	150,000	2034
Aerial Sewer	2013	0.00	50,000	2034
Harbor Street Infrastructure	2014	0.00	50,000	2035
Water Treatment Plant Improvements	2014	0.00	35,123	2034



**City of Conneaut, Ohio**  
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Debt Issue	Original Issue Date	Interest Rate	Original Issue Amount	Year of Maturity
<b>Business-Type Activities</b> (continued)				
<i>General Obligation Bond:</i>				
Water Refunding	2011	3.00%	\$530,000	2018
Energy Conservation	2012	3.10	125,648	2022
<i>Loans:</i>				
Road Equipment Acquisition	2009	4.125	306,666	2019
Water Meters	2010	4.31	1,134,867	2017
<i>Notes:</i>				
Waste Water Improvement	2014	1.34	20,000	2015
Sewer Jet	2014	1.34	52,500	2015

A schedule of changes in bonds and other long-term obligations of the City during 2014 follows:

	Outstanding 12/31/2013	Additions	Reductions	Outstanding 12/31/2014	Amount Due In one Year
<b>Governmental Activities:</b>					
<i>General Obligation Bonds</i>					
Library Refunding	\$474,121	\$0	\$89,303	\$384,818	\$91,982
Energy Conservation	493,628	0	51,515	442,113	52,319
Vehicle Acquisition	0	55,000	0	55,000	4,870
Various Purpose Improvements	0	305,000	0	305,000	25,574
<b>Total General Obligation Bonds</b>	<b>967,749</b>	<b>360,000</b>	<b>140,818</b>	<b>1,186,931</b>	<b>174,745</b>
<i>Special Assessment OWDA Loans</i>					
<i>with Governmental Commitment:</i>					
East Conneaut Sewer Phase II	139,374	0	44,558	94,816	46,431
Gateway Phase II	3,339	0	3,339	0	0
I-90 Sewer	54,877	0	10,128	44,749	10,535
East Conneaut Sewer Phase III	288,318	0	37,028	251,290	38,335
<b>Total Special Assessment OWDA Loans</b>	<b>485,908</b>	<b>0</b>	<b>95,053</b>	<b>390,855</b>	<b>95,301</b>
<i>Loans:</i>					
Industrial Park	482,020	0	44,079	437,941	45,419
Road Equipment Acquisition	92,001	0	15,333	76,668	15,333
State Infrastructure Loan - Parrish Road	348,051	0	73,365	274,686	75,583
<b>Total Loans:</b>	<b>922,072</b>	<b>0</b>	<b>132,777</b>	<b>789,295</b>	<b>136,335</b>
<i>OPWC Loan:</i>					
Under Ridge Road Culvert	18,187	0	1,581	16,606	1,581
Roadway Safety	13,884	0	712	13,172	712
<b>Total OPWC Loans</b>	<b>32,071</b>	<b>0</b>	<b>2,293</b>	<b>29,778</b>	<b>2,293</b>
<i>Long - Term Notes Payable:</i>					
Prison Land	0	10,000	0	10,000	0
Madison Street Storm Sewer	0	20,000	0	20,000	0
Street Equipment	15,000	7,500	15,000	7,500	0
<b>Total Long - Term Notes Payable</b>	<b>15,000</b>	<b>37,500</b>	<b>15,000</b>	<b>37,500</b>	<b>0</b>
<i>Other Long-Term Liabilities:</i>					
Capital Leases	59,725	0	29,489	30,236	30,236
Compensated Absences	694,858	251,697	156,772	789,783	175,481
<b>Total Other Long-Term Liabilities</b>	<b>754,583</b>	<b>251,697</b>	<b>186,261</b>	<b>820,019</b>	<b>205,717</b>
<b>Total Governmental Activities</b>					
<b>Long-Term Obligations</b>	<b>\$3,177,383</b>	<b>\$649,197</b>	<b>\$572,202</b>	<b>\$3,254,378</b>	<b>\$614,391</b>

**City of Conneaut, Ohio**  
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	Outstanding 12/31/2013	Additions	Reductions	Outstanding 12/31/2014	Amount Due In one Year
<b>Business-Type Activities</b>					
<i>Special Assessment OWDA Loans</i>					
<i>with Governmental Commitment:</i>					
East Conneaut Sewer Phase II	\$46,457	\$0	\$14,853	\$31,604	\$15,478
I-90 Sewer	30,869	0	5,697	25,172	5,926
East Conneaut Sewer Phase III	63,290	0	8,128	55,162	8,415
<b>Total Special Assessment OWDA Loans</b>	<b>140,616</b>	<b>0</b>	<b>28,678</b>	<b>111,938</b>	<b>29,819</b>
<i>OWDA Loans</i>					
Water III	130,501	0	35,303	95,198	36,855
Dechlorination Project	20,253	0	5,494	14,759	5,723
Wastewater Improvement Loan	2,307,511	0	232,397	2,075,114	169,853
Industrial Park	256,621	0	26,930	229,691	27,744
Wastewater Aeration Repairs	235,094	0	10,772	224,322	11,075
Lake Erie Street Sanitary Sewer	236,319	0	9,908	226,411	9,468
Aerial Sewer Repairs	215,854	0	16,968	198,886	0
Creek Road Elevated Storage Tank	665,065	960,123	0	1,625,188	0
<b>Total OWDA Loans</b>	<b>4,067,218</b>	<b>960,123</b>	<b>337,772</b>	<b>4,689,569</b>	<b>260,718</b>
<b>Total OWDA Obligations</b>	<b>4,207,834</b>	<b>960,123</b>	<b>366,450</b>	<b>4,801,507</b>	<b>290,537</b>
<i>OPWC Loans:</i>					
South Conneaut Water Tank	144,375	0	19,250	125,125	19,250
Liberty Water Line	59,243	0	5,924	53,319	5,924
Madison Sanitary Sewer	20,805	0	1,892	18,913	1,892
Finished Water and Booster Pump	34,743	0	2,044	32,699	2,044
Water and Booster Pump Station	9,351	0	550	8,801	550
Sandusky Sanitary Sewer	23,951	0	1,409	22,542	1,409
Sanitary Sewer Repairs	9,297	0	503	8,794	503
Roadway Safety	30,908	0	1,585	29,323	1,585
Wastewater Aeration Improvement	17,677	0	906	16,771	906
Creek Road Water Tank	150,000	0	3,750	146,250	7,500
Aerial Sewer	50,000	0	1,250	48,750	2,500
Harbor Street Infrastructure	0	50,000	0	50,000	1,250
Water Treatment Plant Improvements	0	35,123	0	35,123	1,756
<b>Total OPWC Loans</b>	<b>550,350</b>	<b>85,123</b>	<b>39,063</b>	<b>596,410</b>	<b>47,069</b>
<i>General Obligation Bonds:</i>					
Water Refunding	338,133	0	63,689	274,444	65,600
Energy Conservation	113,942	0	11,888	102,054	12,073
<b>Total Bonds</b>	<b>452,075</b>	<b>0</b>	<b>75,577</b>	<b>376,498</b>	<b>77,673</b>
<i>Loans:</i>					
Road Equipment Acquisition	183,999	0	30,667	153,332	30,667
Water Meters	683,540	0	210,363	473,177	219,614
<b>Total Loans</b>	<b>867,539</b>	<b>0</b>	<b>241,030</b>	<b>626,509</b>	<b>250,281</b>
<i>Long-term Notes Payable</i>					
Waste Water Improvement	0	20,000	0	20,000	0
Sewer Jet Note	135,000	52,500	135,000	52,500	0
<b>Total Long-term Notes Payable</b>	<b>135,000</b>	<b>72,500</b>	<b>135,000</b>	<b>72,500</b>	<b>0</b>
<i>Other Long-Term Liabilities:</i>					
Compensated Absences	337,888	32,397	60,577	309,708	111,242
<b>Total Business-Type Activities</b>					
<i>Long-Term Obligations</i>	<b>\$6,550,686</b>	<b>\$1,150,143</b>	<b>\$917,697</b>	<b>\$6,783,132</b>	<b>\$776,802</b>

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

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

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

Lines of credit had been established for the Ohio Water Development Authority in the amount of \$1,991,898 for various water and sewer projects. Since the loan repayment schedule has not yet been finalized, a repayment schedule is not included in the schedule of debt service requirements. Until a final repayment schedule is available, the City is paying based on estimates. The balance of these loans is as follows:

<b>Enterprise Funds</b>	<u>December 31, 2014</u>	<u>Lines of Credit</u>
<i>Water Fund:</i>		
Creek Road Eleveated Storage Tank	\$1,625,188	\$1,652,526
<i>Sewer Fund:</i>		
Aerial Sewer Repairs	<u>198,886</u>	<u>339,372</u>
Total Loans not Finalized:	<u><u>\$1,824,074</u></u>	<u><u>\$1,991,898</u></u>

The City has pledged future revenues, net of operating expenses less depreciation plus interest and fiscal charges, to repay OPWC and OWDA loans in the water enterprise fund. The debt is payable solely from net revenues and are payable through 2035. Annual principal and interest payments on the debt issues are expected to require 25.02 percent of net revenues. The total principal and interest remaining to be paid on the debt is \$2,257,208. Principal and interest paid for the current year and total net revenues were \$101,681 and \$406,426 respectively.

The City has pledged future revenues, net of operating expenses less depreciation plus interest and fiscal charges, to repay OPWC and OWDA loans in the sewer enterprise fund. The debt is payable solely from net revenues and are payable through 2034. Annual principal and interest payments on the debt issues are expected require 36.44 percent of net revenues. The total principal and interest remaining to be paid on the debt is \$3,868,492. Principal and interest paid for the current year and total net revenues were \$365,922 and \$1,004,241 respectively.

**City of Conneaut, Ohio**  
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In 2014, the City issued \$55,000 in vehicle acquisition bonds and \$305,000 in various purpose improvement bonds for the purchase police vehicles and improvements to the public works department. The bonds were issued for a ten year period with final maturity at October, 1, 2024. As of December 31, 2014, \$115,059 of the proceeds have not been spent.

In 2014, the City issued \$110,000 in various purpose improvement notes to help finance the purchase of land for the prison, to help finance the Madison Street storm sewer project, additional street equipment, waste water improvements and a new sewer jet. These projects have been completed by December 31, 2014 and the notes mature on June 12, 2015. The short-term portion of these notes of \$100,000 are presented in Note 13.

The City's overall legal debt margin was \$16,490,104 with an unvoted debt margin of \$7,125,585 at December 31, 2014. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2014, are as follows:

<i>Governmental Activities</i>							
	General Obligation Bonds		Special Assessment Loans		OPWC Loans	Loans Payable	
	Principal	Interest	Principal	Interest	Principal	Principal	Interest
2015	\$174,745	\$38,280	\$95,301	\$13,606	\$2,293	\$136,335	\$23,241
2016	179,848	33,275	99,032	9,878	2,293	140,001	18,934
2017	184,592	27,580	52,488	6,521	2,293	143,778	14,515
2018	189,469	21,733	54,396	4,612	2,293	106,039	9,982
2019	90,960	15,733	44,042	2,755	2,293	66,539	7,215
2020-2024	367,317	33,222	45,596	1,200	11,470	196,603	11,002
2025-2029	0	0	0	0	4,351	0	0
2030-2033	0	0	0	0	2,492	0	0
Total	<u>\$1,186,931</u>	<u>\$169,823</u>	<u>\$390,855</u>	<u>\$38,572</u>	<u>\$29,778</u>	<u>\$789,295</u>	<u>\$84,889</u>

<i>Business-Type Activities</i>							
	General Obligation Bonds		Special Assessment OWDA Loans		OWDA Loans		OPWC Loans
	Principal	Interest	Principal	Interest	Principal	Interest	Principal
2015	\$77,673	\$11,396	\$29,819	\$3,956	\$260,718	\$104,261	\$47,069
2016	79,829	9,054	31,003	2,771	269,610	95,169	48,319
2017	82,048	6,647	15,432	1,711	255,376	85,969	48,319
2018	84,331	4,172	16,008	1,134	239,929	77,980	48,319
2019	12,846	1,630	9,668	605	247,663	70,243	48,319
2020-2024	39,771	2,477	10,008	264	1,274,712	228,755	168,292
2025-2029	0	0	0	0	250,699	48,839	106,260
2030-2034	0	0	0	0	66,788	6,126	80,263
2035	0	0	0	0	0	0	1,250
Total	<u>\$376,498</u>	<u>\$35,376</u>	<u>\$111,938</u>	<u>\$10,441</u>	<u>\$2,865,495</u>	<u>\$717,342</u>	<u>\$596,410</u>

**City of Conneaut, Ohio**  
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	<u>Business-Type Activities</u>	
	Loans	
	Payable	
	<u>Principal</u>	<u>Interest</u>
2015	\$250,281	\$24,532
2016	284,230	14,229
2017	30,666	3,526
2018	30,666	2,244
2019	30,666	962
Total	<u>\$626,509</u>	<u>\$45,493</u>

**Note 15 – Capital Lease**

During 2013, the City entered into a capitalized lease for police vehicles. This lease meets the criteria for a capital lease and has been recorded on the governmental-wide statements. The original amount capitalized for the capital lease and the book value as of December 31, 2014 for governmental activities follows:

	<u>Governmental Activities</u>
Asset:	
Police Vehicles	\$89,103
Less: Accumulated depreciation	<u>(31,186)</u>
Current Book Value	<u><u>\$57,917</u></u>

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

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>
2015 Lease Payments	\$30,712
Less: Amount Representing Interest	<u>(476)</u>
Present Value of Net Minimum Lease Payments	<u><u>\$30,236</u></u>

**Note 16 - Risk Management**

***Property and Liability***

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2014, the City contracted with Wells Fargo Insurance Services for various types of insurance as follows:

**City of Conneaut, Ohio**  
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Type of Coverage	Coverage
Property/Boilers and Machinery	\$24,695,257
Inland Marine	1,598,742
Vehicles	
Comprehensive	3,000,000
Valuable Papers and Records	250,000
Police	3,000,000
Public Officials	3,000,000
Business Electronics Equipment	188,022
Fire Vehicles and Ambulances	1,499,154

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

***Worker's Compensation***

For fiscal year 2014, the City participated in the Ohio Municipal League Workers' Compensation Group Rating Retrospective Plan (GRP), an insurance purchasing pool (Note 11). The intent of the GRP is to achieve the benefit of a reduced premium for the City by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating city is calculated as one experience and a common premium rate is applied to all cities in the GRP. Each participant pays its worker's compensation premium to the State based on the rate for the GRP rather than its individual rate.

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

**Note 17 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

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

**City of Conneaut, Ohio**  
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safety employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll for members in State and local divisions and 12 percent for law enforcement and public safety members. For the year ended December 31, 2014, members in state and local classifications contributed 10 percent of covered payroll while public safety and law enforcement members contributed 12.0 percent and 12.6 percent, respectively. Effective January 1, 2015, the member contribution rates for law enforcement increased to 13 percent. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan. For 2014, member and employer contribution rates were consistent across all three plans.

The City's 2014 contribution rate was 14.0 percent, except for those plan members in law enforcement or public safety, for whom the City's contribution was 18.1 percent of covered payroll. The portion of the City's contribution allocated to health care for members in both the traditional and combined plan was 2 percent for 2014. Effective January 1, 2015, the portion of employer contributions allocated to health care remained at 2 percent. Employer contribution rates are actuarially determined.

The City's required contribution for pension obligations to the traditional and combined plans for the years ended December 31, 2014, 2013 and 2012 were \$284,662, \$320,388 and \$174,471, respectively. For 2014, 90.20 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2013 and 2012. Contributions to the Member-Directed Plan for 2014 were \$4,737 made by the City and \$3,384 made by plan members.

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

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OPF), a cost-sharing multiple-employer defined benefit pension plan. OPF 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. OPF issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by visiting the OPF website at - [www.op-f.org](http://www.op-f.org) or by writing to Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – Employer and employee contribution rates are set by the Ohio Revised Code. From January 1, 2014, thru July 1, 2014, plan members were required to contribute 10.75 percent of their annual covered salary. From July 2, 2014, thru December 31, 2014, plan members were required to contribute 11.5 percent of their annual covered salary. Throughout 2014, employers were required to contribute 19.5 percent for police officers and 24 percent for firefighters.

The OPF pension fund is authorized by the Ohio Revised Code to allocate a portion of the employer contribution to retiree health care benefits. For 2014, the portion of the City's contribution used to fund pension benefits was 19 percent of covered payroll for police officers and 23.50 percent of covered payroll for firefighters. The City's contributions to OPF for police and firefighters pension was \$185,535 and \$137,542 for the year ended December 31, 2014, \$150,904 and \$117,044 for the year ended December 31, 2013, and \$112,657 and \$96,101 for the year ended December 31, 2012. For 2014, 89.19 percent for police and 90.36 percent for firefighters has been contributed with the balance for both police and firefighters being report as an intergovernmental payable. The full amount has been contributed for 2013 and 2012.

## **Note 18 - Postemployment Benefits**

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

Plan Description – Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The traditional 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 plan for qualifying members of both the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including postemployment health care coverage. The plan includes a medical plan, prescription drug program and Medicare Part B premium reimbursement.

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

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

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2014, state and local employers contributed 14.0 percent of covered payroll, and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code.

Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding of postemployment health care benefits. The portion of employer contribution allocated to health care for members in both the traditional and combined plans was 2 percent for 2014. Effective January 1, 2015, the portion of employer contribution allocated to health care remained at 2 percent for both plans as recommended by the OPERS Actuary.

The OPERS retirement board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or the retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the postemployment health care plan.

The City's contribution allocated to fund postemployment health care benefits for the years ended December 31, 2014, 2013 and 2012 was \$48,008, \$24,869 and \$101,496, respectively. For 2014, 90.20 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2013 and 2012.



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Changes to the health care plan were adopted by the OPERS Board of Trustees on September 9, 2012, with a transition plan commencing January 1, 2014. With the passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contribution toward the health care fund after the end of the transition period.

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

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

OPF provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OPF meets the definition of an Other Postemployment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 45.

The Ohio Revised Code allows, but does not mandate OPF to provide OPEB benefits. Authority for the OPF 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.

OPF issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by visiting the OPF website at [www.op-f.org](http://www.op-f.org) or 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 OPF defined benefit pension plan. Participating employers are required by Ohio Revised Code to contribute to the pension plan at rates expressed as a percentage of payroll of active pension plan members, currently, 19.5 percent and 24.0 percent of covered payroll for police and firefighters, respectively. Active members do not make contributions to the OPEB Plan.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made to the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2014, the employer contribution allocated to the health care plan was .50 percent of covered payroll. The amount of employer contribution allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contributions to OPF which were allocated to fund postemployment health care benefits for police and firefighters was \$4,830 and \$2,926 for the year ended December 31, 2014, \$33,803 and \$20,746 for the

**City of Conneaut, Ohio**  
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year ended December 31, 2013, and \$59,642 and \$37,605 for the year ended December 31, 2012. For 2014, 89.19 percent for police and 90.36 percent for firefighters has been contributed with the balance for both police and firefighters being report as an intergovernmental payable. The full amount has been contributed for 2013 and 2012.

**Note 19 – Jointly Governed Organization**

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

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

NOPEC is governed by General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight-member NOPEC Board of Directors. The Board has total control over budgeting, personnel and all other financial matters. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The City of Conneaut did not contribute to NOPEC during 2014. Financial information can be obtained by contacting Ronald McVoy, Chairman, 31320 Solon Road, Suite 20, Solon, Ohio 11120.

**Note 20 – Related Party Transactions**

The Conneaut Port Authority, a component unit of the City of Conneaut, owes the City \$210,000 as of December 31, 2014 for a marina improvement note issued by the City. During 2014, The Port Authority paid the City \$243,300, the amount of the principal and interest on the note. The financial statements reflect \$210,000 in ‘due from component unit’.

**Note 21 – Encumbrances**

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

Governmental Funds		Proprietary Funds	
General Fund	\$62,556	Water	\$216,031
Street Construction,		Sewer	49,067
Maintenance and Repair Fund	142,519		
Other Governmental Funds	77,412	Total Proprietary Funds	\$265,098
Total	<u>\$282,487</u>		

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**Note 22 – Subsequent Events**

On June 12, 2015, the City retired \$210,000 in general obligation bond anticipation notes and issued \$110,000 in new notes. The new notes have a maturity date of June 10, 2016 and an interest rate of 1.85 percent. The following table summarizes the activity.

Note Issuance	Retired	Issued
Prison Land	\$15,000	\$10,000
Madison Street Storm Sewer	35,000	20,000
Street Equipment	15,000	7,500
Waste Water Improvement	35,000	20,000
Sewer Jet	110,000	52,500
Total Notes	\$210,000	\$110,000

**Note 23 - Contingencies**

***Grants***

The City receives financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2014.

***Litigation***

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

**Note 24 – Conneaut Port Authority**

***Description of Reporting Entity***

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

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

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***Summary of Significant Accounting Policies***

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

***Basis of Presentation***

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

***Measurement Focus***

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

***Basis of Accounting***

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

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

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

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

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

***Cash and Cash Equivalents***

All monies of the Port Authority are maintained in one bank account. Investment procedures are restricted by the provisions of the Ohio Revised Code. During 2014, the Port Authority maintained no investment accounts.

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

***Inventory***

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

***Capital Assets***

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

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

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

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

***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 though external restrictions imposed by creditors, grantors or laws or regulations of other governments.

***Operating Revenues***

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

***Budgetary Process***

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

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

***Deposits and Investments***

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

***Deposits*** At year-end, all of the Port Authority's bank balance of \$143,242 was covered by federal depository insurance.

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

***Capital Assets***

Capital asset activity for the fiscal year ended December 31, 2014 was as follows:

	Balance 12/31/2013	Additions	Deductions	Balance 12/31/2014
<b><i>Capital Assets not being Depreciated:</i></b>				
Land	\$38,496	\$0	\$0	\$38,496
Land Improvements	31,021	0	0	31,021
Construction in Progress	55,012	0	0	55,012
<b><i>Total Capital Assets not being Depreciated</i></b>	<b><u>\$124,529</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$124,529</u></b>
<b><i>Capital Assets being Depreciated:</i></b>				
Buildings and Improvements	\$2,512,397	\$12,033	\$0	\$2,524,430
Dock Improvements	1,154,740	2,345	0	1,157,085
Vehicles	16,823	0	0	16,823
Machinery and Equipment	149,528	5,455	0	154,983
<b><i>Total Capital Assets being Depreciated</i></b>	<b><u>3,833,488</u></b>	<b><u>19,833</u></b>	<b><u>0</u></b>	<b><u>3,853,321</u></b>
<b><i>Less Accumulated Depreciation:</i></b>				
Buildings and Improvements	(2,086,310)	(105,665)	0	(2,191,975)
Dock Improvements	(195,896)	(53,006)	0	(248,902)
Vehicles	(9,657)	(2,000)	0	(11,657)
Machinery and Equipment	(110,674)	(11,107)	0	(121,781)
<b><i>Total Accumulated Depreciation</i></b>	<b><u>(2,402,537)</u></b>	<b><u>(171,778)</u></b>	<b><u>0</u></b>	<b><u>(2,574,315)</u></b>
<b>Total Capital Assets being Depreciated, Net</b>	<b><u>1,430,951</u></b>	<b><u>(151,945)</u></b>	<b><u>0</u></b>	<b><u>1,279,006</u></b>
<b>Governmental Activities Capital Assets, Net</b>	<b><u>\$1,555,480</u></b>	<b><u>(\$151,945)</u></b>	<b><u>\$0</u></b>	<b><u>\$1,403,535</u></b>

**City of Conneaut, Ohio**  
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***Long-Term Obligations***

The Port Authority is liable for a note payable to the City of Conneaut. A \$210,000 note was issued on November 21, 2014 with an interest rate of 1.58 percent. This note is due on November 20, 2015.

***Leases***

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

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

***Defined Benefit Pension Plan***

The Conneaut Port Authority participates in the Ohio Public Employee Retirement System (OPERS). See Note 18. The Conneaut Port Authority required contributions to OPERS for the years ended December 31, 2014, 2013 and 2012 were \$17,247, \$17,001 and \$20,222 respectively. The full amount has been contributed for 2013 and 2012, 96 percent has been contributed for 2014 with the remainder being reported as an intergovernmental payable.

***Postemployment Benefit***

The Conneaut Port Authority provides postemployment and health care coverage through the Ohio Public Employees Retirement System (OPERS). See Note 19. The Conneaut Port Authority's actual contributions to fund postemployment benefits for the years ended December 31, 2014, 2013 and 2012 were \$2,428, \$1,214 and \$5,777 respectively. The full amount has been contributed for 2013 and 2012, 96 percent has been contributed for 2014 with the remainder being reported as an intergovernmental payable.

***Risk Management***

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

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

***Casualty and Property Coverage*** APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2014, PEP retained \$350,000 for casualty claims and \$100,000 for property claims.

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

**City of Conneaut, Ohio**  
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**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, 2014 and 2013.

	2014	2013
Assets	\$35,402,177	\$34,411,883
Liabilities	(12,363,257)	(12,760,194)
Net Position	\$23,038,920	\$21,651,689

At December 31, 2013 and 2014, respectively, the liabilities above include approximately \$11.1 million and \$11.6 million of estimated incurred claims payable. The assets above also include approximately \$10.8 million and \$11.1 million of unpaid claims to be billed to approximately 488 and 475 member governments in the future, as of December 31, 2014 and 2013, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2014, the Port Authority's share of these unpaid claims collectible in future years is approximately \$12,000.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership. During 2014, member contributions amounted to \$17,659.

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.



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## Combining and Individual Fund Statements and Schedules

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## **Fund Descriptions – Nonmajor Governmental Funds**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

***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)***

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

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

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

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

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

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

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

### ***Nonmajor Debt Service Funds***

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

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

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

### ***Nonmajor Capital Projects Funds***

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

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

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

(continued)

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

### ***Nonmajor Capital Projects Funds (continued)***

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

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

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

***FEMA Grant Fund*** The FEMA Grant fund accounts for and reports Federal and State monies restricted for restoration of areas hit by natural disasters.

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

***Industrial Park Fund*** The Industrial Park Fund accounts for and reports restricted loan monies and grants for the development of the City's industrial park. This fund did not have any budgetary activity during 2014; therefore budgetary information is not provided.

**City of Conneaut, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*December 31, 2014*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and				
Cash Equivalents	\$412,521	\$196,347	\$547,273	\$1,156,141
Accounts Receivable	572	0	9,561	10,133
Intergovernmental Receivable	131,987	6,295	13,024	151,306
Municipal Income Taxes Receivable	19,403	0	16,169	35,572
Property Taxes Receivable	835,255	99,545	561,552	1,496,352
Loans Receivable from Component Unit	210,000	0	0	210,000
Special Assessments Receivable	0	518,221	0	518,221
<i>Total Assets</i>	<u>\$1,609,738</u>	<u>\$820,408</u>	<u>\$1,147,579</u>	<u>\$3,577,725</u>
<b>Liabilities</b>				
Accounts Payable	\$25,612	\$0	\$61,222	\$86,834
Contracts Payable	15,373	0	0	15,373
Accrued Wages	2,110	0	0	2,110
Intergovernmental Payable	33,450	0	0	33,450
Interfund Payable	0	33,802	9,297	43,099
Accrued Interest Payable	381	0	0	381
Notes Payable	210,000	0	0	210,000
<i>Total Liabilities</i>	<u>286,926</u>	<u>33,802</u>	<u>70,519</u>	<u>391,247</u>
<b>Deferred Inflows of Resources</b>				
Property Taxes	704,794	83,388	470,373	1,258,555
Unavailable Revenue	244,805	540,673	109,882	895,360
<i>Total Deferred Inflows of Resources</i>	<u>949,599</u>	<u>624,061</u>	<u>580,255</u>	<u>2,153,915</u>
<b>Fund Balances</b>				
Restricted	349,308	196,347	466,510	1,012,165
Committed	45,108	0	30,295	75,403
Unassigned (Deficit)	(21,203)	(33,802)	0	(55,005)
<i>Total Fund Balances</i>	<u>373,213</u>	<u>162,545</u>	<u>496,805</u>	<u>1,032,563</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$1,609,738</u>	<u>\$820,408</u>	<u>\$1,147,579</u>	<u>\$3,577,725</u>

**City of Conneaut, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Year Ended December 31, 2014*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Property Taxes	\$704,711	\$87,220	\$478,274	\$1,270,205
Municipal Income Taxes	56,937	0	56,256	113,193
Special Assessments	0	105,441	0	105,441
Intergovernmental	594,816	12,591	228,665	836,072
Fees, Licenses and Permits	146,903	0	0	146,903
Fines and Forfeitures	6,085	0	106,382	112,467
Rentals	31,725	0	0	31,725
Charges for Services	24,290	0	0	24,290
Contributions and Donations	500	0	0	500
Interest	45	0	0	45
Other	4,377	0	0	4,377
<i>Total Revenues</i>	<u>1,570,389</u>	<u>205,252</u>	<u>869,577</u>	<u>2,645,218</u>
<b>Expenditures</b>				
Current:				
General Government	0	5,547	0	5,547
Security of Persons and Property	851,699	0	0	851,699
Leisure Time Activities	42,642	0	0	42,642
Community Development	319,498	0	0	319,498
Basic Utility Services	163,261	0	0	163,261
Transportation	163,874	0	0	163,874
Capital Outlay	0	0	836,317	836,317
Debt Service:				
Principal Retirement	29,489	184,356	15,333	229,178
Interest and Fiscal Charges	4,544	31,496	3,634	39,674
<i>Total Expenditures</i>	<u>1,575,007</u>	<u>221,399</u>	<u>855,284</u>	<u>2,651,690</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(4,618)	(16,147)	14,293	(6,472)
<b>Other Financing Sources (Uses)</b>				
Transfers In	<u>91,234</u>	<u>0</u>	<u>0</u>	<u>91,234</u>
<i>Net Change in Fund Balances</i>	86,616	(16,147)	14,293	84,762
<i>Fund Balances Beginning of Year</i>	<u>286,597</u>	<u>178,692</u>	<u>482,512</u>	<u>947,801</u>
<i>Fund Balances End of Year</i>	<u><u>\$373,213</u></u>	<u><u>\$162,545</u></u>	<u><u>\$496,805</u></u>	<u><u>\$1,032,563</u></u>

**City of Conneaut, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2014*

	Auto Permissive Tax	State Highway	Restaurant Vending	Marina	Enforcement and Education
<b>Assets</b>					
Equity in Pooled Cash and					
Cash Equivalents	\$2,899	\$855	\$8,304	\$7,578	\$7,937
Accounts Receivable	0	0	0	0	25
Intergovernmental Receivable	64,906	17,077	0	0	0
Municipal Income Taxes Receivable	0	0	0	0	0
Property Taxes Receivable	0	0	0	0	0
Loans Receivable from Component Unit	0	0	0	210,000	0
<i>Total Assets</i>	<u>\$67,805</u>	<u>\$17,932</u>	<u>\$8,304</u>	<u>\$217,578</u>	<u>\$7,962</u>
<b>Liabilities</b>					
Accounts Payable	\$0	\$0	\$0	\$0	\$0
Contracts Payable	0	0	0	0	0
Accrued Wages	0	0	36	0	0
Intergovernmental Payable	0	0	534	0	0
Accrued Interest Payable	0	0	0	381	0
Notes Payable	0	0	0	210,000	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>570</u>	<u>210,381</u>	<u>0</u>
<b>Deferred Inflows of Resources</b>					
Property Taxes	0	0	0	0	0
Unavailable Revenue	46,162	11,364	0	0	0
<i>Total Deferred Inflows of Resources</i>	<u>46,162</u>	<u>11,364</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>					
Restricted	21,643	6,568	7,734	7,197	7,962
Committed	0	0	0	0	0
Unassigned (Deficit)	0	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>21,643</u>	<u>6,568</u>	<u>7,734</u>	<u>7,197</u>	<u>7,962</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$67,805</u>	<u>\$17,932</u>	<u>\$8,304</u>	<u>\$217,578</u>	<u>\$7,962</u>

Indigent Drivers	Cemetery	Police Levy	Fire Levy	Indigent Monitoring	Law Enforcement Trust	Municipal Probation Services
\$49,721	\$52,478	\$72,157	\$46,542	\$18,725	\$5,754	\$500
247	0	0	0	100	0	200
0	0	22,013	11,007	0	0	0
0	0	0	0	0	0	0
0	0	356,803	178,401	0	0	0
0	0	0	0	0	0	0
<u>\$49,968</u>	<u>\$52,478</u>	<u>\$450,973</u>	<u>\$235,950</u>	<u>\$18,825</u>	<u>\$5,754</u>	<u>\$700</u>
\$0	\$101	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0
0	2,014	0	0	0	0	0
0	1,191	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>0</u>	<u>3,306</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	298,890	149,445	0	0	0
0	0	79,926	39,963	0	0	0
<u>0</u>	<u>0</u>	<u>378,816</u>	<u>189,408</u>	<u>0</u>	<u>0</u>	<u>0</u>
49,968	49,172	72,157	46,542	18,825	5,754	700
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>49,968</u>	<u>49,172</u>	<u>72,157</u>	<u>46,542</u>	<u>18,825</u>	<u>5,754</u>	<u>700</u>
<u>\$49,968</u>	<u>\$52,478</u>	<u>\$450,973</u>	<u>\$235,950</u>	<u>\$18,825</u>	<u>\$5,754</u>	<u>\$700</u>

(continued)



**City of Conneaut, Ohio**  
Combining Balance Sheet  
Nonmajor Special Revenue Funds (continued)  
December 31, 2014

	Moving Ohio Forward	Street Lighting	Community Housing	CHIPS	Recreation
<b>Assets</b>					
Equity in Pooled Cash and					
Cash Equivalents	\$33,184	\$0	\$20,046	\$22,728	\$40,474
Accounts Receivable	0	0	0	0	0
Intergovernmental Receivable	0	0	0	0	0
Municipal Income Taxes Receivable	0	10,510	0	0	8,893
Property Taxes Receivable	0	0	0	0	0
Loans Receivable from Component Unit	0	0	0	0	0
<i>Total Assets</i>	<u>\$33,184</u>	<u>\$10,510</u>	<u>\$20,046</u>	<u>\$22,728</u>	<u>\$49,367</u>
<b>Liabilities</b>					
Accounts Payable	\$5,499	\$19,595	\$0	\$0	\$417
Contracts Payable	4,499	0	0	10,874	0
Accrued Wages	0	0	0	0	60
Intergovernmental Payable	0	0	0	0	659
Accrued Interest Payable	0	0	0	0	0
Notes Payable	0	0	0	0	0
<i>Total Liabilities</i>	<u>9,998</u>	<u>19,595</u>	<u>0</u>	<u>10,874</u>	<u>1,136</u>
<b>Deferred Inflows of Resources</b>					
Property Taxes	0	0	0	0	0
Unavailable Revenue	0	3,691	0	0	3,123
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>3,691</u>	<u>0</u>	<u>0</u>	<u>3,123</u>
<b>Fund Balances</b>					
Restricted	23,186	0	20,046	11,854	0
Committed	0	0	0	0	45,108
Unassigned (Deficit)	0	(12,776)	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>23,186</u>	<u>(12,776)</u>	<u>20,046</u>	<u>11,854</u>	<u>45,108</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$33,184</u>	<u>\$10,510</u>	<u>\$20,046</u>	<u>\$22,728</u>	<u>\$49,367</u>

Police Pension	Fire Pension	Total Nonmajor Special Revenue Funds
\$9,584	\$13,055	\$412,521
0	0	572
9,502	7,482	131,987
0	0	19,403
165,990	134,061	835,255
0	0	210,000
<u>\$185,076</u>	<u>\$154,598</u>	<u>\$1,609,738</u>
\$0	\$0	\$25,612
0	0	15,373
0	0	2,110
17,746	13,320	33,450
0	0	381
0	0	210,000
<u>17,746</u>	<u>13,320</u>	<u>286,926</u>
141,603	114,856	704,794
33,889	26,687	244,805
<u>175,492</u>	<u>141,543</u>	<u>949,599</u>
0	0	349,308
0	0	45,108
(8,162)	(265)	(21,203)
<u>(8,162)</u>	<u>(265)</u>	<u>373,213</u>
<u>\$185,076</u>	<u>\$154,598</u>	<u>\$1,609,738</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, 2014

	Auto Permissive Tax	State Highway	Restaurant Vending	Marina	Enforcement and Education
<b>Revenues</b>					
Property Taxes	\$0	\$0	\$0	\$0	\$0
Municipal Income Taxes	0	0	0	0	0
Intergovernmental	131,700	34,865	0	3,287	0
Fees, Licenses and Permits	0	0	19,375	480	0
Fines and Forfeitures	0	0	0	0	1,040
Rentals	0	0	0	0	0
Charges for Services	0	0	0	0	0
Contributions and Donations	0	0	0	0	0
Interest	11	1	0	0	0
Other	0	0	0	0	0
<i>Total Revenues</i>	<u>131,711</u>	<u>34,866</u>	<u>19,375</u>	<u>3,767</u>	<u>1,040</u>
<b>Expenditures</b>					
Current:					
Security of Persons and Property	0	0	0	0	0
Leisure Time Activities	0	0	0	0	0
Community Development	0	0	19,431	0	0
Basic Utility Services	0	0	0	0	0
Transportation	129,200	34,674	0	0	0
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	3,321	0
<i>Total Expenditures</i>	<u>129,200</u>	<u>34,674</u>	<u>19,431</u>	<u>3,321</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	2,511	192	(56)	446	1,040
<b>Other Financing Sources (Uses)</b>					
Transfers In	0	0	0	0	0
<i>Net Change in Fund Balances</i>	2,511	192	(56)	446	1,040
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>19,132</u>	<u>6,376</u>	<u>7,790</u>	<u>6,751</u>	<u>6,922</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$21,643</u></u>	<u><u>\$6,568</u></u>	<u><u>\$7,734</u></u>	<u><u>\$7,197</u></u>	<u><u>\$7,962</u></u>

Indigent Drivers	Cemetery	Police Levy	Fire Levy	Indigent Monitoring	Law Enforcement Trust	Municipal Probation Services
\$0	\$0	\$312,811	\$156,406	\$0	\$0	\$0
0	0	0	0	0	0	0
0	0	43,808	21,904	0	0	0
0	0	0	0	0	0	0
2,529	0	0	0	1,276	640	600
0	0	0	0	0	0	0
0	24,290	0	0	0	0	0
0	0	0	0	0	0	0
0	10	0	0	0	0	0
791	0	0	0	1,465	0	0
3,320	24,300	356,619	178,310	2,741	640	600
0	0	334,267	177,867	0	0	0
0	0	0	0	0	0	0
0	27,661	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	29,489	0	0	0	0
0	0	1,223	0	0	0	0
0	27,661	364,979	177,867	0	0	0
3,320	(3,361)	(8,360)	443	2,741	640	600
0	0	0	0	0	0	0
3,320	(3,361)	(8,360)	443	2,741	640	600
46,648	52,533	80,517	46,099	16,084	5,114	100
\$49,968	\$49,172	\$72,157	\$46,542	\$18,825	\$5,754	\$700

(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, 2014

	Moving Ohio Forward	Street Lighting	Tree Commission	Community Housing	Economic Development
<b>Revenues</b>					
Property Taxes	\$0	\$0	\$0	\$0	\$0
Municipal Income Taxes	0	30,732	0	0	0
Intergovernmental	140,118	0	0	11,450	0
Fees, Licenses and Permits	0	123,698	0	0	0
Fines and Forfeitures	0	0	0	0	0
Rentals	0	0	0	0	0
Charges for Services	0	0	0	0	0
Contributions and Donations	0	0	500	0	0
Interest	0	0	0	23	0
Other	0	1,713	0	0	0
<i>Total Revenues</i>	<u>140,118</u>	<u>156,143</u>	<u>500</u>	<u>11,473</u>	<u>0</u>
<b>Expenditures</b>					
Current:					
Security of Persons and Property	0	0	0	0	0
Leisure Time Activities	0	0	0	0	0
Community Development	116,461	0	2,741	0	35
Basic Utility Services	0	163,261	0	0	0
Transportation	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0
<i>Total Expenditures</i>	<u>116,461</u>	<u>163,261</u>	<u>2,741</u>	<u>0</u>	<u>35</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	23,657	(7,118)	(2,241)	11,473	(35)
<b>Other Financing Sources (Uses)</b>					
Transfers In	0	0	2,234	0	0
<i>Net Change in Fund Balances</i>	23,657	(7,118)	(7)	11,473	(35)
<i>Fund Balance (Deficit) Beginning of Year</i>	(471)	(5,658)	7	8,573	35
<i>Fund Balances (Deficit) End of Year</i>	<u>\$23,186</u>	<u>(\$12,776)</u>	<u>\$0</u>	<u>\$20,046</u>	<u>\$0</u>

CHIPS	Recreation	Police Pension	Fire Pension	Total Nonmajor Special Revenue Funds
\$0	\$0	\$131,745	\$103,749	\$704,711
0	26,205	0	0	56,937
165,724	0	22,583	19,377	594,816
0	3,350	0	0	146,903
0	0	0	0	6,085
0	31,725	0	0	31,725
0	0	0	0	24,290
0	0	0	0	500
0	0	0	0	45
0	408	0	0	4,377
165,724	61,688	154,328	123,126	1,570,389
0	0	194,111	145,454	851,699
0	42,642	0	0	42,642
153,169	0	0	0	319,498
0	0	0	0	163,261
0	0	0	0	163,874
0	0	0	0	29,489
0	0	0	0	4,544
153,169	42,642	194,111	145,454	1,575,007
12,555	19,046	(39,783)	(22,328)	(4,618)
0	0	55,000	34,000	91,234
12,555	19,046	15,217	11,672	86,616
(701)	26,062	(23,379)	(11,937)	286,597
\$11,854	\$45,108	(\$8,162)	(\$265)	\$373,213

**City of Conneaut, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Debt Service Funds*  
*December 31, 2014*

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$196,347	\$0	\$196,347
Intergovernmental Receivable	6,295	0	6,295
Property Taxes Receivable	99,545	0	99,545
Special Assessments Receivable	0	518,221	518,221
<i>Total Assets</i>	<u>\$302,187</u>	<u>\$518,221</u>	<u>\$820,408</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Interfund Payable	\$0	\$33,802	\$33,802
<b>Deferred Inflows of Resources</b>			
Property Taxes	83,388	0	83,388
Unavailable Revenue	22,452	518,221	540,673
<i>Total Deferred Inflows of Resources</i>	<u>105,840</u>	<u>518,221</u>	<u>624,061</u>
<b>Fund Balances</b>			
Restricted	196,347	0	196,347
Unassigned (Deficit)	0	(33,802)	(33,802)
<i>Total Fund Balances (Deficit)</i>	<u>196,347</u>	<u>(33,802)</u>	<u>162,545</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$302,187</u>	<u>\$518,221</u>	<u>\$820,408</u>

**City of Conneaut, Ohio***Combining Statement of Revenues, Expenditures and Changes in Fund Balances**Nonmajor Debt Service Funds**For the Year Ended December 31, 2014*

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
<b>Revenues</b>			
Property Taxes	\$87,220	\$0	\$87,220
Special Assessments	0	105,441	105,441
Intergovernmental	12,591	0	12,591
<i>Total Revenues</i>	<u>99,811</u>	<u>105,441</u>	<u>205,252</u>
<b>Expenditures</b>			
Current:			
General Government	1,761	3,786	5,547
Debt Service:			
Principal Retirement	89,303	95,053	184,356
Interest and Fiscal Charges	14,224	17,272	31,496
<i>Total Expenditures</i>	<u>105,288</u>	<u>116,111</u>	<u>221,399</u>
<i>Net Change in Fund Balances</i>	(5,477)	(10,670)	(16,147)
<i>Fund Balances (Deficit)</i>			
<i>Beginning of Year</i>	<u>201,824</u>	<u>(23,132)</u>	<u>178,692</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$196,347</u>	<u>(\$33,802)</u>	<u>\$162,545</u>



**City of Conneaut, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*December 31, 2014*

	Street Improvement	Energy Improvement	Municipal Court Improvement
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$119,125	\$20,612	\$333,655
Accounts Receivable	0	0	9,561
Intergovernmental Receivable	13,024	0	0
Municipal Income Taxes Receivable	0	0	0
Property Taxes Receivable	561,552	0	0
<i>Total Assets</i>	<u>\$693,701</u>	<u>\$20,612</u>	<u>\$343,216</u>
<b>Liabilities</b>			
Accounts Payable	\$14,741	\$0	\$2,558
Interfund Payable	0	0	0
<i>Total Liabilities</i>	<u>14,741</u>	<u>0</u>	<u>2,558</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes	470,373	0	0
Unavailable Revenue	104,203	0	0
<i>Total Deferred Inflows of Resources</i>	<u>574,576</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>			
Restricted	104,384	20,612	340,658
Committed	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>104,384</u>	<u>20,612</u>	<u>340,658</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$693,701</u>	<u>\$20,612</u>	<u>\$343,216</u>

Formula Grant	FEMA Grant	Capital Improvement	Industrial Park	Total Nonmajor Capital Projects Funds
\$105	\$48,579	\$24,446	\$751	\$547,273
0	0	0	0	9,561
0	0	0	0	13,024
0	0	16,169	0	16,169
0	0	0	0	561,552
<u>\$105</u>	<u>\$48,579</u>	<u>\$40,615</u>	<u>\$751</u>	<u>\$1,147,579</u>
\$0	\$39,282	\$4,641	\$0	\$61,222
0	9,297	0		9,297
0	48,579	4,641	0	70,519
0	0	0	0	470,373
0	0	5,679	0	109,882
0	0	5,679	0	580,255
105	0	0	751	466,510
0	0	30,295	0	30,295
105	0	30,295	751	496,805
<u>\$105</u>	<u>\$48,579</u>	<u>\$40,615</u>	<u>\$751</u>	<u>\$1,147,579</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, 2014*

	Street Improvement	Office of Justice Grant	Energy Improvement	Municipal Court Improvement
<b>Revenues</b>				
Property and Other Taxes	\$478,274	\$0	\$0	\$0
Municipal Income Taxes	0	0	0	0
Intergovernmental	120,830	0	0	0
Fines and Forfeitures	0	0	0	106,382
	<u>599,104</u>	<u>0</u>	<u>0</u>	<u>106,382</u>
<i>Total Revenues</i>				
	<u>599,104</u>	<u>0</u>	<u>0</u>	<u>106,382</u>
<b>Expenditures</b>				
Capital Outlay	673,789	2,000	32,142	51,056
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
	<u>673,789</u>	<u>2,000</u>	<u>32,142</u>	<u>51,056</u>
<i>Total Expenditures</i>				
	<u>673,789</u>	<u>2,000</u>	<u>32,142</u>	<u>51,056</u>
<i>Net Change in Fund Balances</i>	(74,685)	(2,000)	(32,142)	55,326
<i>Fund Balances (Deficit)</i>				
<i>Beginning of Year</i>	179,069	2,000	52,754	285,332
	<u>179,069</u>	<u>2,000</u>	<u>52,754</u>	<u>285,332</u>
<i>Fund Balance End of Year</i>	<u>\$104,384</u>	<u>\$0</u>	<u>\$20,612</u>	<u>\$340,658</u>

Formula Grant	FEMA Grant	Capital Improvement	Industrial Park	Total Nonmajor Capital Projects Funds
\$0	\$0	\$0		\$478,274
0	0	56,256	0	56,256
59,256	48,579	0	0	228,665
0	0	0	0	106,382
59,256	48,579	56,256	0	869,577
9,112	48,579	19,639	0	836,317
0	0	15,333	0	15,333
0	0	3,634	0	3,634
9,112	48,579	38,606	0	855,284
50,144	0	17,650	0	14,293
(50,039)	0	12,645	751	482,512
\$105	\$0	\$30,295	\$751	\$496,805

## **Fund Descriptions – Fiduciary Funds**

### ***Fiduciary Funds***

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

### ***Agency Fund***

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

**City of Conneaut, Ohio**  
*Statement of Changes in Assets and Liabilities*  
*Agency Fund*  
*For the Year Ended December 31, 2014*

	Beginning Balance 12/31/13	Additions	Deductions	Ending Balance 12/31/14
<b><i>Deposits Fund</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$65,975	\$60,888	\$54,870	\$71,993
Cash and Cash Equivalents In Segregated Accounts	6,579	691,638	695,167	3,050
<b><i>Total Assets</i></b>	<b>\$72,554</b>	<b>\$752,526</b>	<b>\$750,037</b>	<b>\$75,043</b>
<b>Liabilities</b>				
Deposits Held and Due to Others	\$72,554	\$752,526	\$750,037	\$75,043

**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, 2014*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property Taxes	\$351,000	\$351,000	\$362,299	\$11,299
Municipal Income Taxes	2,244,004	2,244,004	2,280,455	36,451
Hotel Taxes	18,000	18,000	14,155	(3,845)
Intergovernmental	394,500	394,500	419,385	24,885
Fees, Licenses and Permits	519,487	519,487	474,847	(44,640)
Fines and Forfeitures	186,150	186,150	203,892	17,742
Rentals	20,000	20,000	20,000	0
Charges for Services	24,900	24,900	29,893	4,993
Contributions and Donations	18,600	18,600	17,098	(1,502)
Interest	3,000	3,000	5,172	2,172
Franchise Taxes	140,000	140,000	157,360	17,360
Other	31,020	31,020	121,227	90,207
<i>Total Revenues</i>	<i>3,950,661</i>	<i>3,950,661</i>	<i>4,105,783</i>	<i>155,122</i>
<b>Expenditures</b>				
Current:				
General Government:				
Council				
Personal Services	51,800	51,800	51,552	248
Materials and Supplies	730	730	177	553
Contractual Services	5,200	7,200	5,732	1,468
Total Council	57,730	59,730	57,461	2,269
Clerk of Council				
Personal Services	7,693	7,693	7,345	348
City Manager				
Personal Services	107,660	108,070	105,401	2,669
Materials and Supplies	2,750	2,750	2,222	528
Contractual Services	3,416	3,416	2,387	1,029
Total City Manager	113,826	114,236	110,010	4,226
Finance Office				
Personal Services	193,825	196,003	195,605	398
Materials and Supplies	22,129	22,129	16,949	5,180
Contractual Services	3,305	3,455	3,208	247
Capital Outlay	5,500	5,500	0	5,500
Total Finance Office	\$224,759	\$227,087	\$215,762	\$11,325

(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, 2014*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Law Director				
Personal Services	\$125,136	\$125,246	\$116,400	\$8,846
Materials and Supplies	2,860	2,860	2,754	106
Contractual Services	15,269	15,809	3,742	12,067
Total Law Director	143,265	143,915	122,896	21,019
Civil Service				
Personal Services	5,470	5,470	5,388	82
Materials and Supplies	2,500	2,500	1,133	1,367
Contractual Services	1,885	1,885	1,057	828
Total Civil Service	9,855	9,855	7,578	2,277
Court				
Personal Services	337,565	329,150	316,730	12,420
Materials and Supplies	16,790	16,790	13,726	3,064
Contractual Services	22,000	21,000	13,858	7,142
Purchased Services	1,100	1,100	740	360
Capital Outlay	2,000	2,000	1,727	273
Total Court	379,455	370,040	346,781	23,259
City Hall				
Personal Services	4,000	4,000	2,000	2,000
Materials and Supplies	26,232	27,232	26,492	740
Contractual Services	9,000	9,000	5,921	3,079
Purchased Services	7,000	7,000	2,796	4,204
Capital Outlay	500	500	125	375
Total City Hall	46,732	47,732	37,334	10,398
Planning Commission				
Personal Services	5,200	5,200	2,808	2,392
Materials and Supplies	600	1,100	552	548
Total Planning Commission	5,800	6,300	3,360	2,940
Demolition				
Purchased Services	255	255	0	255
Reserve Fund				
Contractual Services	31,200	43,200	36,257	6,943
Purchased Services	76,751	76,751	60,703	16,048
Capital Outlay	25,621	50,621	50,073	548
Total Reserve Fund	\$133,572	\$170,572	\$147,033	\$23,539

(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, 2014*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
General Services				
Contractual Services	\$97,555	\$97,055	\$65,699	\$31,356
Capital Outlay	38,310	39,310	32,605	6,705
Other	75,544	98,780	89,034	9,746
Total General Services	211,409	235,145	187,338	47,807
Total General Government	1,334,351	1,392,560	1,242,898	149,662
Security of Persons and Property				
Police Department				
Personal Services	1,154,600	1,245,600	1,225,621	19,979
Materials and Supplies	80,655	80,655	67,031	13,624
Contractual Services	37,691	37,691	22,226	15,465
Purchased Services	32,316	32,316	28,499	3,817
Capital Outlay	20,750	83,496	62,232	21,264
Other	1,000	3,500	2,245	1,255
Total Police Department	1,327,012	1,483,258	1,407,854	75,404
Jail				
Materials and Supplies	3,000	3,500	3,000	500
Purchased Services	10,656	10,656	8,392	2,264
Capital Outlay	3,500	3,500	3,487	13
Other	6,100	6,100	746	5,354
Total Jail	23,256	23,756	15,625	8,131
Fire Department				
Personal Services	691,300	730,300	710,528	19,772
Materials and Supplies	61,520	62,520	50,203	12,317
Contractual Services	43,800	37,800	33,745	4,055
Purchased Services	66,700	75,700	65,583	10,117
Capital Outlay	115,452	117,952	112,977	4,975
Total Fire Department	978,772	1,024,272	973,036	51,236
Ambulance Fund				
Capital Outlay	1,700	1,700	0	1,700
Total Security of Persons and Property	\$2,330,740	\$2,532,986	\$2,396,515	\$136,471

(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, 2014*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Public Health Services:				
Health Department				
Personal Services	\$142,932	\$142,582	\$137,522	\$5,060
Materials and Supplies	4,558	4,558	3,357	1,201
Contractual Services	27,775	27,775	21,783	5,992
Purchased Services	11,000	11,000	10,123	877
Total Health Department	186,265	185,915	172,785	13,130
Street Lighting				
Purchased Services	0	4,000	934	3,066
Total Public Health Services	186,265	189,915	173,719	16,196
Leisure Time Activities:				
Museum Railroad				
Purchased Service	4,113	4,113	2,834	1,279
Bureau of Tourism				
Materials and Supplies	6,239	6,239	6,182	57
Contractual Services	2,020	2,020	2,000	20
Purchased Services	14,046	14,046	13,351	695
Total Bureau of Tourism	22,305	22,305	21,533	772
Cable Advisory Board				
Personal Services	25,367	25,367	19,811	5,556
Materials and Supplies	500	500	500	0
Contractual Services	360	360	330	30
Capital Outlay	15,100	15,100	10,932	4,168
Total Cable Advisory Board	41,327	41,327	31,573	9,754
Total Leisure Time Activities	67,745	67,745	55,940	11,805
Community Development:				
Housing and Zoning:				
Personal Services	48,530	49,630	45,043	4,587
Materials and Supplies	3,724	3,724	2,759	965
Contractual Services	1,029	1,029	696	333
Purchased Services	4,400	4,400	4,183	217
Total Community Development	\$57,683	\$58,783	\$52,681	\$6,102

(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, 2014*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Debt Service				
Principal Retirement	\$160,928	\$160,928	\$160,928	\$0
Interest and Fiscal Charges	27,439	29,934	29,864	70
Total Debt Service	188,367	190,862	190,792	70
<i>Total Expenditures</i>	<u>4,165,151</u>	<u>4,432,851</u>	<u>4,112,545</u>	<u>320,306</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(214,490)</u>	<u>(482,190)</u>	<u>(6,762)</u>	<u>475,428</u>
<b>Other Financing Sources (Uses)</b>				
General Obligation Bonds Issued	0	0	55,000	55,000
General Obligation Notes Issued	30,000	30,000	50,000	20,000
Advances In	0	0	26,881	26,881
Advances Out	0	(9,297)	(9,297)	0
Transfers Out	(215,750)	(215,750)	(161,234)	54,516
<i>Total Other Financing Sources (Uses)</i>	<u>(185,750)</u>	<u>(195,047)</u>	<u>(38,650)</u>	<u>156,397</u>
<i>Net Change in Fund Balance</i>	<u>(400,240)</u>	<u>(677,237)</u>	<u>(45,412)</u>	<u>631,825</u>
<i>Fund Balance Beginning of Year</i>	1,282,087	1,282,087	1,282,087	0
Prior Year Encumbrances Appropriated	55,151	55,151	55,151	0
<i>Fund Balance End of Year</i>	<u>\$936,998</u>	<u>\$660,001</u>	<u>\$1,291,826</u>	<u>\$631,825</u>

**City of Conneaut, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Street Construction, Maintenance and Repair Fund*  
*For the Year Ended December 31, 2014*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Municipal Income Taxes	\$507,196	\$507,196	\$515,587	\$8,391
Special Assessments	7,000	7,000	8,134	1,134
Intergovernmental	365,000	365,000	359,665	(5,335)
Fees, Licenses and Permits	97,500	97,500	96,285	(1,215)
Interest	300	300	36	(264)
Other	30,000	30,000	49,136	19,136
<i>Total Revenues</i>	<u>1,006,996</u>	<u>1,006,996</u>	<u>1,028,843</u>	<u>21,847</u>
<b>Expenditures</b>				
Current:				
Transportation:				
Street Department				
Personal Services	749,890	755,390	625,487	129,903
Materials and Supplies	201,032	213,032	197,412	15,620
Contractual Services	17,000	17,000	14,392	2,608
Purchased Services	93,056	110,056	102,065	7,991
Capital Outlay	326,728	326,728	325,260	1,468
Other	0	2,000	1,597	403
Total Transportation	<u>1,387,706</u>	<u>1,424,206</u>	<u>1,266,213</u>	<u>157,993</u>
Debt Service:				
Principal Retirement	151,234	151,234	150,824	410
Interest and Fiscal Charges	13,460	13,460	12,238	1,222
Total Debt Service	<u>164,694</u>	<u>164,694</u>	<u>163,062</u>	<u>1,632</u>
<i>Total Expenditures</i>	<u>1,552,400</u>	<u>1,588,900</u>	<u>1,429,275</u>	<u>159,625</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(545,404)</u>	<u>(581,904)</u>	<u>(400,432)</u>	<u>181,472</u>
<b>Other Financing Sources (Uses)</b>				
General Obligation Bonds Issued	300,000	300,000	305,000	5,000
General Obligation Notes Issued	48,000	48,000	15,000	(33,000)
Transfers In	155,000	155,000	70,000	(85,000)
<i>Total Other Financing Sources (Uses)</i>	<u>503,000</u>	<u>503,000</u>	<u>390,000</u>	<u>(113,000)</u>
<i>Net Change in Fund Balance</i>	<u>(42,404)</u>	<u>(78,904)</u>	<u>(10,432)</u>	<u>68,472</u>
<i>Fund Balance Beginning of Year</i>	<u>111,296</u>	<u>111,296</u>	<u>111,296</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>42,716</u>	<u>42,716</u>	<u>42,716</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$111,608</u>	<u>\$75,108</u>	<u>\$143,580</u>	<u>\$68,472</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, 2014*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Charges for Services	\$2,147,250	\$2,147,250	\$2,212,125	\$64,875
Tap-In Fees	15,000	15,000	12,416	(2,584)
Special Assessments	4,000	4,000	3,706	(294)
Intergovernmental	1,737	1,737	360	(1,377)
Rentals	4,500	4,500	6,406	1,906
Other	11,500	11,500	23,255	11,755
OPWC Loans Issued	35,123	35,123	35,123	0
OWDA Loans Issued	751,260	763,660	960,123	196,463
<i>Total Revenues</i>	<u>2,970,370</u>	<u>2,982,770</u>	<u>3,253,514</u>	<u>270,744</u>
<b>Expenses</b>				
Personal Services	1,215,855	1,165,655	1,103,782	61,873
Purchased Services	350,482	493,482	427,157	66,325
Contractual Services	204,694	217,694	192,418	25,276
Materials and Supplies	177,453	191,453	180,076	11,377
Capital Outlay	1,156,760	1,131,760	1,127,955	3,805
Other	2,800	4,800	2,967	1,833
Debt Service:				
Principal Retirement	374,711	375,911	373,457	2,454
Interest and Fiscal Charges	51,697	64,097	63,988	109
<i>Total Expenses</i>	<u>3,534,452</u>	<u>3,644,852</u>	<u>3,471,800</u>	<u>173,052</u>
<i>Net Change in Fund Equity</i>	(564,082)	(662,082)	(218,286)	443,796
<i>Fund Equity Beginning of Year</i>	661,502	661,502	661,502	0
Prior Year Encumbrances Appropriated	<u>58,469</u>	<u>58,469</u>	<u>58,469</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$155,889</u>	<u>\$57,889</u>	<u>\$501,685</u>	<u>\$443,796</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, 2014*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Charges for Services	\$2,301,703	\$2,301,703	\$2,361,904	\$60,201
Tap-In Fees	5,000	5,000	6,100	1,100
Special Assessments	2,500	2,500	2,026	(474)
Intergovernmental	259,900	259,900	256,461	(3,439)
Other	1,500	1,500	16,150	14,650
General Obligation Notes Issued	165,000	165,000	145,000	(20,000)
OPWC Loans Issued	370,100	370,100	50,000	(320,100)
<i>Total Revenues</i>	<u>3,105,703</u>	<u>3,105,703</u>	<u>2,837,641</u>	<u>(268,062)</u>
<b>Expenses</b>				
Personal Services	957,455	981,455	938,579	42,876
Purchased Services	751,068	816,068	665,531	150,537
Contractual Services	128,679	137,679	107,920	29,759
Materials and Supplies	152,956	152,955	139,094	13,861
Capital Outlay	569,021	535,022	453,407	81,615
Other	6,250	6,250	3,762	2,488
Debt Service:				
Principal Retirement	565,871	569,041	566,163	2,878
Interest and Fiscal Charges	49,170	49,170	48,972	198
<i>Total Expenses</i>	<u>3,180,470</u>	<u>3,247,640</u>	<u>2,923,428</u>	<u>324,212</u>
<i>Excess of Revenues Over (Under) Expenses before Advances</i>	<u>(74,767)</u>	<u>(141,937)</u>	<u>(85,787)</u>	<u>56,150</u>
Advances Out	<u>(25,000)</u>	<u>(25,000)</u>	<u>(10,670)</u>	<u>14,330</u>
<i>Net Change in Fund Equity</i>	<u>(99,767)</u>	<u>(166,937)</u>	<u>(96,457)</u>	<u>70,480</u>
<i>Fund Equity Beginning of Year</i>	<u>635,709</u>	<u>635,709</u>	<u>635,709</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>94,726</u>	<u>94,726</u>	<u>94,726</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$630,668</u>	<u>\$563,498</u>	<u>\$633,978</u>	<u>\$70,480</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, 2014*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Intergovernmental	\$135,000	\$135,000	\$131,925	(\$3,075)
Interest	200	200	11	(189)
<i>Total Revenues</i>	135,200	135,200	131,936	(3,264)
<b>Expenditures</b>				
Current:				
Transportation:				
Auto Permissive				
Personal Services	135,200	135,200	129,200	6,000
<i>Net Change in Fund Balance</i>	0	0	2,736	2,736
<i>Fund Balance Beginning of Year</i>	163	163	163	0
<i>Fund Balance End of Year</i>	\$163	\$163	\$2,899	\$2,736



**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, 2014*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Intergovernmental	\$36,300	\$36,300	\$34,831	(\$1,469)
Interest	100	100	1	(99)
<i>Total Revenues</i>	36,400	36,400	34,832	(1,568)
<b>Expenditures</b>				
Current:				
Transportation:				
State Highway				
Personal Services	36,000	36,000	34,674	1,326
<i>Net Change in Fund Balance</i>	400	400	158	(242)
<i>Fund Balance Beginning of Year</i>	697	697	697	0
<i>Fund Balance End of Year</i>	<u>\$1,097</u>	<u>\$1,097</u>	<u>\$855</u>	<u>(\$242)</u>

**City of Conneaut, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Restaurant Vending Fund*  
*For the Year Ended December 31, 2014*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Fees, Licenses and Permits	\$18,610	\$18,610	\$19,375	\$765
<b>Expenditures</b>				
Current:				
Community Development:				
Restaurant Vending				
Personal Services	17,270	17,270	16,838	432
Materials and Supplies	200	200	54	146
Contractual Services	3,200	3,200	2,515	685
Purchased Services	150	150	0	150
<i>Total Expenditures</i>	20,820	20,820	19,407	1,413
<i>Net Change in Fund Balance</i>	(2,210)	(2,210)	(32)	2,178
<i>Fund Balance Beginning of Year</i>	8,336	8,336	8,336	0
<i>Fund Balance End of Year</i>	\$6,126	\$6,126	\$8,304	\$2,178

**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, 2014*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Intergovernmental	\$33,300	\$33,300	\$33,287	(\$13)
Fees, Licenses and Permits	585	585	480	(105)
<i>Total Revenues</i>	<u>33,885</u>	<u>33,885</u>	<u>33,767</u>	<u>(118)</u>
<b>Expenditures</b>				
Current:				
Leisure Time Activities:				
Marina				
Contractual Services	500	500	0	500
Debt Service:				
Principal Retirement	240,000	240,000	240,000	0
Interest and Fiscal Charges	3,300	3,300	3,300	0
<i>Total Debt Service</i>	<u>243,300</u>	<u>243,300</u>	<u>243,300</u>	<u>0</u>
<i>Total Expenditures</i>	<u>243,800</u>	<u>243,800</u>	<u>243,300</u>	<u>500</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(209,915)	(209,915)	(209,533)	382
<b>Other Financing Sources (Uses)</b>				
General Obligation Notes Issued	210,000	210,000	210,000	0
<i>Net Change in Fund Balance</i>	85	85	467	382
<i>Fund Balance Beginning of Year</i>	<u>7,111</u>	<u>7,111</u>	<u>7,111</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$7,196</u>	<u>\$7,196</u>	<u>\$7,578</u>	<u>\$382</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, 2014*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Fines and Forfeitures	\$1,100	\$1,100	\$1,015	(\$85)
<b>Expenditures</b>				
Current:				
Community Development:				
Enforcement and Education				
Contractual Services	1,000	1,000	0	1,000
<i>Net Change in Fund Balance</i>	100	100	1,015	915
<i>Fund Balance Beginning of Year</i>	6,922	6,922	6,922	0
<i>Fund Balance End of Year</i>	<u>\$7,022</u>	<u>\$7,022</u>	<u>\$7,937</u>	<u>\$915</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, 2014*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Fines and Forfeitures	\$1,900	\$1,900	\$2,282	\$382
Other	1,000	1,000	791	(209)
<i>Total Revenues</i>	2,900	2,900	3,073	173
<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>	1,900	1,900	3,073	1,173
<i>Fund Balance Beginning of Year</i>	46,648	46,648	46,648	0
<i>Fund Balance End of Year</i>	<u>\$48,548</u>	<u>\$48,548</u>	<u>\$49,721</u>	<u>\$1,173</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, 2014*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Charges for Services	\$27,100	\$27,100	\$24,290	(\$2,810)
Interest	80	80	10	(70)
<i>Total Revenues</i>	<u>27,180</u>	<u>27,180</u>	<u>24,300</u>	<u>(2,880)</u>
<b>Expenditures</b>				
Current:				
Community Development:				
Cemetery				
Personal Services	20,265	20,565	20,440	125
Materials and Supplies	3,580	3,580	3,218	362
Contractual Services	1,950	1,950	1,670	280
Purchased Services	4,368	4,368	4,015	353
<i>Total Expenditures</i>	<u>30,163</u>	<u>30,463</u>	<u>29,343</u>	<u>1,120</u>
<i>Net Change in Fund Balance</i>	<u>(2,983)</u>	<u>(3,283)</u>	<u>(5,043)</u>	<u>(1,760)</u>
<i>Fund Balance at Beginning of Year</i>	<u>55,279</u>	<u>55,279</u>	<u>55,279</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>948</u>	<u>948</u>	<u>948</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$53,244</u></u>	<u><u>\$52,944</u></u>	<u><u>\$51,184</u></u>	<u><u>(\$1,760)</u></u>

**City of Conneaut, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Police Levy Fund*  
*For the Year Ended December 31, 2014*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property Taxes	\$289,412	\$289,412	\$312,811	\$23,399
Intergovernmental	46,500	46,500	43,808	(2,692)
<i>Total Revenues</i>	<u>335,912</u>	<u>335,912</u>	<u>356,619</u>	<u>20,707</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police Levy				
Personal Services	320,000	370,000	327,982	42,018
Other	6,500	6,650	3,285	3,365
Total Security of Persons and Property	<u>326,500</u>	<u>376,650</u>	<u>331,267</u>	<u>45,383</u>
Debt Service:				
Principal Retirement	30,712	30,712	29,489	1,223
Interest and Fiscal Charges	1,224	1,224	1,223	1
Total Debt Service	<u>31,936</u>	<u>31,936</u>	<u>30,712</u>	<u>1,224</u>
<i>Total Expenditures</i>	<u>358,436</u>	<u>408,586</u>	<u>361,979</u>	<u>46,607</u>
<i>Net Change in Fund Balance</i>	<u>(22,524)</u>	<u>(72,674)</u>	<u>(5,360)</u>	<u>67,314</u>
<i>Fund Balance Beginning of Year</i>	<u>80,517</u>	<u>80,517</u>	<u>80,517</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$57,993</u>	<u>\$7,843</u>	<u>\$75,157</u>	<u>\$67,314</u>

**City of Conneaut, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Fire Levy Fund*  
*For the Year Ended December 31, 2014*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property Taxes	\$144,956	\$144,956	\$156,406	\$11,450
Intergovernmental	23,000	23,000	21,904	(1,096)
<i>Total Revenues</i>	<u>167,956</u>	<u>167,956</u>	<u>178,310</u>	<u>10,354</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Fire Levy				
Personal Services	182,000	182,000	174,724	7,276
Other	3,200	3,400	3,143	257
<i>Total Expenditures</i>	<u>185,200</u>	<u>185,400</u>	<u>177,867</u>	<u>7,533</u>
<i>Net Change in Fund Balance</i>	(17,244)	(17,444)	443	17,887
<i>Fund Balance Beginning of Year</i>	<u>46,099</u>	<u>46,099</u>	<u>46,099</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$28,855</u>	<u>\$28,655</u>	<u>\$46,542</u>	<u>\$17,887</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, 2014*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Fines and Forfeitures	\$2,000	\$2,000	\$1,367	(\$633)
Other	1,200	1,200	1,465	265
<i>Total Revenues</i>	3,200	3,200	2,832	(368)
<b>Expenditures</b>	0	0	0	0
<i>Net Change in Fund Balance</i>	3,200	3,200	2,832	(368)
<i>Fund Balance Beginning of Year</i>	15,893	15,893	15,893	0
<i>Fund Balance End of Year</i>	\$19,093	\$19,093	\$18,725	(\$368)

**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, 2014*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Fines and Forfeitures	\$3,000	\$3,000	\$640	(\$2,360)
<b>Expenditures</b>	0	0	0	0
<i>Net Change in Fund Balance</i>	3,000	3,000	640	(2,360)
<i>Fund Balance Beginning of Year</i>	5,114	5,114	5,114	0
<i>Fund Balance End of Year</i>	<u>\$8,114</u>	<u>\$8,114</u>	<u>\$5,754</u>	<u>(\$2,360)</u>

**City of Conneaut, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Municipal Probation Services Fund*  
*For the Year Ended December 31, 2014*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Fines and Forfeitures	\$100	\$100	\$400	\$300
<b>Expenditures</b>	0	0	0	0
<i>Net Change in Fund Balance</i>	100	100	400	300
<i>Fund Balance Beginning of Year</i>	100	100	100	0
<i>Fund Balance End of Year</i>	\$200	\$200	\$500	\$300

**City of Conneaut, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Moving Ohio Forward Fund*  
*For the Year Ended December 31, 2014*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Intergovernmental	\$150,000	\$150,000	\$140,118	(\$9,882)
<b>Expenditures</b>				
Current:				
Community Development:				
Moving Ohio Forward				
Purchased Services	142,500	142,500	133,499	0
Capital Outlay	7,500	7,500	1,861	5,639
<i>Total Expenditures</i>	150,000	150,000	135,360	5,639
<i>Net Change in Fund Balance</i>	0	0	4,758	4,758
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$4,758	\$4,758

**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, 2014*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Municipal Income Taxes	\$29,191	\$29,191	\$29,545	\$354
Fees, Licenses and Permits	125,000	125,000	123,698	(1,302)
Other	1,700	1,700	1,713	13
<i>Total Revenues</i>	155,891	155,891	154,956	(935)
<b>Expenditures</b>				
Current:				
Basic Utility Services:				
Street Lighting				
Purchased Services	151,000	161,857	160,922	935
<i>Net Change in Fund Balance</i>	4,891	(5,966)	(5,966)	0
<i>Fund Balance Beginning of Year</i>	5,966	5,966	5,966	0
<i>Fund Balance End of Year</i>	\$10,857	\$0	\$0	\$0

**City of Conneaut, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Tree Commission Fund*  
*For the Year Ended December 31, 2014*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Contributions and Donations	\$2,000	\$2,000	\$500	(\$1,500)
<b>Expenditures</b>				
Current:				
Community Development:				
Tree Commission				
Materials and Supplies	900	900	898	2
Capital Outlay	1,850	1,850	1,843	7
<i>Total Expenditures</i>	2,750	2,750	2,741	9
<i>Excess of Revenues Over (Under) Expenditures</i>	(750)	(750)	(2,241)	(1,491)
<b>Other Financing Sources (Uses)</b>				
Transfers In	750	750	2,234	1,484
<i>Net Change in Fund Balance</i>	0	0	(7)	(7)
<i>Fund Balance Beginning of Year</i>	7	7	7	0
<i>Fund Balance End of Year</i>	\$7	\$7	\$0	(\$7)

**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, 2014*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Intergovernmental	\$3,000	\$3,000	\$11,450	\$8,450
Interest	40	40	23	(17)
<i>Total Revenues</i>	3,040	3,040	11,473	8,433
<b>Expenditures</b>				
Current:				
Community Development:				
Community Housing				
Capital Outlay	1,000	1,000	0	1,000
<i>Net Change in Fund Balance</i>	2,040	2,040	11,473	9,433
<i>Fund Balance Beginning of Year</i>	8,573	8,573	8,573	0
<i>Fund Balance End of Year</i>	<u>\$10,613</u>	<u>\$10,613</u>	<u>\$20,046</u>	<u>\$9,433</u>

**City of Conneaut, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Economic Development Fund*  
*For the Year Ended December 31, 2014*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
Community Development:				
Economic Development				
Other	35	35	35	0
<i>Net Change in Fund Balance</i>	(35)	(35)	(35)	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	35	35	35	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*  
*Community Housing Improvement Programs (CHIPS) Fund*  
*For the Year Ended December 31, 2014*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Intergovernmental	\$451,009	\$451,009	\$165,724	(\$285,285)
<b>Expenditures</b>				
Current:				
Community Development:				
CHIPS				
Materials and Supplies	147,329	147,329	88,678	58,651
Purchased Services	303,680	276,799	44,727	232,072
Other	26,397	26,397	26,397	0
<i>Total Expenditures</i>	<u>477,406</u>	<u>450,525</u>	<u>159,802</u>	<u>290,723</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(26,397)	484	5,922	5,438
<b>Other Financing Sources (Uses)</b>				
Advances Out	0	(26,881)	(26,881)	0
<i>Net Change in Fund Balance</i>	(26,397)	(26,397)	(20,959)	5,438
<i>Fund Balance Beginning of Year</i>	20,068	20,068	20,068	0
Prior Year Encumbrances Appropriated	6,329	6,329	6,329	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$5,438</u>	<u>\$5,438</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, 2014*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Municipal Income Taxes	\$24,700	\$24,700	\$25,201	\$501
Fees, Licenses and Permits	11,200	11,200	3,350	(7,850)
Rentals	29,150	29,150	31,725	2,575
Charges for Services	150	150	0	(150)
Contributions and Donations	1,000	1,000	0	(1,000)
Other	50	50	408	358
<i>Total Revenues</i>	<u>66,250</u>	<u>66,250</u>	<u>60,684</u>	<u>(5,566)</u>
<b>Expenditures</b>				
Current:				
Leisure Time Activities:				
Recreation				
Personal Services	18,635	18,635	13,667	4,968
Materials and Supplies	11,000	11,000	7,097	3,903
Contractual Services	270	270	198	72
Purchased Services	4,500	4,500	1,186	3,314
Other	3,500	3,500	3,423	77
Total Recreation	<u>37,905</u>	<u>37,905</u>	<u>25,571</u>	<u>12,334</u>
Parks				
Personal Services	17,050	17,050	5,956	11,094
Materials and Supplies	5,014	5,014	4,893	121
Contractual Services	900	900	74	826
Purchased Services	7,551	7,551	7,107	444
Capital Outlay	1,000	1,000	912	88
Total Parks	<u>31,515</u>	<u>31,515</u>	<u>18,942</u>	<u>12,573</u>
<i>Total Expenditures</i>	<u>69,420</u>	<u>69,420</u>	<u>44,513</u>	<u>24,907</u>
<i>Net Change in Fund Balance</i>	<u>(3,170)</u>	<u>(3,170)</u>	<u>16,171</u>	<u>19,341</u>
<i>Fund Balance Beginning of Year</i>	<u>22,703</u>	<u>22,703</u>	<u>22,703</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>465</u>	<u>465</u>	<u>465</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$19,998</u>	<u>\$19,998</u>	<u>\$39,339</u>	<u>\$19,341</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, 2014*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property Taxes	\$122,360	\$122,360	\$131,745	\$9,385
Intergovernmental	31,628	31,628	22,583	(9,045)
<i>Total Revenues</i>	<u>153,988</u>	<u>153,988</u>	<u>154,328</u>	<u>340</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police Pension				
Personal Services	178,000	206,465	197,562	8,903
Other	3,500	3,000	2,660	340
<i>Total Expenditures</i>	<u>181,500</u>	<u>209,465</u>	<u>200,222</u>	<u>9,243</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(27,512)	(55,477)	(45,894)	9,583
<b>Other Financing Sources (Uses)</b>				
Transfers In	30,000	55,000	55,000	0
<i>Net Change in Fund Balance</i>	2,488	(477)	9,106	9,583
<i>Fund Balance Beginning of Year</i>	<u>478</u>	<u>478</u>	<u>478</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,966</u></u>	<u><u>\$1</u></u>	<u><u>\$9,584</u></u>	<u><u>\$9,583</u></u>

**City of Conneaut, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Fire Pension Fund*  
*For the Year Ended December 31, 2014*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property Taxes	\$96,170	\$96,170	\$103,749	\$7,579
Intergovernmental	20,643	20,643	19,377	(1,266)
<i>Total Revenues</i>	<u>116,813</u>	<u>116,813</u>	<u>123,126</u>	<u>6,313</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Fire Pension				
Personal Services	145,000	152,000	142,621	9,379
Other	2,000	2,400	2,094	306
<i>Total Expenditures</i>	<u>147,000</u>	<u>154,400</u>	<u>144,715</u>	<u>9,685</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(30,187)</u>	<u>(37,587)</u>	<u>(21,589)</u>	<u>15,998</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	30,000	38,000	34,000	(4,000)
<i>Net Change in Fund Balance</i>	<u>(187)</u>	<u>413</u>	<u>12,411</u>	<u>11,998</u>
<i>Fund Balance Beginning of Year</i>	<u>644</u>	<u>644</u>	<u>644</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$457</u></u>	<u><u>\$1,057</u></u>	<u><u>\$13,055</u></u>	<u><u>\$11,998</u></u>

**City of Conneaut, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Obligation Bond Retirement Fund*  
*For the Year Ended December 31, 2014*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property Taxes	\$82,259	\$82,259	\$87,220	\$4,961
Intergovernmental	11,727	11,727	12,591	864
<i>Total Revenues</i>	93,986	93,986	99,811	5,825
<b>Expenditures</b>				
Current:				
General Government:				
General Obligation Bond Retirement				
Contractual Services	7,620	7,620	1,761	5,859
Debt Service:				
Principal Retirement	89,303	89,303	89,303	0
Interest and Fiscal Charges	14,224	14,224	14,224	0
<i>Total Debt Service</i>	103,527	103,527	103,527	0
<i>Total Expenditures</i>	111,147	111,147	105,288	5,859
<i>Net Change in Fund Balance</i>	(17,161)	(17,161)	(5,477)	11,684
<i>Fund Balance Beginning of Year</i>	201,824	201,824	201,824	0
<i>Fund Balance End of Year</i>	\$184,663	\$184,663	\$196,347	\$11,684

**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, 2014*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Special Assessments	\$118,000	\$118,000	\$105,441	(\$12,559)
<b>Expenditures</b>				
Current:				
General Government:				
Special Assessment Bond Retirement				
Other	4,000	4,000	3,786	214
Debt Service:				
Principal Retirement	95,055	95,055	95,053	2
Interest and Fiscal Charges	17,274	17,274	17,272	2
Total Debt Service	112,329	112,329	112,325	4
Total Expenditures	116,329	116,329	116,111	218
Excess of Revenues Over (Under) Expenditures	1,671	1,671	(10,670)	(12,341)
<b>Other Financing Sources (Uses)</b>				
Advances In	25,000	25,000	10,670	(14,330)
Net Change in Fund Balance	26,671	26,671	0	(26,671)
Fund Balance Beginning of Year	0	0	0	0
Fund Balance End of Year	\$26,671	\$26,671	\$0	(\$26,671)

**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, 2014*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property Taxes	\$426,766	\$426,766	\$486,938	\$60,172
Intergovernmental	176,556	176,556	120,830	(55,726)
<i>Total Revenues</i>	603,322	603,322	607,768	4,446
<b>Expenditures</b>				
Current:				
Capital Outlay:				
Street Improvement				
Capital Outlay	788,172	796,772	699,399	97,373
<i>Net Change in Fund Balance</i>	(184,850)	(193,450)	(91,631)	101,819
<i>Fund Balance Beginning of Year</i>	183,342	183,342	183,342	0
Prior Year Encumbrances Appropriated	10,152	10,152	10,152	0
<i>Fund Balance End of Year</i>	<u>\$8,644</u>	<u>\$44</u>	<u>\$101,863</u>	<u>\$101,819</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, 2014*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Capital Outlay:				
OCJS Technology Replacement Grant				
Capital Outlay	2,000	2,000	2,000	0
<i>Net Change in Fund Balance</i>	(2,000)	(2,000)	(2,000)	0
<i>Fund Balance Beginning of Year</i>	2,000	2,000	2,000	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*  
*Energy Improvement Fund*  
*For the Year Ended December 31, 2014*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Capital Outlay:				
Energy System Improvements				
Capital Outlay	52,754	52,754	32,142	20,612
<i>Net Change in Fund Balance</i>	(52,754)	(52,754)	(32,142)	20,612
<i>Fund Balance Beginning of Year</i>	39,165	39,165	39,165	0
Prior Year Encumbrances Appropriated	13,589	13,589	13,589	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$20,612	\$20,612

**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, 2014*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Fines and Forfeitures	\$82,000	\$82,000	\$104,386	\$22,386
<b>Expenditures</b>				
Capital Outlay:				
Municipal Court Improvement				
Capital Outlay	135,520	135,520	52,181	83,339
<i>Net Change in Fund Balance</i>	(53,520)	(53,520)	52,205	105,725
<i>Fund Balance Beginning of Year</i>	278,635	278,635	278,635	0
Prior Year Encumbrances Appropriated	520	520	520	0
<i>Fund Balance End of Year</i>	<u>\$225,635</u>	<u>\$225,635</u>	<u>\$331,360</u>	<u>\$105,725</u>

**City of Conneaut, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Formula Grant Fund*  
*For the Year Ended December 31, 2014*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Intergovernmental	\$116,484	\$116,484	\$59,256	(\$57,228)
<b>Expenditures</b>				
Capital Outlay:				
Formula Grant				
Capital Outlay	116,484	116,484	59,151	57,333
<i>Net Change in Fund Balance</i>	0	0	105	105
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$105	\$105

**City of Conneaut, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
**FEMA Grant Fund**  
*For the Year Ended December 31, 2014*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$48,579	\$48,579	\$48,579	\$0
<b>Expenditures</b>				
Capital Outlay:				
FEMA				
Capital Outlay	<u>48,579</u>	<u>48,579</u>	<u>9,297</u>	<u>39,282</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	0	0	39,282	39,282
<b>Other Financing Sources</b>				
Advances In	<u>0</u>	<u>0</u>	<u>9,297</u>	<u>9,297</u>
<i>Net Change in Fund Balance</i>	0	0	48,579	48,579
<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>\$48,579</u>	<u>\$48,579</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, 2014*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Municipal Income Taxes	\$44,909	\$44,909	\$45,766	\$857
<b>Expenditures</b>				
Capital Outlay:				
Capital Improvement				
Capital Outlay	20,000	30,000	25,497	4,503
Debt Service:				
Principal Retirement	15,333	15,333	15,333	0
Interest and Fiscal Charges	3,688	3,688	3,634	54
Total Debt Service	19,021	19,021	18,967	54
<i>Total Expenditures</i>	39,021	49,021	44,464	4,557
<i>Net Change in Fund Balance</i>	5,888	(4,112)	1,302	5,414
<i>Fund Balance Beginning of Year</i>	13,540	13,540	13,540	0
<i>Fund Balance End of Year</i>	\$19,428	\$9,428	\$14,842	\$5,414

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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.

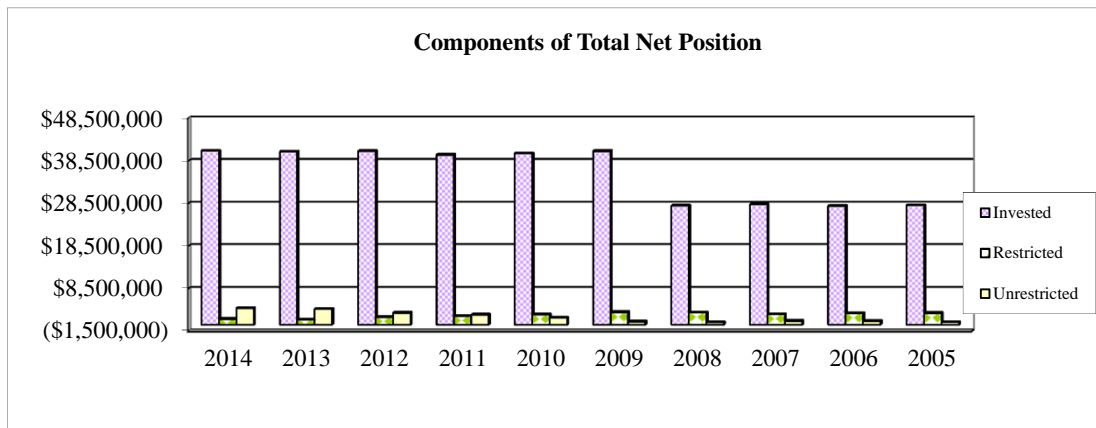
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<b>Contents</b>	<b>Pages(s)</b>
<b><i>Financial Trends</i>.....</b>	<b><i>S2 – S13</i></b>
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
<b><i>Revenue 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. The City implemented GASB Statement No. 34 in 2003; schedules presenting government-wide information include information beginning in that year.

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

	2014	2013	2012	2011
<b>Governmental Activities</b>				
Net Investment in Capital Assets	\$26,506,355	\$26,751,490	\$27,886,020	\$27,936,348
Restricted:				
Capital Projects	17,713	84,680	791,699	625,348
Debt Service	0	0	0	0
Street Construction, Maintenance and Repair	768,474	575,566	347,209	241,401
Police and Fire Operations	296,491	270,622	220,558	0
Drug and Alcohol Enforcement	76,755	69,654	62,277	0
Cemetery Operations	49,172	52,533	45,156	0
Community Housing	0	0	0	0
Economic Development	55,086	0	72,220	223,944
USEPA	0	0	0	60,223
Other Purposes	46,645	72,817	197,930	803,024
Unrestricted (Deficit)	2,159,898	2,101,712	1,288,417	1,134,968
<b>Total Governmental Activities Net Position</b>	<b>29,976,589</b>	<b>29,979,074</b>	<b>30,911,486</b>	<b>31,025,256</b>
<b>Business Type - Activities</b>				
Net Investment in Capital Assets	14,298,798	13,880,043	12,848,459	11,935,329
Unrestricted	1,653,721	1,580,056	1,452,234	1,191,639
<b>Total Business-Type Activities Net Position</b>	<b>15,952,519</b>	<b>15,460,099</b>	<b>14,300,693</b>	<b>13,126,968</b>
<b>Primary Government</b>				
Net Investment in Capital Assets	40,805,153	40,631,533	40,734,479	39,871,677
Restricted	1,310,336	1,125,872	1,737,049	1,953,940
Unrestricted	3,813,619	3,681,768	2,740,651	2,326,607
<b>Total Primary Government Net Position</b>	<b>\$45,929,108</b>	<b>\$45,439,173</b>	<b>\$45,212,179</b>	<b>\$44,152,224</b>





2010	2009	2008	2007	2006	2005
\$28,696,100	\$29,749,095	\$17,147,964	\$17,632,445	\$17,359,101	\$17,803,818
616,736	996,700	1,086,874	328,198	300,157	153,012
576,190	686,581	784,246	875,896	924,154	1,064,561
342,702	357,308	328,839	262,384	355,363	499,673
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
4,778	12,013	10,105	53,730	153,734	163,939
223,752	223,301	232,096	324,232	494,102	483,025
184,960	193,195	0	0	0	0
395,117	454,658	424,486	586,281	456,124	352,894
400,613	100,450	(99,466)	350,902	553,320	205,338
31,440,948	32,773,301	19,915,144	20,414,068	20,596,055	20,726,260
11,515,121	10,970,211	10,794,002	10,543,038	10,515,764	10,235,723
1,243,770	586,161	618,321	511,375	283,302	326,986
12,758,891	11,556,372	11,412,323	11,054,413	10,799,066	10,562,709
40,211,221	40,719,306	27,941,966	28,175,483	27,874,865	28,039,541
2,344,235	2,923,756	2,866,646	2,430,721	2,683,634	2,717,104
1,644,383	686,611	518,855	862,277	836,622	532,324
\$44,199,839	\$44,329,673	\$31,327,467	\$31,468,481	\$31,395,121	\$31,288,969

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

	2014	2013	2012	2011
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services and Assessments:				
General Government	\$359,075	\$342,133	\$318,582	\$348,583
Security of Persons and Property	453,367	495,024	428,794	556,754
Public Health Services	37,215	41,973	39,160	58,426
Leisure Time Activities	45,825	43,477	42,852	46,378
Community Development	54,221	65,248	56,373	54,225
Basic Utility Services	123,698	123,056	124,708	124,473
Transportation	91,847	138,364	52,031	53,406
Subtotal - Charges for Services	<u>1,165,248</u>	<u>1,249,275</u>	<u>1,062,500</u>	<u>1,242,245</u>
Operating Grants and Contributions:				
General Government	0	0	0	0
Security of Persons and Property	123,178	126,853	85,931	156,429
Public Health Services	0	0	0	0
Leisure Time Activities	3,287	3,600	4,946	302,750
Community Development	317,792	272,528	102,036	255,725
Transportation	521,060	307,256	615,517	626,342
Subtotal - Operating Grants and Contributions	<u>965,317</u>	<u>710,237</u>	<u>808,430</u>	<u>1,341,246</u>
Capital Grants and Assessments:				
General Government	48,351	55,455	55,455	23,750
Security of Persons and Property	0	3,800	4,000	0
Public Health Services	0	0	0	0
Leisure Time Activities	0	0	0	0
Community Development	0	6,000	431,453	179,640
Transportation (1)	102,866	115,180	89,492	25,283
Subtotal - Capital Grants and Assessments	<u>151,217</u>	<u>180,435</u>	<u>580,400</u>	<u>228,673</u>
<i>Total Governmental Activities</i>				
<i>Program Revenues</i>	<u>2,281,782</u>	<u>2,139,947</u>	<u>2,451,330</u>	<u>2,812,164</u>
Business-Type Activities:				
Charges for Services:				
Water	2,234,837	2,164,625	2,126,057	2,063,031
Sewer	2,381,691	2,299,651	2,247,383	2,383,343
Operating Grants and Contributions				
Sewer		0	0	0
Capital Grants and Assessments				
Water	360	411,285	64,346	0
Sewer	<u>256,461</u>	<u>133,803</u>	<u>235,283</u>	<u>67,973</u>
<i>Total Business-Type Activities</i>				
<i>Program Revenues</i>	<u>4,873,349</u>	<u>5,009,364</u>	<u>4,673,069</u>	<u>4,514,347</u>
<i>Total Primary Government</i>				
<i>Program Revenues</i>	<u>\$7,155,131</u>	<u>\$7,149,311</u>	<u>\$7,124,399</u>	<u>\$7,326,511</u>

2010	2009	2008	2007	2006	2005
\$302,039	\$426,290	\$158,783	\$176,418	\$186,469	\$177,001
457,176	658,859	530,394	508,332	453,497	442,365
64,244	39,544	34,644	38,655	37,551	41,523
52,911	56,026	49,113	47,501	43,313	39,984
65,170	75,456	57,247	65,921	55,708	59,353
125,004	0	0	0	0	0
58,621	54,333	44,742	67,008	4,300	0
1,125,165	1,310,508	874,923	903,835	780,838	760,226
0	0	4,578	5,649	6,995	6,721
175,617	189,911	220,073	18,655	48,451	21,894
44,121	22,879	1,385	4,716	16,231	60,738
1,940	0	4,395	1,878	13,941	54,191
219,613	230,219	226,539	106,897	249,202	326,568
361,059	591,731	684,981	702,427	657,215	693,931
802,350	1,034,740	1,141,951	840,222	992,035	1,164,043
0	219,607	721,800	82,883	159,621	98,004
0	23,313	0	0	25,319	141,361
0	0	0	0	0	23,767
0	0	0	0	0	596
0	0	0	0	0	8,830
24,626	45,505	148,737	5,759	5,800	4,614,458
24,626	288,425	870,537	88,642	190,740	4,887,016
1,952,141	2,633,673	2,887,411	1,832,699	1,963,613	6,811,285
2,116,230	2,077,360	1,951,756	1,922,216	1,785,302	1,802,540
2,408,925	2,001,905	2,003,945	1,944,689	1,879,332	1,847,344
0	0	0	0	0	0
91,414	178,560	4,040	13,383	30,075	0
112,476	118,292	16,478	29,859	10,615	504,342
4,729,045	4,376,117	3,976,219	3,910,147	3,705,324	4,154,226
\$6,681,186	\$7,009,790	\$6,863,630	\$5,742,846	\$5,668,937	\$10,965,511

(continued)

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

	2014	2013	2012	2011
<b>Expenses</b>				
Governmental Activities:				
General Government	\$1,292,248	\$1,228,286	\$1,184,781	\$1,424,515
Security of Persons and Property	3,322,801	3,275,647	3,061,292	3,043,520
Public Health Services	176,534	177,336	190,035	211,538
Leisure Time Activities	121,622	124,444	125,943	141,303
Community Development	362,079	463,946	376,556	513,096
Basic Utility Services	159,031	157,911	141,999	155,121
Transportation	2,544,047	2,492,999	1,812,092	2,628,167
Interest and Fiscal Charges	78,000	84,250	80,138	111,373
<i>Total Governmental Activities Expenses</i>	<u>8,056,362</u>	<u>8,004,819</u>	<u>6,972,836</u>	<u>8,228,633</u>
Business-Type Activities				
Water	2,276,702	1,959,425	2,069,126	2,183,135
Sewer	1,846,843	2,069,309	1,926,287	1,982,892
<i>Total Business-Type Activities Expenses</i>	<u>4,123,545</u>	<u>4,028,734</u>	<u>3,995,413</u>	<u>4,166,027</u>
<i>Total Primary Government Program Expenses</i>	<u>12,179,907</u>	<u>12,033,553</u>	<u>10,968,249</u>	<u>12,394,660</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(5,774,580)	(5,864,872)	(4,521,506)	(5,416,469)
Business-Type Activities	749,804	980,630	677,656	348,320
<i>Total Primary Government Net Expense</i>	<u>(\$5,024,776)</u>	<u>(\$4,884,242)</u>	<u>(\$3,843,850)</u>	<u>(\$5,068,149)</u>

2010	2009	2008	2007	2006	2005
\$1,226,765	\$1,167,792	\$1,254,299	\$1,308,725	\$1,406,409	\$1,183,087
3,362,411	3,590,030	3,888,488	3,527,501	3,387,785	3,299,875
312,558	148,494	359,428	432,807	374,896	355,171
136,287	131,575	77,711	115,777	94,657	94,950
310,981	150,557	501,093	294,546	467,034	411,062
109,837	149,308	43,877	31,975	32,500	32,500
2,321,555	1,917,512	2,376,287	2,420,821	2,449,845	2,232,242
132,375	135,715	157,917	178,252	195,947	191,188
7,912,769	7,390,983	8,659,100	8,310,404	8,409,073	7,800,075
1,576,246	2,350,298	1,755,161	1,763,839	1,711,495	1,653,560
1,959,232	1,899,102	1,865,615	1,769,365	1,802,037	1,517,578
3,535,478	4,249,400	3,620,776	3,533,204	3,513,532	3,171,138
11,448,247	11,640,383	12,279,876	11,843,608	11,922,605	10,971,213
(5,960,628)	(4,757,310)	(5,771,689)	(6,477,705)	(6,445,460)	(988,790)
1,193,567	126,717	355,443	376,943	191,792	983,088
(\$4,767,061)	(\$4,630,593)	(\$5,416,246)	(\$6,100,762)	(\$6,253,668)	(\$5,702)

(continued)

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

	2014	2013	2012	2011
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities				
Taxes:				
Property Taxes Levied For:				
General Purposes	\$365,055	\$357,968	\$303,604	\$355,721
Debt Service	84,961	99,499	94,984	146,123
Capital Outlay	563,092	0	0	0
Other Purposes	710,714	694,993	589,108	756,686
Municipal Income Taxes levied for:				
General Purposes	2,337,586	2,305,411	2,243,409	2,028,347
Capital Outlay	61,935	42,449	303,620	274,515
Street Construction, Maintenance and Repair	528,499	521,201	506,860	458,270
Other Purposes	56,118	55,323	53,766	48,613
Hotel Taxes	21,381	20,655	20,477	18,744
Grants and Entitlements not Restricted to Specific Programs	409,787	658,227	480,529	675,631
Franchise Taxes	139,189	145,370	145,880	130,915
Unrestricted Contributions	17,098	23,085	22,173	0
Investment Earnings	5,253	5,101	3,716	2,935
Gain on Sale of Capital Assets	0	0	0	20,056
Miscellaneous	174,638	141,150	77,092	84,221
Special Item - Capital Contribution (2)	0	0	0	0
Transfers	296,789	(137,972)	(437,482)	0
<i>Total Governmental Activities</i>	<u>5,772,095</u>	<u>4,932,460</u>	<u>4,407,736</u>	<u>5,000,777</u>
Business-Type Activities				
Gain on Sale of Capital Assets	0	0	0	4,768
Miscellaneous	39,405	40,804	58,587	14,989
Transfers	(296,789)	137,972	437,482	0
<i>Total Business-Type Activities</i>	<u>(257,384)</u>	<u>178,776</u>	<u>496,069</u>	<u>19,757</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<u>5,514,711</u>	<u>5,111,236</u>	<u>4,903,805</u>	<u>5,020,534</u>
<b>Change in Net Position</b>				
Governmental Activities	(2,485)	(932,412)	(113,770)	(415,692)
Business-Type Activities	492,420	1,159,406	1,173,725	368,077
<i>Total Primary Government Change in Net Position</i>	<u>\$489,935</u>	<u>\$226,994</u>	<u>\$1,059,955</u>	<u>(\$47,615)</u>

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

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

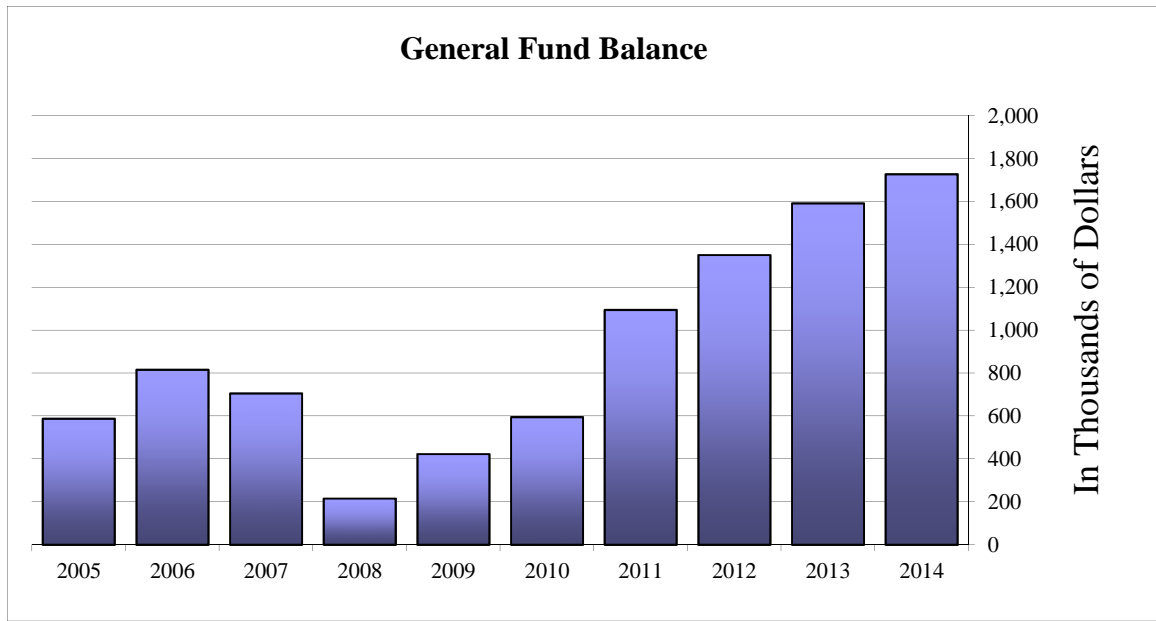
2010	2009	2008	2007	2006	2005
\$345,426	\$357,971	\$327,807	\$401,371	\$419,938	\$390,798
198,163	214,134	226,055	275,546	316,107	312,684
0	0	0	0	0	0
626,793	648,490	635,997	707,006	721,649	666,808
1,913,724	1,953,905	1,791,008	2,030,350	2,015,340	2,035,114
258,999	230,716	278,447	317,487	309,969	47,183
133,594	536,238	731,338	845,549	839,298	847,493
45,862	48,681	45,113	56,221	55,850	56,441
15,925	18,902	0	0	0	0
897,681	800,550	1,157,451	1,122,971	1,196,117	1,045,596
125,997	152,708	0	0	0	0
0	0	0	0	0	0
4,071	7,655	51,195	139,919	147,560	73,016
0	6,469	7,953	7,303	0	3,593
62,040	57,142	20,401	56,620	293,427	94,344
0	12,595,661	0	0	0	0
0	(13,755)	0	0	0	0
4,628,275	17,615,467	5,272,765	5,960,343	6,315,255	5,573,070
0	0	0	239	0	0
8,952	3,577	2,467	10,877	44,565	6,119
0	13,755	0	0	0	0
8,952	17,332	2,467	11,116	44,565	6,119
4,637,227	17,632,799	5,275,232	5,971,459	6,359,820	5,579,189
(1,332,353)	12,858,157	(498,924)	(517,362)	(130,205)	4,584,280
1,202,519	144,049	357,910	388,059	236,357	989,207
(\$129,834)	\$13,002,206	(\$141,014)	(\$129,303)	\$106,152	\$5,573,487

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

	2014	2013	2012	2011
<b>General Fund</b>				
Nondisposable	\$47,130	\$43,139	\$40,845	\$52,597
Assigned	679,916	383,150	343,253	345,329
Unassigned	999,680	1,164,537	965,912	695,947
Reserved	n/a	n/a	n/a	n/a
Unreserved	n/a	n/a	n/a	n/a
<b>Total General Fund</b>	<b>1,726,726</b>	<b>1,590,826</b>	<b>1,350,010</b>	<b>1,093,873</b>
<b>All Other Governmental Funds</b>				
Nondisposable	61,601	51,723	66,015	59,912
Restricted	1,406,367	1,209,060	1,171,627	1,398,644
Committed	75,403	38,707	30,049	46,874
Unassigned (Deficit)	(55,005)	(115,317)	(55,840)	(430,812)
Reserved	n/a	n/a	n/a	n/a
Unreserved, Undesignated, Reported in:				
Special Revenue funds	n/a	n/a	n/a	n/a
Debt Service funds	n/a	n/a	n/a	n/a
Capital Projects funds (Deficit)	n/a	n/a	n/a	n/a
<b>Total All Other Governmental Funds</b>	<b>1,488,366</b>	<b>1,184,173</b>	<b>1,211,851</b>	<b>1,074,618</b>
<b>Total Governmental Funds</b>	<b>\$3,215,092</b>	<b>\$2,774,999</b>	<b>\$2,561,861</b>	<b>\$2,168,491</b>

Note: The City implemented GASB 54 during 2011.

n/a - Information not available.

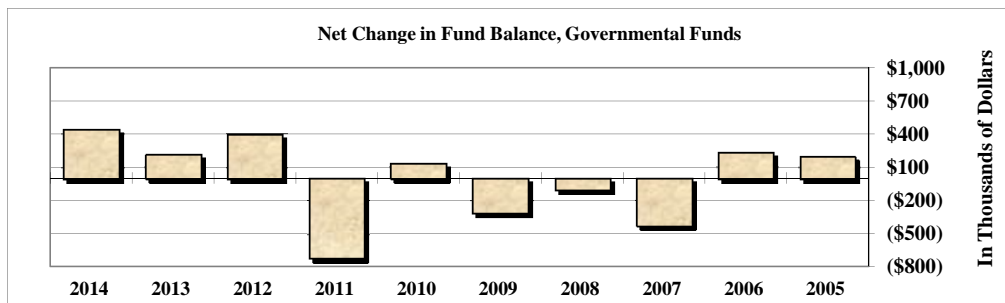




2010	2009	2008	2007	2006	2005
\$53,077	n/a	n/a	n/a	n/a	n/a
18,035	n/a	n/a	n/a	n/a	n/a
523,368	n/a	n/a	n/a	n/a	n/a
n/a	\$9,478	\$10,063	\$12,326	\$31,333	\$37,837
n/a	412,981	205,180	692,944	783,991	549,024
594,480	422,459	215,243	705,270	815,324	586,861
66,205	n/a	n/a	n/a	n/a	n/a
2,055,894	n/a	n/a	n/a	n/a	n/a
14,153	n/a	n/a	n/a	n/a	n/a
(144,163)	n/a	n/a	n/a	n/a	n/a
n/a	24,228	57,471	111,035	347,586	335,390
n/a	559,643	909,427	972,650	1,216,277	1,122,472
n/a	572,348	675,692	764,661	799,830	812,744
n/a	873,648	904,996	313,671	254,831	347,238
1,992,089	2,029,867	2,547,586	2,162,017	2,618,524	2,617,844
\$2,586,569	\$2,452,326	\$2,762,829	\$2,867,287	\$3,433,848	\$3,204,705

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

	2014	2013	2012	2011
<b>Revenues</b>				
Property Taxes	\$1,632,504	\$1,155,333	\$1,021,308	\$1,047,455
Municipal Income Taxes	3,021,077	2,931,872	3,067,806	2,771,887
Hotel Taxes	18,364	20,655	20,477	18,744
Special Assessments	113,575	142,659	149,561	125,719
Intergovernmental	1,616,276	1,534,596	2,145,486	2,015,466
Fees, Licenses and Permits	718,035	755,687	646,370	686,084
Fines and Forfeitures	316,332	321,006	281,892	316,679
Rentals	51,725	58,661	40,464	89,720
Charges for Services	56,976	63,278	60,839	47,210
Contributions and Donations	17,598	23,885	23,963	26,036
Interest	5,253	5,101	3,716	2,935
Franchise Taxes	135,793	128,870	145,880	144,227
Other	174,638	141,150	77,092	84,221
<i>Total Revenues</i>	<i>7,878,146</i>	<i>7,282,753</i>	<i>7,684,854</i>	<i>7,376,383</i>
<b>Expenditures</b>				
Current:				
General Government	1,215,590	1,132,241	1,110,431	1,346,573
Security of Persons and Property	3,212,086	3,111,589	2,867,862	2,847,980
Public Health Services	174,357	172,451	186,860	223,038
Leisure Time Activities	98,353	100,758	103,469	112,259
Community Development	369,484	453,549	374,504	505,419
Basic Utilities Services	163,261	155,068	141,999	155,125
Transportation	1,269,511	1,114,909	1,174,367	1,129,878
Capital Outlay	836,317	340,170	1,168,624	1,402,792
Debt Service:				
Principal Retirement	400,430	478,715	619,379	1,283,255
Principal Retirement - Current Refunding	7,500	7,500	26,000	26,000
Interest and Fiscal Charges	81,164	90,358	76,581	117,198
<i>Total Expenditures</i>	<i>7,828,053</i>	<i>7,157,308</i>	<i>7,850,076</i>	<i>9,149,517</i>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>50,093</i>	<i>125,445</i>	<i>(165,222)</i>	<i>(1,773,134)</i>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	0	0	0	20,056
Loans Issued	0	0	0	0
General Obligation Bonds Issued	360,000	0	544,352	735,000
General Obligation Notes Issued	37,500	15,000	73,000	399,000
OPWC Loans Issued	0	0	14,240	0
Inception of Capital Lease	0	88,485	0	0
Current Refunding	(7,500)	(15,000)	(73,000)	(99,000)
Transfers In	161,234	176,308	200,750	36,250
Transfers Out	(161,234)	(177,100)	(200,750)	(36,250)
<i>Total Other Financing Sources (Uses)</i>	<i>390,000</i>	<i>87,693</i>	<i>558,592</i>	<i>1,055,056</i>
<i>Net Change in Fund Balances</i>	<i>\$440,093</i>	<i>\$213,138</i>	<i>\$393,370</i>	<i>(\$718,078)</i>
Debt Service as a Percentage of Noncapital Expenditures	7.5%	8.1%	11.2%	17.8%



2010	2009	2008	2007	2006	2005
\$1,285,434	\$1,196,921	\$1,200,633	\$1,374,642	\$1,428,751	\$1,363,150
2,392,978	2,709,105	2,966,852	3,264,412	3,134,220	2,943,847
15,925	18,902	0	0	0	0
117,447	140,026	156,324	160,405	166,702	189,379
1,960,327	2,065,713	2,564,852	2,024,833	2,340,638	2,216,747
698,995	822,684	204,923	342,916	240,568	220,080
256,964	249,793	203,988	209,448	228,014	242,279
51,000	53,050	53,985	53,525	49,750	50,300
31,000	120,092	327,059	288,911	271,371	271,404
27,917	27,212	36,335	34,114	46,641	31,183
4,071	7,655	51,195	139,919	147,560	73,016
125,799	139,594	0	0	0	0
62,040	57,142	20,401	56,620	293,427	94,344
7,029,897	7,607,889	7,786,547	7,949,745	8,347,642	7,695,729
1,205,449	1,103,255	1,189,657	1,187,788	1,279,596	1,151,220
3,205,587	3,589,404	3,679,873	3,680,658	3,330,567	3,237,997
312,852	192,405	334,167	429,521	368,283	353,791
113,391	107,704	95,067	141,403	93,265	123,314
302,117	161,431	485,474	318,168	473,387	405,487
109,837	149,308	43,877	31,975	32,500	32,500
1,090,117	1,174,475	1,543,137	1,592,808	1,714,041	1,390,496
538,330	952,076	482,922	418,959	445,600	81,983
439,156	477,512	447,015	412,952	315,870	434,866
26,000	34,000	87,000	82,000	90,500	0
127,253	140,956	167,254	189,969	193,157	199,533
7,470,089	8,082,526	8,555,443	8,486,201	8,336,766	7,411,187
(440,192)	(474,637)	(768,896)	(536,456)	10,876	284,542
0	10,800	39,439	7,303	10,000	13,456
574,435	153,334	500,000	0	0	0
0	0	0	0	0	0
125,000	151,000	185,000	203,500	297,000	387,500
0	0	0	0	0	0
0	0	74,999	103,764	208,267	0
(125,000)	(151,000)	(135,000)	(203,500)	(297,000)	(493,000)
60,750	77,265	100,350	116,750	104,750	143,406
(60,750)	(77,265)	(100,350)	(116,750)	(104,750)	(143,406)
574,435	164,134	664,438	111,067	218,267	(92,044)
\$134,243	(\$310,503)	(\$104,458)	(\$425,389)	\$229,143	\$192,498
8.6%	9.8%	8.8%	8.9%	8.0%	9.5%

**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
2014	\$123,558,190	\$56,595,160	\$514,723,857	\$7,137,030	\$8,110,261
2013	123,185,650	56,632,450	513,766,000	6,846,710	7,780,352
2012	122,881,370	57,275,150	514,732,914	6,171,300	7,012,841
2011	122,619,790	32,124,220	442,125,743	5,705,250	6,483,239
2010	131,694,650	35,376,140	477,345,114	5,527,720	6,281,500
2009	131,441,760	35,607,370	477,283,229	5,304,940	6,028,341
2008	131,378,020	34,138,410	472,904,086	5,451,860	6,195,295
2007	124,585,680	31,434,560	445,772,114	5,487,170	6,235,420
2006	123,245,560	31,401,020	441,847,371	9,571,180	10,876,341
2005	122,461,990	32,194,020	441,874,314	9,628,160	10,941,091

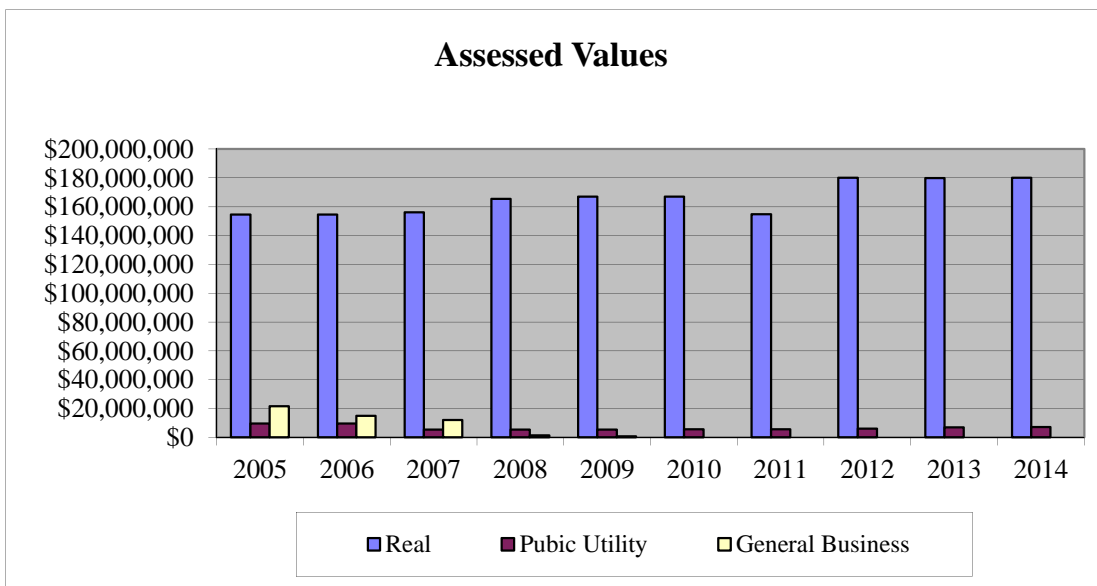
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax was phased out beginning in 2006. Both types of general business tangible personal property were assessed at 12.5 for 2007, 6.25 percent for 2008 and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local and inter-exchange telephone companies. No tangible personal property taxes were levied or collected in 2010 from general business taxpayers (except telephone companies whose last year to pay tangible personal property tax was in 2010). During 2014, the City did not include an assessed value for general business tangible personal property.

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

Source: Ashtabula County, Ohio; County Auditor

Tangible Personal Property					Weighted Average Tax Rate (per \$1,000 of Assessed Value)
General Business		Total			
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio	
\$0	\$0	\$187,290,380	\$522,834,119	35.82%	\$9.80
0	0	186,664,810	521,546,352	35.79	9.75
0	0	186,327,820	521,745,755	35.71	7.09
0	0	160,449,260	448,608,981	35.77	7.17
0	0	172,598,510	483,626,614	35.69	7.51
641,975	10,271,600	172,996,045	493,583,169	35.05	7.50
1,357,800	21,724,800	172,326,090	500,824,181	34.41	7.51
12,120,220	96,961,760	173,627,630	548,969,295	31.63	7.88
15,050,190	60,200,760	179,267,950	512,924,472	34.95	8.08
21,491,570	85,966,280	185,775,740	538,781,685	34.48	9.37



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

	2014	2013	2012	2011	2010
<b>Unvoted Millage</b>					
Operating	\$2.0000	\$2.2000	\$2.2000	\$2.2000	\$2.0000
Fire Pension	0.7300	0.6300	0.6300	0.6300	0.6300
Police Pension	0.9000	0.8000	0.8000	0.8000	1.0000
Bond Sinking Fund	0.0000	0.0000	0.0000	0.0000	0.0000
<i>Total Unvoted Millage</i>	<u>3.6300</u>	<u>3.6300</u>	<u>3.6300</u>	<u>3.6300</u>	<u>3.6300</u>
<b>Voted Millage - by levy</b>					
1986 Bond	0.0000	0.0000	0.0000	0.0000	0.4400
1995 Library Bond	0.5300	0.5300	0.6300	0.7300	0.8300
2000 Fire					
Residential/Agricultural Real	0.0000	0.0000	0.0000	0.0000	0.0000
Commercial/Industrial and Public Utility Real	0.0000	0.0000	0.0000	0.0000	0.0000
General Business and Public Utility Personal	0.0000	0.0000	0.0000	0.0000	0.0000
2003 Police Operating					
Residential/Agricultural Real	2.00000	1.85339	1.85366	1.85270	1.72580
Commercial/Industrial and Public Utility Real	1.80650	1.97037	1.95099	1.93870	1.74400
General Business and Public Utility Personal	2.00000	2.00000	2.00000	2.00000	2.00000
2005 Fire					
Residential/Agricultural Real	1.0000	0.9267	0.9268	0.9264	0.8629
Commercial/Industrial and Public Utility Real	0.9033	0.9852	0.9755	0.9693	0.8720
General Business and Public Utility Personal	1.0000	1.0000	1.0000	1.0000	1.0000
2013 Road and Bridge					
Residential/Agricultural Real	2.7500	2.7496	0.0000	0.0000	0.0000
Commercial/Industrial and Public Utility Real	2.6801	2.7500	0.0000	0.0000	0.0000
General Business and Public Utility Personal	2.7500	2.7500	0.0000	0.0000	0.0000
<i>Total Voted Millage by Type of Property</i>					
Residential/Agricultural Real	\$6.2800	\$6.0597	\$3.4105	\$3.5091	\$3.8587
Commercial/Industrial and Public Utility Real	5.9199	6.2356	3.5565	3.6380	3.8860
General Business and Public Utility Personal	6.2800	6.2800	3.6300	3.7300	4.2700
<i>Total Millage by Type of Property</i>					
Residential/Agricultural Real	\$9.9100	\$9.6897	\$7.0405	\$7.1391	\$7.4887
Commercial/Industrial and Public Utility Real	9.5499	9.8656	7.1865	7.2680	7.5160
General Business and Public Utility Personal	9.9100	9.9100	7.2600	7.3600	7.9000
<i>Total Weighted Average Tax Rate</i>	<u>9.8012</u>	<u>7.7511</u>	<u>7.0926</u>	<u>7.1727</u>	<u>7.5075</u>

2009	2008	2007	2006	2005
\$2.0000	\$2.0000	\$2.0000	\$2.1900	\$2.1900
0.4400	0.4400	0.4400	0.4400	0.4400
1.1900	1.1900	1.1900	1.0000	1.0000
0.0000	0.0000	0.0000	0.0000	0.0000
3.6300	3.6300	3.6300	3.6300	3.6300
0.4400	0.4400	0.6400	0.7400	0.9500
0.8300	0.8300	0.8300	0.9300	1.0900
0.0000	0.0000	0.0000	0.0000	0.8273
0.0000	0.0000	0.0000	0.0000	0.8491
0.0000	0.0000	0.0000	0.0000	1.0000
1.72480	1.7236	1.8075	1.8070	2.0000
1.73520	1.7606	1.9114	1.9075	2.0000
2.00000	2.0000	2.0000	2.0000	2.0000
0.8624	0.8618	0.9038	0.9035	0.8273
0.8676	0.8803	0.9557	0.9538	0.8491
1.0000	1.0000	1.0000	1.0000	1.0000
0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000
\$3.8572	\$3.8554	\$4.1813	\$4.3805	\$5.6946
3.8728	3.9109	4.3371	4.5313	5.7382
4.2700	4.2700	4.4700	4.6700	6.0400
\$7.4872	\$7.4854	\$7.8113	\$8.0105	\$9.3246
7.5028	7.5409	7.9671	8.1613	9.3682
7.9000	7.9000	8.1000	8.3000	9.6700
7.5046	7.5128	7.8800	8.0781	9.3740

(continued)

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

	2014	2013	2012	2011	2010
<b>Overlapping Rates by Taxing District</b>					
Conneaut City School District					
Residential/Agricultural Real	\$26.0683	\$24.3233	\$25.5513	\$25.5424	\$24.4838
Commercial/Industrial and Public Utility Real	23.5787	25.5875	26.6359	26.5549	24.5714
General Business and Public Utility Personal	36.3900	39.3900	37.6300	37.6300	37.6300
Ashtabula County					
Residential/Agricultural Real	10.8876	9.0012	8.9962	8.9922	8.5409
Commercial/Industrial and Public Utility Real	9.4306	9.9622	9.9304	9.9223	9.4041
General Business and Public Utility Personal	11.5200	11.0200	11.0200	11.0200	11.0200
Special Taxing Districts (1)					
Residential/Agricultural Real	3.5383	3.5917	3.5894	2.5972	3.3998
Commercial/Industrial and Public Utility Real	3.8581	3.6610	3.6489	2.6574	3.3966
General Business and Public Utility Personal	5.2500	5.2500	5.2500	4.2600	5.2500

Source: Ashtabula County Auditor

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

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

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

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

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

(1) Park District, Joint Vocational School



2009	2008	2007	2006	2005
\$24.4735	\$24.4579	\$24.5244	\$24.5371	\$26.0001
24.5103	24.5311	24.7382	24.6535	28.3117
37.6300	37.6300	37.6300	37.6300	45.8300
8.5335	8.5375	8.9780	8.4057	9.0059
9.2994	9.2655	9.7795	9.4488	9.8486
11.0200	11.0300	11.0300	11.0300	11.0300
3.2237	3.2207	3.7273	3.4773	3.6199
3.2468	3.2461	3.8383	3.6471	3.8448
5.2500	5.2500	5.7500	5.7500	5.7500

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

Year	Total Original Tax Levy	Current Tax Collections	Percent of Current Tax Collections To Original Tax Levy	Delinquent Tax Collections	Total Tax Collections (1)
2014	\$1,824,225	\$1,662,089	91.11 %	\$79,952	\$1,742,041
2013	1,319,314	1,223,741	92.76	50,554	1,274,295
2012	1,157,637	1,062,111	91.75	65,444	1,127,555
2011	1,281,428	1,149,689	89.72	60,441	1,210,130
2010	1,366,669	1,286,146	94.11	61,699	1,347,845
2009	1,361,376	1,234,909	90.71	81,875	1,316,784
2008	1,366,449	1,250,191	91.49	56,280	1,306,471
2007	1,487,924	1,473,441	99.03	76,271	1,549,712
2006	1,584,667	1,404,523	88.63	87,005	1,491,528
2005	1,462,087	1,431,518	97.91	56,018	1,487,536

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 Total Original Tax Levy
95.49 %	\$304,863	16.71 %
96.59	207,183	15.70
97.40	210,056	18.15
94.44	243,668	19.02
98.62	32,593	2.38
96.72	147,644	10.85
95.61	123,970	9.07
104.15	134,745	9.06
94.12	138,160	8.72
101.74	106,404	7.28

**City of Conneaut, Ohio**  
*Principal Real Property Taxpayers*  
2014 and 2005

<hr/> <hr/>		
<i>2014</i>		
Taxpayer	Real Property Assessed Valuation	Percentage of Total Real Assessed Valuation
CCA Western Properties	\$25,049,150	13.90 %
Cleveland Electric Illuminating Company	5,944,270	3.30
Millwork Properties	1,488,350	0.83
Navigroup Venture, LLC	1,406,830	0.78
CVS	1,047,240	0.58
CSP of Ohio, LLC	966,010	0.54
ES Realty	857,540	0.47
Highland Place	800,140	0.44
Mobile Grove	791,770	0.44
Kolman Properties	786,950	0.44
	<hr/>	<hr/>
Total	<u>\$39,138,250</u>	<u>21.72 %</u>
	<hr/>	<hr/>
Total Real Assessed Valuation	<u><u>\$180,153,350</u></u>	
	<hr/>	<hr/>
<i>2005</i>		
Taxpayer	Real Property Assessed Valuation	Percentage of Total Real Assessed Valuation
Cleveland Electric Illuminating Company	\$3,781,800	2.44 %
Conneaut Telephone	3,407,440	2.20
Millwork Properties	1,902,140	1.23
Inn at the Lake	1,548,090	1.00
CSP of Ohio, LLC	1,392,060	0.90
Union Court Apartments	1,267,550	0.82
Highland Place	1,034,680	0.67
Inn Conn Health Care	985,710	0.64
Union Railroad	828,250	0.54
General Electric Lighting	650,940	0.42
	<hr/>	<hr/>
Total	<u>\$16,798,660</u>	<u>10.86 %</u>
	<hr/>	<hr/>
Total Real Assessed Valuation	<u><u>\$154,656,010</u></u>	
	<hr/>	<hr/>

Source: Ashtabula County Auditor

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

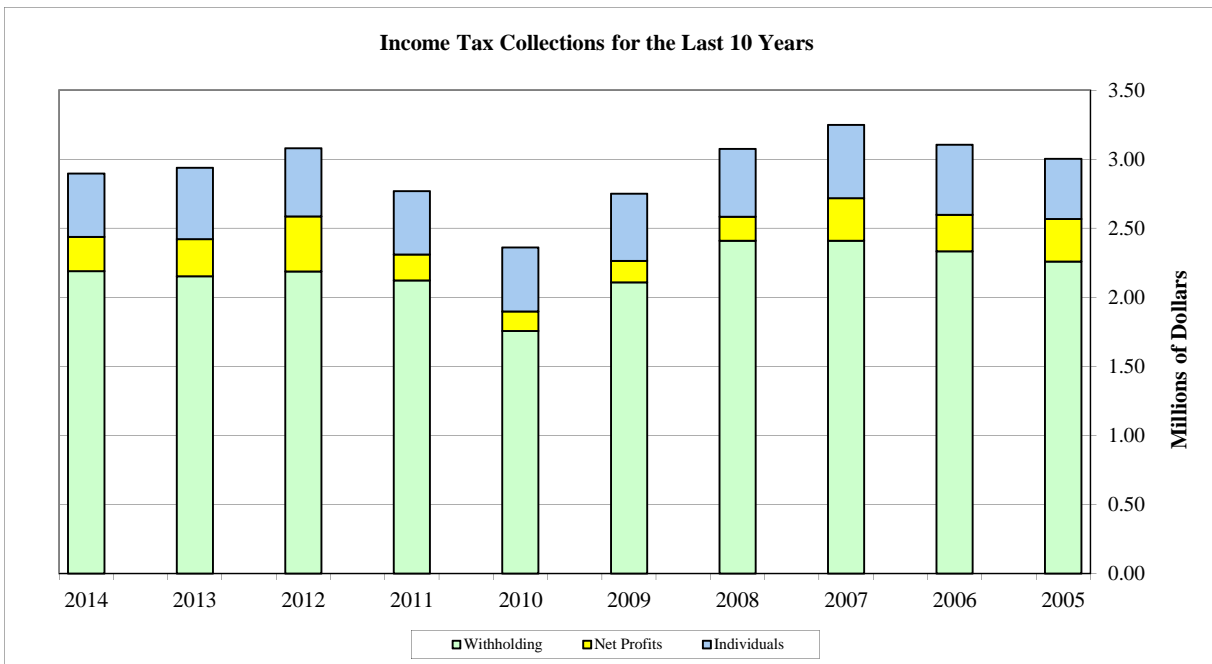
Tax Year	Tax Rate (2)	Total Tax Collected (1)	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individuals	Percentage of Taxes from Individuals
2014	1.65%	\$2,896,554	\$2,189,229	75.58%	\$249,088	8.60%	\$458,237	15.82%
2013	1.65	2,937,263	2,151,241	73.24	269,472	9.17	516,550	17.59
2012	1.80	3,078,827	2,185,879	71.00	400,016	12.99	492,932	16.01
2011	1.80	2,768,926	2,121,702	76.62	188,782	6.82	458,442	16.56
2010	1.80	2,360,141	1,755,009	74.36	142,990	6.06	462,142	19.58
2009	1.80	2,750,298	2,108,614	76.67	154,590	5.62	487,094	17.71
2008	1.80	3,073,413	2,410,323	78.42	172,210	5.60	490,880	15.97
2007	1.80	3,248,649	2,408,804	74.15	307,928	9.48	531,917	16.37
2006	1.80	3,103,824	2,333,543	75.18	263,019	8.47	507,252	16.34
2005	1.65	3,002,703	2,258,747	75.22	308,814	10.28	435,241	14.49

(1) Cash Basis of Accounting

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

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

Source: City Financial Records



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

Year	Governmental Activities					
	General Obligation Bonds	OWDA Loans	OPWC Loans	Bond Anticipation Notes	Capital Leases	Loans
2014	\$1,186,931	\$390,855	\$29,778	\$37,500	\$30,236	\$789,295
2013	967,749	485,908	32,071	15,000	59,725	922,072
2012	1,105,175	622,506	34,008	73,000	18,969	1,026,597
2011	645,000	753,536	21,349	399,000	37,104	1,111,053
2010	940,000	879,237	22,930	125,000	80,649	1,193,481
2009	1,145,000	999,827	24,511	151,000	158,346	653,334
2008	1,350,000	1,115,517	26,092	242,000	256,587	500,000
2007	1,555,000	1,226,509	27,673	329,000	261,030	0
2006	1,760,000	1,332,998	29,254	467,000	201,148	0
2005	1,965,000	1,435,168	30,835	557,500	0	0

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

Source: City Financial Records

Business-Type Activities								
General Obligation Bonds	OWDA Loans	OPWC Loans	Bond Anticipation Notes	Loans	Capital Leases	Total Debt	Percentage of Personal Income (1)	Per Capita (1)
\$376,498	\$4,801,507	\$596,410	\$72,500	\$626,509	\$0	\$8,938,019	4.08%	\$696.05
452,075	4,207,834	550,350	135,000	867,539	0	8,695,323	3.97	677.15
525,615	3,582,226	383,167	160,000	1,099,707	0	8,630,970	3.94	672.14
460,000	3,441,654	364,657	200,000	1,178,287	0	8,611,640	3.93	670.64
530,895	3,750,911	305,621	240,000	1,379,949	0	9,448,673	4.31	735.82
601,018	4,236,568	345,077	280,000	306,666	0	8,901,347	4.85	712.96
671,141	4,700,557	384,536	0	0	0	9,246,430	5.04	740.60
741,264	5,143,931	423,995	10,000	0	34,751	9,753,153	5.31	781.19
811,387	5,402,913	464,225	20,000	0	68,570	10,557,495	5.75	845.61
880,000	5,030,125	504,456	20,000	0	0	10,423,084	5.67	834.85

**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		
2014	12,841	\$522,834,119	\$1,186,931	\$376,498	\$1,563,429	0.30 %	\$121.75
2013	12,841	521,546,352	967,749	452,075	1,419,824	0.27	110.57
2012	12,841	521,745,755	1,105,175	525,615	1,630,790	0.31	127.00
2011	12,841	448,608,981	645,000	460,000	1,105,000	0.25	86.05
2010	12,841	483,626,614	940,000	530,895	1,470,895	0.30	114.55
2009	12,485	493,583,169	1,145,000	601,018	1,746,018	0.35	139.85
2008	12,485	500,824,181	1,350,000	670,000	2,020,000	0.40	161.79
2007	12,485	548,969,295	1,555,000	740,000	2,295,000	0.34	183.82
2006	12,485	512,924,472	1,760,000	810,000	2,570,000	0.50	205.85
2005	12,485	538,781,685	1,965,000	880,000	2,845,000	0.53	227.87

Sources:

- (1) 2014 - 2010 The U.S. Bureau of Census, 2010 Federal Census of Population  
2005 - 2009 The U.S. Bureau of Census, 2000 Federal Census of Population
- (2) Ashtabula County Auditor
- (3) Includes only general obligation bonds.
- (4) Although the general obligation bond retirement fund is restricted for debt service,  
it is not specifically restricted to the payment of principal. Therefore, these resources  
are not shown as a deduction from general obligation bonded debt.



**City of Conneaut, Ohio**  
*Computation of Direct and Overlapping Governmental Activities Debt*  
*December 31, 2014*

Jurisdiction	Governmental Activites Debt	Percentage Applicable to City (1)	Amount Applicable to City of Conneaut
<b>Direct</b>			
General Obligation Bonds	\$1,186,931	100.00 %	\$1,186,931
OWDA Loans	390,855	100.00	390,855
Loans	789,295	100.00	789,295
OPWC Loans	29,778	100.00	29,778
Bond Anticipation Notes	37,500	100.00	37,500
Capital Leases	30,236	100.00	30,236
<i>Total Direct Debt</i>	2,464,595		2,464,595
<b>Overlapping</b>			
Ashtabula County			
General Obligation Bonds	19,893,892	9.83	1,955,570
OWDA Loans	13,196,372	9.83	1,297,203
OPWC Loans	1,123,784	9.83	110,468
Capital Leases	202,964	9.83	19,951
Conneaut City School District			
General Obligation Bonds	5,265,436	88.27	4,647,800
Loan	168,000	88.27	148,294
<i>Total Overlapping Debt</i>	39,850,448		8,179,288
Total	\$42,315,043		\$10,643,883

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*

	2014	2013	2012	2011
Total Assessed Property Value	<u>\$187,290,380</u>	<u>\$186,664,810</u>	<u>\$186,327,820</u>	<u>\$160,449,260</u>
General Bonded Debt Outstanding:				
General Obligation Bonds	\$1,563,429	\$1,419,824	\$1,630,790	\$1,105,000
OWDA Loans	5,192,362	4,693,742	4,204,732	4,195,190
OPWC Loans	626,188	582,421	417,175	386,006
Bond Anticipation Notes	420,000	598,000	739,000	880,000
Loans	<u>1,415,804</u>	<u>1,789,611</u>	<u>2,126,304</u>	<u>2,289,340</u>
Total Gross Indebtedness	9,217,783	9,083,598	9,118,001	8,855,536
Less:				
Bond Anticipation Notes	(27,500)	(125,500)	(126,000)	(151,000)
OPWC Loans	(626,188)	(582,421)	(417,175)	(386,006)
OWDA Loans	(5,192,362)	(4,693,742)	(4,204,732)	(4,195,190)
General Obligation Bond Retirement Fund Balance	<u>(196,347)</u>	<u>(201,824)</u>	<u>(191,063)</u>	<u>(178,020)</u>
Total Net Debt Applicable to Debt Limit	<u>3,175,386</u>	<u>3,480,111</u>	<u>4,179,031</u>	<u>3,945,320</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>19,665,490</u>	<u>19,599,805</u>	<u>19,564,421</u>	<u>16,847,172</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$16,490,104</u>	<u>\$16,119,694</u>	<u>\$15,385,390</u>	<u>\$12,901,852</u>
Legal Debt Margin as a Percentage of the Debt Limit	83.85%	82.24%	78.64%	76.58%
Unvoted Debt Limitation 5 ½ % of Assessed Valuation	<u>\$10,300,971</u>	<u>\$10,266,565</u>	<u>\$10,248,030</u>	<u>\$8,824,709</u>
Total Gross Indebtedness	9,217,783	9,083,598	9,118,001	8,855,536
Less:				
Bond Anticipation Notes	(27,500)	(125,500)	(126,000)	(151,000)
Special Assessment Bonds	0	0	0	0
OPWC Loans	(626,188)	(582,421)	(417,175)	(386,006)
OWDA Loans	(5,192,362)	(4,693,742)	(4,204,732)	(4,195,190)
General Obligation Bond Retirement Fund Balance	<u>(196,347)</u>	<u>(201,824)</u>	<u>(191,063)</u>	<u>(178,020)</u>
Net Debt Within 5 ½ % Limitations	<u>3,175,386</u>	<u>3,480,111</u>	<u>4,179,031</u>	<u>3,945,320</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$7,125,585</u>	<u>\$6,786,454</u>	<u>\$6,068,999</u>	<u>\$4,879,389</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	69.17%	66.10%	59.22%	55.29%

Source: City Financial Records

2010	2009	2008	2007	2006	2005
<u>\$172,598,510</u>	<u>\$172,996,045</u>	<u>\$172,326,090</u>	<u>\$173,627,630</u>	<u>\$179,267,950</u>	<u>\$185,775,740</u>
\$1,470,000	\$1,745,000	\$2,020,000	\$2,295,000	\$2,570,000	\$2,845,000
4,630,148	5,236,395	5,816,074	6,370,440	6,735,911	6,465,293
328,551	369,588	410,628	451,668	493,479	535,291
691,000	1,090,000	667,000	796,000	1,007,500	1,168,000
2,573,430	960,000	500,000	0	0	0
9,693,129	9,400,983	9,413,702	9,913,108	10,806,890	11,013,584
(301,000)	(510,905)	(517,000)	(621,000)	(857,500)	(1,168,000)
(328,551)	(369,588)	(410,628)	(451,668)	(493,479)	(535,291)
(4,630,148)	(5,236,395)	(5,816,074)	(6,370,440)	(6,735,911)	(6,465,293)
(394,447)	(449,671)	(511,302)	(563,506)	(568,788)	(548,375)
4,038,983	2,834,424	2,158,698	1,906,494	2,151,212	2,296,625
18,122,844	18,164,585	18,094,239	18,230,901	18,823,135	19,506,453
<u>\$14,083,861</u>	<u>\$15,330,161</u>	<u>\$15,935,541</u>	<u>\$16,324,407</u>	<u>\$16,671,923</u>	<u>\$17,209,828</u>
77.71%	84.40%	88.07%	89.54%	88.57%	88.23%
<u>\$9,492,918</u>	<u>\$9,514,782</u>	<u>\$9,477,935</u>	<u>\$9,549,520</u>	<u>\$9,859,737</u>	<u>\$10,217,666</u>
9,693,129	9,400,983	9,413,702	9,913,108	10,806,890	11,013,584
(301,000)	(510,905)	(517,000)	(621,000)	(857,500)	(1,168,000)
0	0	0	0	0	0
(328,551)	(369,588)	(410,628)	(451,668)	(493,479)	(535,291)
(4,630,148)	(5,236,395)	(5,816,074)	(6,370,440)	(6,735,911)	(6,465,293)
(394,447)	(449,671)	(511,302)	(563,506)	(568,788)	(548,375)
4,038,983	2,834,424	2,158,698	1,906,494	2,151,212	2,296,625
<u>\$5,453,935</u>	<u>\$6,680,358</u>	<u>\$7,319,237</u>	<u>\$7,643,026</u>	<u>\$7,708,525</u>	<u>\$7,921,041</u>
57.45%	70.21%	77.22%	80.04%	78.18%	77.52%

**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	
2014	\$2,258,092	\$1,851,666	\$406,426	\$80,286	\$21,395	\$101,681	4.00
2013	2,188,771	1,541,500	647,271	74,654	10,928	85,582	7.56
2012	2,174,864	1,687,291	487,573	66,549	10,425	76,974	6.33
2011	2,075,076	1,748,927	326,149	58,795	9,572	68,367	4.77
2010	2,119,609	1,287,132	832,477	54,894	10,882	65,776	12.66
2009	2,078,764	2,092,618	(13,854)	53,642	12,131	65,773	(0.21)
2008	1,953,085	1,504,597	448,488	25,174	0	25,174	17.82
2007	1,927,268	1,518,447	408,821	25,174	0	25,174	16.24
2006	1,789,744	1,463,394	326,350	25,174	0	25,174	12.96
2005	1,806,950	1,502,413	304,537	15,549	0	15,549	19.59

\* 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	
2014	\$2,397,841	\$1,393,600	\$1,004,241	\$325,227	\$40,695	\$365,922	2.74
2013	2,316,309	1,549,071	767,238	328,697	117,636	446,333	1.72
2012	2,257,163	1,427,678	829,485	291,692	116,774	408,466	2.03
2011	2,386,287	1,489,917	896,370	480,714	133,660	614,374	1.46
2010	2,414,498	1,454,173	960,325	470,219	158,406	628,625	1.53
2009	2,004,078	1,372,948	631,130	449,806	173,721	623,527	1.01
2008	2,005,083	1,376,937	628,146	14,285	0	14,285	43.97
2007	1,950,514	1,267,503	683,011	15,056	0	15,056	45.36
2006	1,919,455	1,379,547	539,908	15,057	0	15,057	35.86
2005	1,849,053	1,313,869	535,184	8,860	0	8,860	60.40

\* 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*

2014		
Employer	Employees	Percentage of Total City Employment
Corrections Corporation of America (CCA)	366	7.95
Conneaut Area City School District	321	6.97
Continental Structural Plastics	231	5.02
University Heights Hospital System	208	4.52
General Aluminum	179	3.89
Cascade Ohio	134	2.91
Ashtabula County	133	2.89
Lukjan Metal Products	114	2.47
City of Conneaut	84	1.82
Infinity Resources	76	1.65
Total	1,846	40.10%
Total Employment within the City	4,604	

2005		
Employer	Employees	Percentage of Total City Employment
Conneaut Area City School District	501	13.06%
Cascade Ohio	422	11.00
University Heights Hospital System	310	8.08
General Aluminum	304	7.93
Management Training Corporation	301	7.85
City of Conneaut	218	5.69
Lukjan Metal Products	191	4.98
Continental Structural Plastics	158	4.12
General Electric	103	2.69
P & C Dock	92	2.40
Total	2,600	67.80%
Total Employment within the City	3,835	

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>
2014	12,841	\$219,131,665	\$17,065	\$38,250	40
2013	12,841	219,131,665	17,065	38,250	40
2012	12,841	219,131,665	17,065	38,250	40
2011	12,841	219,131,665	17,065	38,250	40
2010	12,841	219,131,665	17,065	38,250	40
2009	12,485	183,566,955	14,703	31,717	38
2008	12,485	183,566,955	14,703	31,717	38
2007	12,485	183,566,955	14,703	31,717	38
2006	12,485	183,566,955	14,703	31,717	38
2005	12,485	183,566,955	14,703	31,717	38

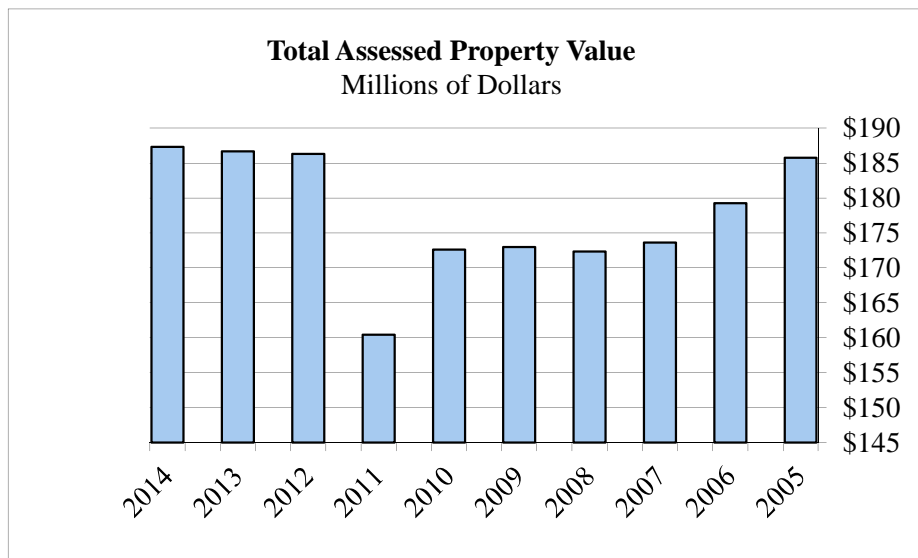
(1) 2014 - 2010 The U.S. Bureau of Census, 2010 Federal Census of Population

2005 - 2009 The U.S. Bureau of Census, 2000 Federal Census of Population

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

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

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





Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Ashtabula County Unemployment Rate (4)	Average Sales Price of Residential Property	Total Assessed Property Value
11.2%	1,785	5.9%	\$84,000	\$187,290,380
11.2	1,797	9.0	80,000	186,664,810
11.2	1,838	9.0	76,000	186,327,820
11.2	2,054	11.9	52,750	160,449,260
11.2	2,269	11.9	51,661	172,598,510
9.9	2,242	14.2	54,542	172,996,045
9.9	2,316	10.4	70,800	172,326,090
9.9	2,332	6.4	75,442	173,627,630
9.9	2,462	6.6	67,929	179,267,950
9.9	2,508	7.2	72,549	185,775,740



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

Function/Program	2014	2013	2012	2011
General Government				
Council	7.00	7.00	7.00	7.00
Clerk of Council	1.00	1.00	1.00	1.00
City Manager	2.00	2.00	2.00	2.00
Finance	3.50	3.50	3.50	3.50
Law	2.00	2.00	2.00	2.00
Court	6.00	6.00	6.00	7.00
Public Building	0.00	0.00	0.00	0.00
Security of Persons and Property				
Police	17.00	16.00	16.00	16.00
Police - Dispatchers	4.00	4.00	4.00	4.00
Police - Jailers	0.00	0.00	0.00	0.00
Fire	10.50	10.00	10.00	10.00
Ambulance	5.00	5.00	5.00	5.00
Public Health Services				
Health	3.00	3.00	3.50	2.50
Cemetery	1.00	1.00	1.00	1.00
Leisure Time Activities				
Recreation	1.00	1.00	1.50	1.50
Community Environment				
Litter Control/Recycling	0.00	0.00	0.00	0.00
Housing/Zoning	1.00	1.00	0.50	0.50
Transportation				
Street/Public Works	12.00	12.00	12.00	15.00
Basic Utility Services				
Water	15.00	15.00	15.00	15.00
Sewer	11.00	11.00	11.00	11.00
Totals:	102.00	100.50	101.00	104.00

**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

2010	2009	2008	2007	2006	2005
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	4.00	4.00	4.00	4.00
2.50	2.50	2.50	2.50	2.50	2.50
6.00	6.00	6.00	6.00	6.00	6.00
0.00	0.00	1.00	1.00	1.00	1.00
19.00	19.00	20.00	20.00	20.00	20.00
4.00	4.00	4.00	4.00	4.00	4.00
0.00	0.00	2.00	2.00	2.00	2.00
10.00	10.00	12.00	12.00	12.00	12.00
5.00	5.00	5.00	5.00	5.00	5.00
3.00	3.00	4.00	4.00	4.00	4.00
1.00	1.00	1.00	1.00	1.00	1.00
1.50	1.50	1.50	1.50	1.50	1.50
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
17.00	17.00	17.00	18.00	19.00	19.00
16.00	16.00	16.00	16.00	16.00	16.00
12.00	12.00	12.00	12.00	12.00	12.00
112.50	112.50	120.00	121.00	122.00	122.00

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

Function/Program	2014	2013	2012
<b>General Government</b>			
<i><b>Council and Clerk</b></i>			
Number of Ordinances Passed	100	119	106
Number of Resolutions Passed	7	7	7
<i><b>Finance Department</b></i>			
Number of checks/vouchers issued	3,122	3,356	3,248
Amount of checks written	\$14,399,049	\$13,965,336	\$13,598,713
Interest earnings for fiscal year (cash basis)	\$5,253	\$5,002	\$3,716
Number of Receipts issued	519	667	545
Number of Budget Adjustments issued	11	8	12
Agency Ratings - Moody's Financial Services	Aaa	Aaa	Aaa
Health Insurance Costs vs General Fund Expenditures %	13.33%	11.85%	12.12%
General Fund Receipts (cash basis)	\$4,111,116	\$4,149,116	\$3,981,654
General Fund Expenditures (cash basis)	\$4,077,850	\$3,974,476	\$3,753,279
General Fund Cash Balances	\$1,213,975	\$1,180,709	\$1,006,069
<i><b>Income Tax Department</b></i>			
Number of Individual Returns	4,534	4,456	4,058
Number of Business Returns	420	441	392
Number of business withholding accounts	524	467	501
Amount of Penalties and Interest Collected	\$41,369	\$37,900	\$29,107
Annual number of Corporate withholding forms processed	2,101	2,130	2,179
Annual number of balance due statements forms processed	952	1,128	1,111
Annual number of estimated payment forms processed	1,635	1,616	1,469
Annual number of reconciliations of withholdings processed	355	429	501
<i><b>Engineer Contracted Services</b></i>			
Dollar amount of Construction overseen by Engineer	\$719,793	\$1,312,011	\$2,059,385
<i><b>Municipal Court</b></i>			
Number of Civil Cases	251	220	283
Number of Criminal cases	1,084	965	999
<i><b>Vital Statistics</b></i>			
Certificates Filed			
Number of Births	2	1	2
Number of Deaths	85	106	99
Certificates Issued			
Number of Births	403	352	392
Number of Deaths	444	549	480
Burial Permits Issued	137	147	163
<i><b>Civil Service</b></i>			
Number of police entry tests administered	0	1	0
Number of fire entry tests administered	9	1	1
Number of police promotional tests administered	0	0	1
Number of fire promotional tests administered	0	0	0
Number of hires of Police Officers from certified lists	0	0	0
Number of hires of Fire/Medics from certified lists	0	0	1
Number of promotions from police certified lists	0	0	0
Number of promotions from fire certified lists	0	0	0

2011	2010	2009	2008	2007	2006	2005
112	107	123	109	137	119	103
8	11	19	11	11	11	14
3,321	3,230	3,530	4,185	4,151	4,180	4,028
\$15,117,766	\$13,879,192	\$13,559,134	\$13,537,185	\$13,307,015	\$13,826,892	\$14,585,601
\$2,935	\$3,828	\$6,005	\$39,844	\$137,706	\$147,999	\$72,406
541	458	492	557	601	625	605
6	11	6	10	8	199	228
Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa
12.04%	11.28%	11.50%	14.47%	11.69%	12.09%	27.08%
\$4,250,115	\$4,281,343	\$4,212,709	\$4,094,106	\$4,013,767	\$4,121,658	\$4,285,854
\$3,767,922	\$4,199,979	\$4,057,218	\$4,406,869	\$4,377,923	\$4,162,789	\$4,220,797
\$833,058	\$326,480	\$250,054	\$108,742	\$428,286	\$634,371	\$475,564
4,031	4,282	4,274	4,239	4,525	4,420	4,690
456	436	436	406	459	442	549
515	482	458	433	498	461	402
\$27,399	\$32,550	\$31,843	\$25,959	\$28,968	\$28,833	\$13,628
2,240	2,130	2,024	1,914	2,201	2,036	2,188
984	917	838	734	537	533	560
1,481	1,554	1,366	1,441	1,446	134	130
515	482	451	433	498	461	402
\$784,499	\$78,518	\$808,877	\$241,089	\$231,566	\$672,773	\$3,101,284
282	333	359	413	352	245	377
907	929	1,011	915	1,143	1,051	648
0	1	0	2	1	0	2
110	111	95	144	133	140	129
420	472	542	652	754	754	641
595	525	486	857	578	673	643
143	152	127	151	146	170	163
1	0	1	0	0	0	1
0	1	0	1	1	0	0
0	0	0	0	1	0	0
1	1	0	0	0	0	0
0	1	1	0	2	0	0
1	0	0	0	0	0	0
0	0	0	0	1	2	0
1	0	0	0	0	0	0

(continued)

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

Function/Program	2014	2013	2012
<b><i>Building Department Indicators</i></b>			
Construction Permits			
Estimated Value of Construction	\$2,873,929	\$3,994,229	\$944,196
Number of permits issued	188	161	147
Amount of Revenue generated from permits	\$5,210	\$5,585	\$4,682
<b>Security of Persons and Property</b>			
<b><i>Police</i></b>			
Total Calls for Services	21,028	28,334	23,110
911 Calls Answered	5,779	5,478	5,277
Arrests/Citations	1,548	1,419	1,808
Community Policing Hours	8,412	8,642	8,924
DARE Graduates	0	0	0
Investigations	2,481	2,541	2,689
Jail Inmates	280	247	271
Vehicle Crashes	269	246	238
Prisoner costs	\$8,102	\$9,029	\$11,234
Gasoline costs of fleet	\$38,113	\$36,457	\$37,498
<b><i>Fire</i></b>			
EMS Calls	1,606	1,558	1,463
Fire Calls	221	203	204
Fires with Loss	60	82	90
Fires with Losses exceeding \$10K	7	10	8
Fire Losses	\$347,732	\$548,385	\$301,600
Fire Safety Inspections	132	99	120
Number of times Mutual Aid given to Fire and EMS	46	24	20
Number of times Mutual Aid received for Fire and EMS	17	23	22
<b>Public Health Services</b>			
Cemetery burials	39	57	55
Cemetery sale of lots	17	24	8
Cemetery receipts	\$22,890	\$32,900	\$30,137
<b>Leisure Time Activities</b>			
<b><i>Recreation</i></b>			
City Tax	\$25,201	\$24,817	\$24,325
Softball Fees	800	600	1,650
Facilities rentals	31,725	28,225	29,375
Total Recreation Department receipts	\$57,726	\$53,642	\$55,350

2011	2010	2009	2008	2007	2006	2005
\$748,499	\$2,198,791	\$1,605,848	\$1,470,693	\$541,353	\$4,786,353	\$5,670,500
148	131	121	126	171	222	174
\$4,652	\$4,172	\$4,504	\$4,523	\$8,074	\$10,395	\$12,012
21,912	25,026	25,400	25,976	26,233	28,480	20,700
4,429	6,706	6,982	7,093	5,784	4,700	4,000
2,199	2,049	908	2,058	223	2,539	2,558
8,847	9,455	9,258	7,100	5,950	6,042	4,872
0	0	0	0	0	0	250
2,813	2,969	2,895	3,332	3,284	3,384	3,709
273	256	241	337	331	339	404
230	288	322	345	329	415	343
\$6,709	\$11,332	\$9,850	\$14,191	\$13,591	\$14,314	\$12,190
\$29,989	\$31,757	\$25,690	\$50,417	\$38,313	\$34,977	\$30,705
1,575	1,701	1,429	1,728	1,744	1,504	2,228
89	95	85	78	89	130	120
80	40	36	36	33	34	22
3	3	3	3	11	9	6
\$363,650	\$162,950	\$505,200	\$613,695	\$613,695	\$338,450	\$325,300
79	34	69	35	170	190	90
27	25	54	18	32	16	5
42	12	7	12	30	30	10
54	47	50	56	69	59	50
9	12	18	14	24	16	27
\$24,565	\$27,390	\$38,115	\$31,531	\$38,278	\$29,180	\$32,552
\$21,876	\$24,300	\$24,300	\$24,282	\$25,665	\$25,375	\$26,123
7,850	9,475	7,000	8,010	7,200	6,538	830
29,075	31,000	33,450	9,985	33,525	32,600	33,300
\$58,801	\$64,775	\$64,750	\$42,277	\$66,390	\$64,513	\$60,253

(continued)

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

Function/Program	2014	2013	2012
<b>Transportation</b>			
Street Improvements - asphalt overlay (linear feet)	7,320	0	14,347
Crackseal Coating Program (Miles)	7	8	6
Street Repair (Curbs, aprons, berms, asphalt) (hours)	1,454	578	2,879
Paint Striping (hours)	177	274	172
Street Sweeper (hours)	375	308	553
Cold Patch (hours)	501	380	361
Snow and Ice Removal regular hours	2,177	1,763	1,656
Snow and Ice Removal overtime hours	454	529	285
Storm Sewer Calls for Service - Sewer Jet Regular Hours	1,180	1,467	1,397
Storm Sewer Calls for Service - Sewer Jet Overtime Hours	48	24	53
Sewer Crew (hours)	431	774	784
Landscaping Stump-Chipper service (hours)	31	0	0
Leaf collection (hours)	0	0	0
Holiday lights setup (hours)	30	28	54
Street/Traffic Signs (Hours)	280	352	547
Equipment repair/body shop (hours)	1,200	2,281	2,218
Number of Trees Planted per year	0	0	0
Tons of snow melting salt purchased (Nov-Mar)	1,237	937	918
Cost of salt purchased	\$47,741	\$39,565	\$39,253
<b>Water Department</b>			
Water Rates per 1st 2,000 gallons of water	\$18.29	\$17.76	\$17.00
Avg. number of water accounts billed monthly (Cubic Feet)	4,800	4,800	4,900
Total Water Collections Annually (Including Principal and Interest)	\$2,256,350	\$2,168,960	\$2,228,733
<b>Wastewater Department</b>			
Wastewater Rates per 1st 300 Cubic feet of water used	\$19.70	\$19.30	\$18.90
Total flow of wastewater treatment plant (Billions of Gallons)	0.949	1.162	0.972
Average daily flow (Millions of gallons per day)	26.020	3.187	2.657
Tons of dry sludge removed	177.98	292.48	270.54

Source: City Financial Records and Departments



2011	2010	2009	2008	2007	2006	2005
8,092	8,580	7,985	13,800	23,800	23,940	55,940
31	4	0	6	5	18	20
2,198	784	2,441	1,032	1,780	1,360	864
231	104	145	350	400	400	400
390	360	303	156	640	520	480
482	248	651	554	1,100	880	900
1,743	1,824	1,616	7,960	8,950	8,320	9,600
492	391	239	737	732	705	641
1,280	432	203	2,080	2,080	2,080	2,080
6	0	0	0	0	0	0
1,114	400	415	707	1,700	1,500	1,500
0	0	0	100	150	120	130
0	0	652	96	3,200	3,400	3,100
16	16	16	16	16	16	16
646	510	464	394	240	240	240
5,760	6,240	6,240	6,240	6,240	6,240	6,240
0	0	0	0	0	450	0
899	776	773	1,100	1,450	1,475	1,000
\$40,522	\$43,921	\$48,842	\$43,115	\$48,560	\$54,058	\$44,304
\$17.24	\$17.24	\$17.24	\$16.29	\$15.84	\$14.94	\$14.37
4,900	4,900	4,900	4,900	4,900	4,880	4,880
\$2,103,537	\$2,068,133	\$2,215,799	\$1,947,755	\$1,904,311	\$1,831,609	\$1,754,163
\$19.76	\$19.76	\$17.18	\$16.74	\$15.82	\$15.22	\$13.98
1.212	0.694	0.846	0.992	0.876	0.918	0.916
3.316	1.902	2.324	2.713	2.402	2.516	2.515
186.06	268.91	281.39	299.30	197.46	295.78	599.16

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

Function/Program	2014	2013	2012	2011
<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	1	1
Number of Baseball Diamonds	2	2	2	2
Square Footage Occupied	1,790	1,790	1,790	1,790
Vehicles	2	2	2	2
<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

2010	2009	2008	2007	2006	2005
11,580	11,580	11,580	11,580	11,580	11,580
1	1	1	1	1	1
1	1	1	1	1	1
8,944	8,944	8,944	8,944	8,944	8,944
20	20	20	20	20	20
2	2	3	3	3	3
12,880	12,880	14,880	14,880	14,880	14,880
10	10	10	10	10	10
5	5	5	5	5	5
2	2	2	2	2	2
1	1	1	1	1	1
2	2	2	2	2	2
1,790	1,790	1,790	1,790	1,790	1,790
2	2	2	2	2	2
565	565	565	565	565	565
22	22	22	22	22	22
60	60	60	60	60	60
35	35	35	35	35	35
91	91	91	91	91	91
9	9	9	9	9	9

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