



**CITY OF CONNEAUT
ASHTABULA COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2015



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of Conneaut, Ashtabula County, prepared by Canter & Associates, for the audit period January 1, 2015 through December 31, 2015. Based upon this review, we have accepted this report in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The City of Conneaut is responsible for compliance with these laws and regulations.

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

Dave Yost
Auditor of State

August 22, 2016

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CITY OF CONNEAUT

Ashtabula County

Table of Contents

	<u>Page</u>
Independent Auditor's Report on Internal Control over Financial Reporting And on Compliance and Other Matters Based On an Audit of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>	1

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

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

To the Members of City Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Conneaut, Ashtabula County (the City), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's financial statements and have issued our report thereon dated June 30, 2016, wherein we noted the City adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 68, "*Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*" and Statement No. 71, "*Pension Transition for Contributions Made Subsequent to the Measurement Date*". Our report includes a reference to other auditors who audited the financial statements of the Conneaut Port Authority, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that those auditors separately reported.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

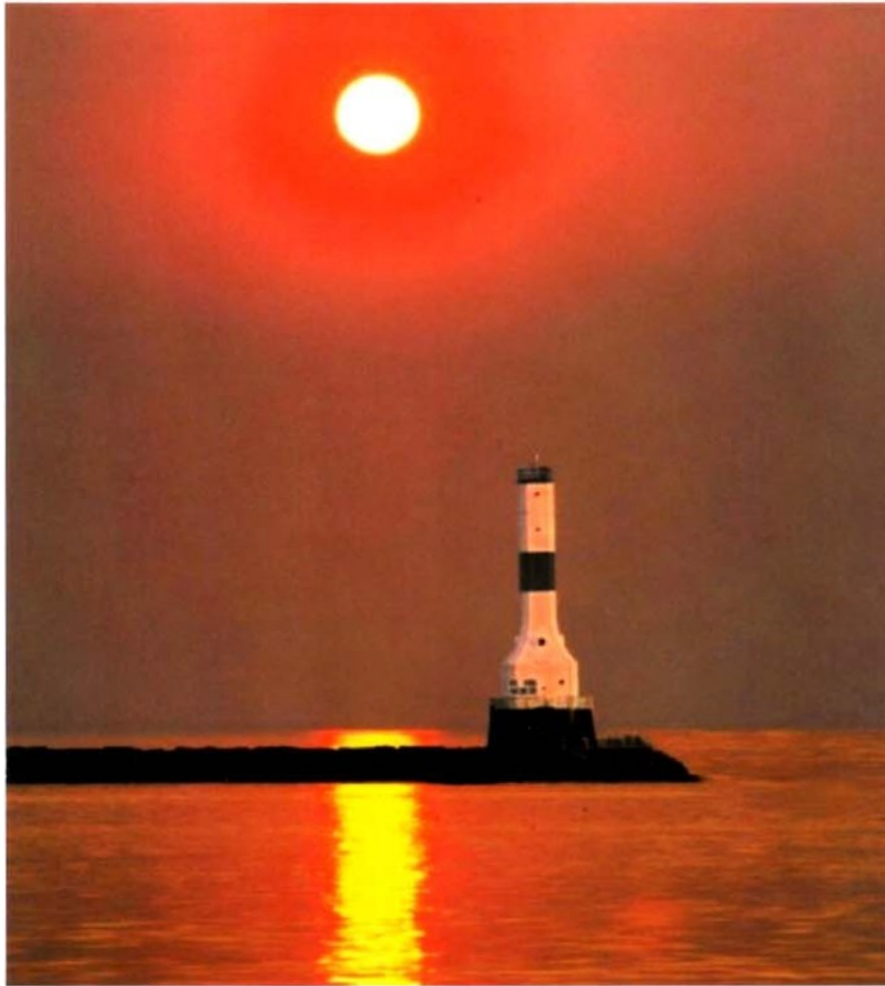


CANTER & ASSOCIATES

Poland, Ohio

June 30, 2016

CITY OF CONNEAUT, OHIO



Comprehensive Annual Financial Report
For The Year Ended December 31, 2015

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City of Conneaut, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2015
Table of Contents

	<i>Page</i>
I. Introductory Section	
Title Page.....	i
Table of Contents	ii
Letter of Transmittal.....	vi
Organizational Chart.....	xii
City of Conneaut Elected and Appointed City Officials	xiii
GFOA Certificate of Achievement.....	xiv
II. Financial Section	
Independent Auditor’s Report	1
Management’s Discussion and Analysis	5
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	17
Statement of Activities.....	18
Fund Financial Statements:	
Balance Sheet – Governmental Funds	20
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	21
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	23
Statement of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual:	
General Fund.....	24
Street Construction, Maintenance and Repair Fund.....	25
Statement of Fund Net Position – Proprietary Funds	26
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds.....	27
Statement of Cash Flows – Proprietary Funds.....	28
Statement of Fiduciary Assets and Liabilities – Agency Fund.....	30
Notes to the Basic Financial Statements.....	31

Required Supplementary Information:

Schedule of the City's Proportionate Share of the Net Pension Liability – OPERS – Traditional Plan – Last Two Years.....	77
Schedule of the City's Proportionate Share of the Net Pension Liability – OPF – Last Two Years	78
Schedule of City Contributions – OPERS – Traditional Plan – Last Three Years	79
Schedule of City Contributions – OPF – Last Ten Years	80

Combining and Individual Fund Statements and Schedules:

Combining Statements – Nonmajor Governmental Funds:

Fund Descriptions	83
Combining Balance Sheet – Nonmajor Governmental Funds	86
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	87
Combining Balance Sheet – Nonmajor Special Revenue Funds	88
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	92
Combining Balance Sheet – Nonmajor Debt Service Funds	96
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Debt Service Funds	97
Combining Balance Sheet – Nonmajor Capital Projects Funds.....	98
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds.....	100

Combining Statements – Fiduciary Funds:

Fund Description.....	102
Statement of Changes in Assets and Liabilities – Agency Fund	103

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

Major Funds:

General Fund	105
Street Construction, Maintenance and Repair Fund.....	110
Water Fund.....	111
Sewer Fund.....	112

Nonmajor Funds:

Auto Permissive Tax Fund.....	113
State Highway Fund.....	114

Restaurant Vending Fund.....	115
Marina Fund.....	116
Enforcement and Education Fund.....	117
Indigent Drivers Fund.....	118
Cemetery Fund.....	119
Police Levy Fund.....	120
Fire Levy Fund.....	121
Indigent Monitoring Fund.....	122
Law Enforcement Trust Fund.....	123
Municipal Probation Services Fund.....	124
Moving Ohio Forward Fund.....	125
Street Lighting Fund.....	126
Tree Commission Fund.....	127
Community Housing Fund.....	128
Community Housing Improvement Programs (CHIPS) Fund.....	129
Recreation Fund.....	130
Police Pension Fund.....	131
Fire Pension Fund.....	132
General Obligation Bond Retirement Fund.....	133
Special Assessment Bond Retirement Fund.....	134
Street Improvement Fund.....	135
Office of Justice Grant Fund.....	136
Energy Improvement Fund.....	137
Municipal Court Improvement Fund.....	138
Formula Grant Fund.....	139
FEMA Grant Fund.....	140
Capital Improvement Fund.....	141
Bureau of Workers' Compensation Grant Fund.....	142
Center Road Bridge Fund.....	143

III. Statistical Section

Statistical Section Description.....	S1
Net Position by Component – Last Ten Years.....	S2
Changes in Net Position – Last Ten Years.....	S4
Fund Balances, Governmental Funds – Last Ten Years.....	S10
Changes in Fund Balances, Governmental Funds – Last Ten Years.....	S12
Assessed Valuation and Estimated True Values of Taxable Property – Last Ten Years.....	S14
Property Tax Rates – Direct and Overlapping Governments – Last Ten Years.....	S16
Property Tax Levies and Collections – Last Ten Years.....	S20
Principal Real Property Taxpayers – 2015 and 2006.....	S22
Income Tax Revenue Base and Collections – Last Ten Years.....	S23
Ratio of Outstanding Debt to Total Personal Income and Debt Per Capita – Last Ten Years.....	S24
Ratio of General Obligation Bonded Debt to Estimated True Values of Taxable Property and Bonded Debt Per Capita – Last Ten Years.....	S26

Computation of Direct and Overlapping Governmental Activities Debt	S27
Legal Debt Margin – Last Ten Years	S28
Pledged Revenue Coverage Revenue Debt - Water Fund – Last Ten Years.....	S30
Pledged Revenue Coverage Revenue Debt - Sewer Fund – Last Ten Years.....	S31
Principal Employers – Current Year and Nine Years Ago	S32
Demographic and Economic Statistics – Last Ten Years.....	S34
Full-Time Equivalent City Government Employees by Function/Program – Last Ten Years.....	S36
Operating Indicators by Function/Program – Last Ten Years.....	S38
Capital Assets Statistics by Function/Program – Last Ten Years	S44

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

John Williams, J.D.
Finance Director

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June 30, 2016

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, 2015. Canter & Associates' report is located at the front of this financial report.

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

Profile of Government

The City of Conneaut, Ohio, is located in the most northeastern section of Ohio, along the Lake Erie shore, with a population of 12,841 and has 27 square miles within the City limits. The City was incorporated as a borough in 1832, and eventually achieved City status on November 15, 1902.

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

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

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

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

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

Local Economy

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

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

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

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

The local economy continues to improve, as several of the City's largest employers that are affiliated with the automotive industry continued to improve most dramatically over the past several years, increasing sales, profit, and employment. Some of the City's largest employers have not returned to pre-recession employment levels, particularly those employers that are affiliated with the housing industry. Unemployment in Ashtabula County increased slightly to 6.2 percent in 2015, up from 5.9 percent in 2014. While the recovery has been slower than anticipated, the effects of the recession have largely dissipated, as income tax collections have markedly improved over the last five years.

The value of new construction was \$1,523,971 for 2015, but the number of zoning permits decreased to 161 from 188 in 2014, and the value decreased by \$1,349,958. A new housing development has begun at the former Conneaut Shores Golf course. Approximately 80 acres are being developed, with more than 100 homes expected to be built. Real estate assessed valuation was \$186,385,450 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 average sales price increasing to \$87,400.

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

Long-Term Financial Planning

Meeting the City's capital needs is critical to the successful operation of the City. The administration, with 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 2015, 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.

Due to the reduction in local government funds and other general fund revenue sources, the City has struggled to adequately fund the police and fire departments. As a result, the City Manager and City Council approached the voters with a plan to better fund the safety forces. A 3 mill permanent police levy was passed by the voters in November, 2015, which is estimated to generate approximately \$534,000 annually. The revenue will be used to hire 2 new police officers, 2 full-time corrections officers, and an additional part-time dispatcher. Funds will also be made available for the purchase of new police cruisers and other ancillary equipment. Voters also approved a new 5-year, 1.5 mill operating levy for the fire department in November, 2015, which is expected to generate approximately \$265,000 annually. The funds will be used to hire additional part-time personnel and assist with purchase of much needed equipment.

Relevant Financial Policies

Budgetary control is maintained by the encumbrance of purchase order requests. Purchase order requisitions for the expenditure of monies need approval by the department head, which are then forwarded to the City Manager for approval. Once the City Manager has approved the purchase order request, it is then forwarded to the finance department for preparation of a purchase order and certification and returned to the respective departments. The purchase orders are then signed by each department and returned to the finance department to be audited for accuracy and completeness and finally processed for payment. Encumbrances, which would exceed the available appropriation, are not approved or recorded until City Council authorizes additional appropriations. Any changes to an existing purchase for more than fifty dollars, requires approval by the City Manager, if additional appropriations are available. Prior year encumbrances outstanding at the end of the year are carried over to the next year after a thorough review by the Finance Director. Unencumbered appropriations lapse at the end of each year. Only City Council has the authority to transfer appropriations between line items within a department. Any increase or decrease in an appropriation line must be approved by Council in ordinance form. All City departments, the City Manger 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 1 percent however they wish, but the 0.65 percent is allocated by City ordinance, as directed by the voters through specific ballot language. At 1.65 percent the City's income tax on a cash basis generated \$3,198,354 in 2015 and was allocated as follows: General Fund: 78.73 percent or \$2,392,292 which is used to fund the fire, police, municipal court and administrative offices; Street Department: 17.80 percent or \$569,307, 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 \$125,769, which is used for financial support for various programs as determined by City council; Capital Improvement: 1.58 percent or \$50,535, which is used for infrastructure repairs and the acquisition of capital assets; Street Lighting: 1.02 percent or \$32,624, which is used to pay for street lighting along State routes, the downtown district, and traffic lights throughout the City; and Recreation: 0.87 percent or \$27,827, which is used to maintain the City's seven parks, playgrounds, and other recreational activities. The one percent allocation of the income tax is reviewed by City council on an as needed basis.

Within the City's inside ten mill limitation, the City levies 3.63 mills. The general fund allocation on a cash basis was 2.00 mills or \$325,810, the police pension fund allocation was 0.90 mills or \$146,607 and the fire pension fund allocation was 0.73 mills or \$118,914. With regard to outside millage 0.63 was levied to pay debt service on one general obligation bond, with collections totaling \$86,280, the street improvement levy generated \$479,749 with 2.75 mills, the police levy generated \$306,501 with 2.00 mills and the fire levy generated \$153,250 with 1.00 mill. Total millage levied by the City in 2015 was 13.51, generating total revenue of \$1,617,111. Inside and debt millage allocations are reviewed by the Finance Department and City Council before the annual tax budget is prepared.

Major Initiatives

For the Year - In 2015, 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:

Chestnut Street Infrastructure Project: This project consisted of replacing a collapsing headwall storm outlet; replacing an existing 24" VCP storm sewer and corresponding manholes and inlet basins, as well as the replacement of pavement affected by the construction of the new sewer. This project cost \$292,655, with funding of \$143,401 provided by the Ohio Public Works Commission, \$107,000 provided by CDBG funding, \$38,106 in in-kind labor, and a \$4,148 cash contribution.

Center Road Bridge Project: This was an emergency repair/improvement to an existing City bridge that spans Conneaut Creek along Center Road. The project consisted of removing a failing sandstone block wing wall and installing a much stronger and larger cast in place concrete wing wall. The wall that was removed and replaced was approximately 25 feet in height by 24 feet long. A significant portion of the roadway behind the wall needed to be removed and replaced, as well as the drainage along the road. The project was funded with a \$150,000 emergency OPWC grant and the City issued a \$150,000 construction note to complete the project.

Wastewater Treatment Plant Headworks Project: This project will consist of the replacement of the grit removal system, sludge pumps, and chemical feed controls, all of which are original to the 1955 construction of the Conneaut Wastewater Treatment Plant. Although the WWTP capacity will remain 3 million gallons per day, the new system will be automated and much more efficient. The total contract amount is estimated to cost \$2,462,000, which will be funded by a \$349,999 OPWC grant, a \$150,000 OPWC 0 percent loan and the balance of \$1,962,001 will be funded by a 20-year, OWDA loan.

Road Paving Improvements: This project consisted of pavement replacement and overlays for twenty-one streets and roads, totalling 17,935 linear feet of roadway. An outside contractor was hired to perform the work, with a total cost of over \$500,000. 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, 2014. This was the tenth year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR) that satisfied both generally accepted accounting principles and applicable legal requirements.

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

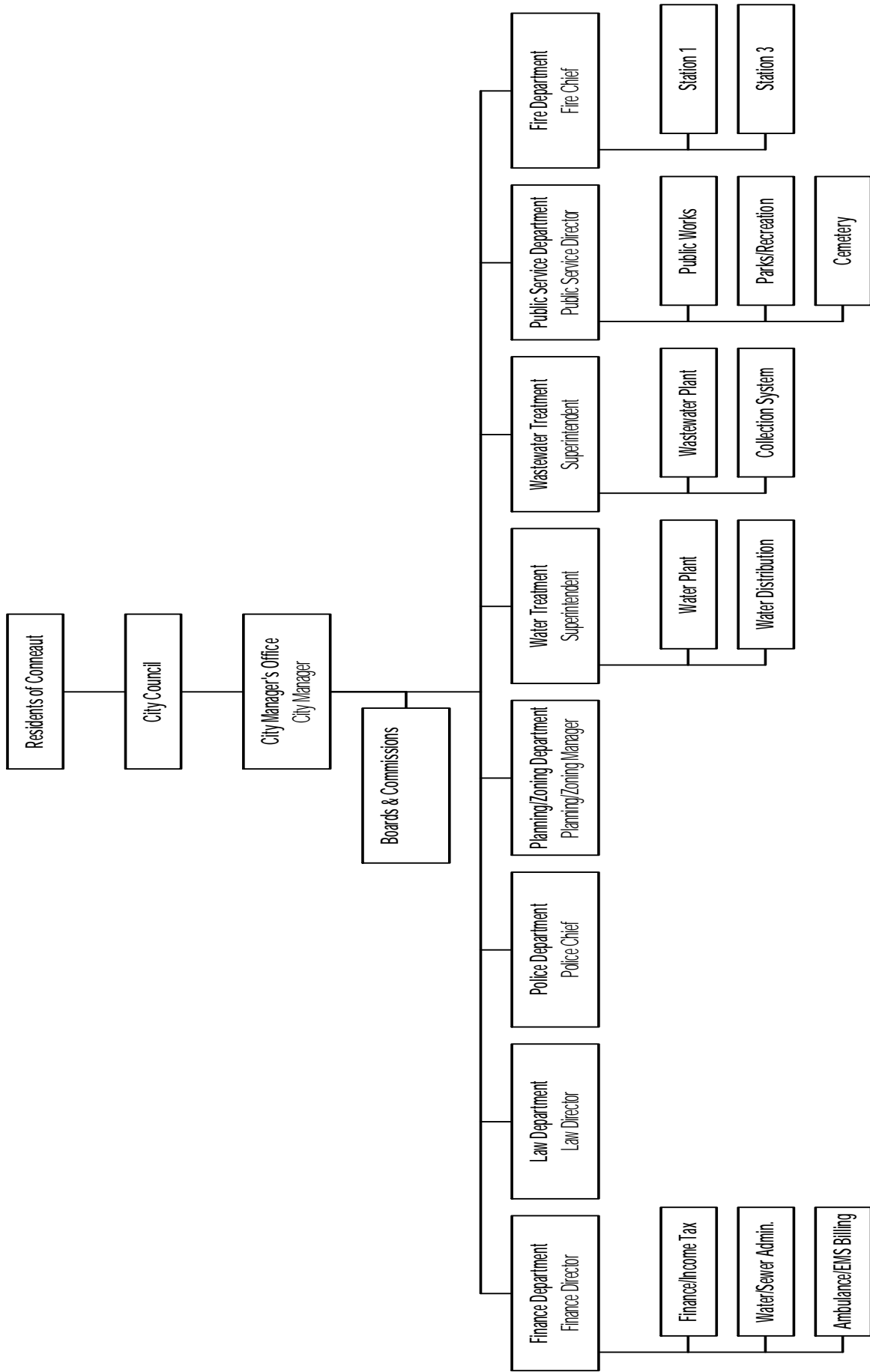
The successful preparation of the Comprehensive Annual Financial Report required the contribution and dedication of the Finance Department. Sincere appreciation is extended to City Council and City Manager Jim Hockaday for their commitment to sound financial reporting. Gratitude is also expressed to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

Respectfully submitted,



John Williams, J.D.
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

Jim Hockaday

APPOINTED OFFICIALS

John Williams, Director of Finance

Kyle Smith, Director of Law

Charles Burlingham, Chief of Police

Steve Lee, Chief of Fire

Richard Neubauer, Water Superintendent

Brian Bidwell, Wastewater Superintendent

Joe Dibell, Public Service Director

Melanie Shubitowski, Planning Zoning Manager



Government Finance Officers Association

**Certificate of
Achievement
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Presented to

**City of Conneaut
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

Executive Director/CEO

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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, 2015, 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 represents 100 percent, of the assets, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report was furnished to us, and our opinion, insofar as it relates to the amount included for the Conneaut Port Authority, is based solely on the report of other auditors. We 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Conneaut, Ashtabula County, Conneaut, Ohio, as of December 31, 2015, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General and Street Construction Maintenance and Repair funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 3 to the financial statements, in fiscal year ended December 31, 2015, the City adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pension – an amendment of GASB Statement No. 27* and also GASB Statement No. 71, *Pension Transition for Contributions Subsequent to the Measurement Date*. Our opinion is not modified with respect to this matter.

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

Supplementary and Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2016, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



CANTER & ASSOCIATES

Poland, Ohio
June 30, 2016

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City of Conneaut, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

The management's discussion and analysis for the City of Conneaut's financial statements provides an overall review of the financial activity of the City for the twelve months ended December 31, 2015. 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 2015 are as follows:

- In governmental activities, total revenues increased by \$448,267 or 5.8 percent, primarily due to the increase in income taxes.
- Total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources for 2015 by \$40,633,747, of which (\$575,997) was unrestricted. The net position increased by \$292,994 from 2014.
- On a GAAP basis, the City's general fund had a balance of \$2,029,077, which is an increase of \$302,351 from the prior year. The unassigned fund balance was \$1,173,552, or 58 percent of the total, which is a increase of \$173,872 from the prior year.
- In governmental activities, total liabilities of \$9,997,189 increased by \$438,076, while business-type activities total liabilities decreased by \$140,683 for a total of \$7,661,782.

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 2015 and how they affected the operations of the City as a whole.

Reporting the City of Conneaut as a Whole

Statement of Net Position and Statement of Activities

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

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

City of Conneaut, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

In the statement of net position and the statement of activities, the City is divided into two major activities:

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

Reporting on the Most Significant Funds of the City of Conneaut

Fund Financial Statements

The analysis of the City's major funds begins on page 11. The fund financial reports give a detailed report of the activities within the funds. The City's funds are in existence to provide a multitude of services to the citizens of Conneaut. Each fund is in some ways an entity unto itself. Each fund has a designated revenue stream and restricted uses for the monies within the fund.

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

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

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

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

City of Conneaut, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

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 2015 as compared to 2014.

(Table 1)
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2015	Restated 2014	2015	Restated 2014	2015	Restated 2014
Assets						
Current and Other Assets	\$8,318,481	\$7,864,976	\$3,016,214	\$2,265,251	\$11,334,695	\$10,130,227
Capital Assets, Net	27,585,548	27,669,777	20,594,562	20,844,722	48,180,110	48,514,499
<i>Total Assets</i>	<u>35,904,029</u>	<u>35,534,753</u>	<u>23,610,776</u>	<u>23,109,973</u>	<u>59,514,805</u>	<u>58,644,726</u>
Deferred Outflows of Resources						
Pension	848,213	550,336	119,791	80,497	968,004	630,833
Liabilities						
Current and Other Liabilities	569,496	730,558	313,156	374,322	882,652	1,104,880
Long-Term Liabilities:						
Due Within One Year	697,927	614,391	881,576	776,802	1,579,503	1,391,193
Due in More than One Year:						
Net Pension Liability	5,854,630	5,574,177	659,917	645,011	6,514,547	6,219,188
Other Amounts Due in More than One Year	2,875,136	2,639,987	5,807,133	6,006,330	8,682,269	8,646,317
<i>Total Liabilities</i>	<u>9,997,189</u>	<u>9,559,113</u>	<u>7,661,782</u>	<u>7,802,465</u>	<u>17,658,971</u>	<u>17,361,578</u>
Deferred Inflows of Resources						
Property Taxes	2,145,501	1,573,228	0	0	2,145,501	1,573,228
Pension	32,997	0	11,593	0	44,590	0
<i>Total Deferred Inflows of Resources</i>	<u>2,178,498</u>	<u>1,573,228</u>	<u>11,593</u>	<u>0</u>	<u>2,190,091</u>	<u>1,573,228</u>
Net Position						
Net Investment in Capital Assets	26,060,414	26,506,355	14,125,413	14,298,798	40,185,827	40,805,153
Restricted:						
Capital Projects	0	17,713	0	0	0	17,713
Street Construction, Maintenance and Repair	605,531	768,474	0	0	605,531	768,474
Police and Fire Operations	218,313	296,491	0	0	218,313	296,491
Drug and Alcohol Enforcement	68,248	76,755	0	0	68,248	76,755
Cemetery Operations	59,495	49,172	0	0	59,495	49,172
Economic Development	23,647	55,086	0	0	23,647	55,086
Other Purposes	48,683	46,645	0	0	48,683	46,645
Unrestricted (Deficit)	(2,507,776)	(2,863,943)	1,931,779	1,089,207	(575,997)	(1,774,736)
<i>Total Net Position</i>	<u>\$24,576,555</u>	<u>\$24,952,748</u>	<u>\$16,057,192</u>	<u>\$15,388,005</u>	<u>\$40,633,747</u>	<u>\$40,340,753</u>

During 2015, the City adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities. For reasons discussed that follow, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

City of Conneaut, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

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

Under the new standards required by GASB 68, the net pension liability equals the City's proportionate share of each plan's collective:

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

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

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

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

As a result of implementing GASB 68, the City is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2014, from \$29,976,589 to \$24,952,748 for governmental activities and from \$15,952,519 to \$15,388,005 for business-type activities.

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),

City of Conneaut, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

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 a change in net position going from \$24,952,748 in 2014 to \$24,576,555 in 2015, which was a decrease of \$376,193. Business-type activities saw an increase in net position from \$15,388,005 in 2014 to \$16,057,192 in 2015, which is an increase of \$669,187. Assets in the business-type activities had an increase of \$500,803 when compared with 2014, primarily due to an increase in cash and cash equivalents due to increased cash flow from operating activities and reduction in cash flow used for financing activities. Business-type activities operating revenues increased by \$24,102, less than one percent from 2014. Business-type activities operating expenses decreased \$181,321 or 4.5 percent, and have remained well below the operating revenues. This is largely due to management's efforts to control costs. Therefore, at the end of the current year, the City of Conneaut is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

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

(Table 2)
Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues						
Program Revenues						
Charges for Services and Assessments	\$1,121,002	\$1,165,248	\$4,648,968	\$4,616,528	\$5,769,970	\$5,781,776
Operating Grants and Contributions	964,650	965,317	0	0	964,650	965,317
Capital Grants	459,971	151,217	37,632	256,821	497,603	408,038
Total Program Revenues	2,545,623	2,281,782	4,686,600	4,873,349	7,232,223	7,155,131
General Revenues						
Property Taxes	1,596,820	1,723,822	0	0	1,596,820	1,723,822
Municipal Income Taxes	3,288,977	2,984,138	0	0	3,288,977	2,984,138
Hotel Taxes	20,392	21,381	0	0	20,392	21,381
Grants and Entitlements not						
Restricted to Specific Programs	479,906	409,787	0	0	479,906	409,787
Franchise Taxes	133,313	139,189	0	0	133,313	139,189
Unrestricted Contributions	19,609	17,098	0	0	19,609	17,098
Investment Earnings	6,819	5,253	0	0	6,819	5,253
Gain on Sale of Capital Assets	18,582	0	0	0	18,582	0
Miscellaneous	95,314	174,638	31,067	39,405	126,381	214,043
Total General Revenues	5,659,732	5,475,306	31,067	39,405	5,690,799	5,514,711
Total Revenues	\$8,205,355	\$7,757,088	\$4,717,667	\$4,912,754	\$12,923,022	\$12,669,842

(continued)

City of Conneaut, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

(Table 2)
Change in Net Position (continued)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Program Expenses						
General Government	\$1,586,680	\$1,292,248	\$0	\$0	\$1,586,680	\$1,292,248
Security of Persons and Property	3,634,530	3,322,801	0	0	3,634,530	3,322,801
Public Health Services	185,703	176,534	0	0	185,703	176,534
Leisure Time Activities	122,354	121,622	0	0	122,354	121,622
Community Development	156,956	362,079	0	0	156,956	362,079
Basic Utility Services	348,553	159,031	0	0	348,553	159,031
Transportation	2,455,888	2,544,047	0	0	2,455,888	2,544,047
Interest and Fiscal Charges	89,634	78,000	0	0	89,634	78,000
Water	0	0	2,149,651	2,276,702	2,149,651	2,276,702
Sewer	0	0	1,900,079	1,846,843	1,900,079	1,846,843
<i>Total Program Expenses</i>	<u>8,580,298</u>	<u>8,056,362</u>	<u>4,049,730</u>	<u>4,123,545</u>	<u>12,630,028</u>	<u>12,179,907</u>
<i>Increase (Decrease) in Net Position</i>	(374,943)	(299,274)	667,937	789,209	292,994	489,935
Transfers	(1,250)	296,789	1,250	(296,789)	0	0
<i>Change in Net Position</i>	(376,193)	(2,485)	669,187	492,420	292,994	489,935
<i>Net Position Beginning of Year - Restated (See Note 3)</i>	24,952,748	N/A	15,388,005	N/A	40,340,753	N/A
<i>Net Position End of Year</i>	<u>\$24,576,555</u>	<u>\$24,952,748</u>	<u>\$16,057,192</u>	<u>\$15,388,005</u>	<u>\$40,633,747</u>	<u>\$40,340,753</u>

The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$630,833 computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense of \$663,974. Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed:

	Governmental Activities	Business-Type Activities	Total
Total 2015 program expense under GASB 68	\$8,580,298	\$4,049,730	\$12,630,028
Pension expense under GASB 68	(592,190)	(71,784)	(663,974)
2015 contractually required contribution	576,617	84,579	661,196
Adjusted 2015 program expenses	8,564,725	4,062,525	12,627,250
Total 2014 program expenses under GASB 27	8,056,362	4,123,545	12,179,907
Increase (Decrease) in program expenses not related to pension	<u>\$508,363</u>	<u>(\$61,020)</u>	<u>\$447,343</u>

City of Conneaut, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

Governmental Activities

The City's net position in governmental activities decreased by \$376,193 for a net position total of \$24,576,555 in 2015. Total revenues increased by \$448,267 or 5.8 percent, with expenses increasing \$523,936 or 6.5 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 \$3,288,977 for 2015, an increase of \$304,839 from 2014. 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 decreased \$127,002 or 7.4 percent due to a decrease in assessed values.

The largest program function for the City is security of persons and property, which includes expenses of the police and fire departments. In 2015, the City spent \$3,634,530 on police and fire protection. The police department employs seventeen officers and four full-time dispatchers. The fire department has ten full-time positions and one part-time position. 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 2015, there was an increase in expenses of \$311,729 for the police and fire departments or a 9.4 percent increase from 2014. The increase was attributable to an increase in operating costs.

The City's Public Works Department (Transportation) has 12 employees, including one mechanic, nine equipment operators, one manager, and one full-time administrative assistant. In 2015, they spent \$2,455,888 in transportation activities. The public works department is responsible for maintaining 565 lane miles of roads, including the paving of local streets, as well as snow plowing, storm sewer and ditch maintenance, tree trimming/removal, park and cemetery maintenance, litter pick up, and various other duties.

Business-Type Activities

The City operates two business-type activities: the water and sewer treatment facilities. Net position increased in business-type activities by \$669,187 to \$16,057,192. Total revenues decreased by \$195,087 or 4.0 percent, and total program expenses increased by \$73,815, or less than 2 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 (OPWC) grants during 2015. The water plant provides water to approximately 4,850 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 \$8,130,858 and total expenditures of \$8,859,144, resulting in expenditures exceeding revenues by \$728,286. The most significant change in revenues was an increase in intergovernmental revenue of \$244,185, while the most significant change in expenditures was an increase of \$422,522 in security of persons and property. During 2015, there was an

City of Conneaut, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

increase in general fund revenues of \$105,546, with expenditures exceeding revenues by \$378,818. Expenditures exceeded revenues in the street construction, maintenance and repair fund due to increased paving projects completed and equipment acquisitions made during the year. The City's funds are monitored consistently with adjustments made throughout the year in budgets to accommodate yearly revenues.

Information about the proprietary funds starts on page 26. These funds are accounted for on an accrual basis.

Business-type funds had GAAP operating revenues of \$4,680,035 and operating expenses of \$3,826,876, generating an operating income of \$853,159. Operating revenues increased by \$24,102, or less than one percent from 2014 due to increases in charges for water and sewer services. Operating expenses decreased by \$181,321 due to decreases 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 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 2015, the general fund's original revenue budget was at \$3,871,412 and the final revenue budget saw a small decrease in the property taxes revenue estimate of \$13,763 bringing total final budgeted revenues to \$3,856,649. Actual revenues were higher at \$4,276,768, or a \$420,119 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 budgeted expenditures was \$4,927,802, and the final budgeted expenditures was \$5,357,725. Actual expenditures were substantially less than final budgeted appropriations with a positive variance of \$309,410. 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 \$171,553, for an ending fund balance of \$1,182,829.

City of Conneaut, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

Capital Assets and Debt Administration

Capital Assets

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

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2014	2013
Land	\$554,972	\$554,972	\$6,880	\$6,880	\$561,852	\$561,852
Construction in Progress	285,077	0	93,969	0	379,046	0
Buildings and Improvements	288,736	312,913	494,552	413,753	783,288	726,666
Furniture, Fixtures and Equipment	1,184,915	1,196,512	2,869,952	3,064,622	4,054,867	4,261,134
Vehicles	489,039	396,412	320,335	348,523	809,374	744,935
Infrastructure						
Traffic Signals	197,151	204,037	0	0	197,151	204,037
Roads	11,286,117	11,845,627	0	0	11,286,117	11,845,627
Bridges	11,713,944	11,689,657	0	0	11,713,944	11,689,657
Storm Sewers	1,585,597	1,469,647	0	0	1,585,597	1,469,647
Water and Sewer Lines	0	0	16,808,874	17,010,944	16,808,874	17,010,944
Total	\$27,585,548	\$27,669,777	\$20,594,562	\$20,844,722	\$48,180,110	\$48,514,499

The largest increase in governmental capital assets was due to the City's aggressive street paving program. In 2015, nearly 3.4 miles of City streets were resurfaced at a cost of \$472,849. The Police Department purchased three new cruisers at a cost of \$101,264, and the Fire Department purchased new equipment for the ambulances at a cost of \$84,034. However, these additions were offset by another year of depreciation. Major infrastructure improvements were completed, including the Chestnut Street Storm Sewer, costing \$155,023, and the Center Road Bridge construction/repair, costing \$289,942.

The largest increase in business-type capital assets were improvements to water buildings at a cost of \$54,866 and the construction of the new sewer jet building at the wastewater plant, costing \$51,100. The water department also purchased a new bulk water dispensing system at the water distribution garage at a cost of \$29,930. A new Dodge Ram truck was purchased at the water plant for \$27,982 and the water department continued to replace old fire hydrants at a cost of \$25,000. City continues to work on major capital projects in the business-type funds.

For additional information regarding the City's capital assets, see Note 9 to the basic financial statements.

Long-term Obligations

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

City of Conneaut, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

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

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
General Obligation Bonds	\$1,462,186	\$1,186,931	\$298,825	\$376,498	\$1,761,011	\$1,563,429
OWDA Loans	295,554	390,855	5,172,255	4,801,507	5,467,809	5,192,362
Loans Payable	652,960	789,295	376,228	626,509	1,029,188	1,415,804
OPWC Loans	27,485	29,778	549,341	596,410	576,826	626,188
Notes Payable	150,000	37,500	0	72,500	150,000	110,000
Capital Leases	101,264	30,236	0	0	101,264	30,236
Compensated Absences	883,614	789,783	292,060	309,708	1,175,674	1,099,491
Net Pension Liability	5,854,630	5,574,177	659,917	645,011	6,514,547	6,219,188
Total	\$9,427,693	\$8,828,555	\$7,348,626	\$7,428,143	\$16,776,319	\$16,256,698

Total long-term obligations in governmental activities increased by \$599,138, and business-type activities saw a decrease of \$79,517. Debt service began on several new debt issues for a new fire truck, Center Road bridge improvements and Harbor Street infrastructure. All of the debt service for these new issues are being paid property tax revenues and 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 six general obligation bonds outstanding at the end of the year were the library refunding, energy conservation improvement, vehicle acquisition, various improvements, fire truck and the water refunding. The library and water refunding bonds will be paid off in December 2018 and the energy conservation bond will be paid in full in 2022. All of the interest and principal on the library refunding bond is paid from the debt retirement fund, with funding provided by real estate taxes. The water refunding bond is paid from water user fees but the energy conservation bond is paid from various funds. The fire truck will be paid from the general fund.

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

For more information about the City's long-term obligations, see Note 16 to the basic financial statements.

Current Financial Issues

In 2015, the general fund ended the year with a fund balance of \$2,029,077 on a GAAP basis and of this amount, \$1,173,552 was unassigned. Overall, this represents an increase in the general fund balance of \$302,351 or a 17.5 percent increase from 2014. This increase was due in part to a recovery in income tax and property tax revenue; however, efforts by the City Administration and City Council to implement numerous cost savings measures, including staff reductions, changes to health care benefits, and restructuring of departments have had a more positive impact on the general fund budget. There continues to be a concerted effort by the City Manager and staff to curtail spending wherever possible without compromising City services. Since 2008, fund balances have been improving, but in order to add to, or at least maintain, the fund balance, the City must remain diligent in exploring new ways to improve efficiency, cut costs and increase revenue, if possible.

City of Conneaut, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

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 6.7 percent over the prior year, and approximately 11 percent over a two year period. The cost of this plan for the City's 85 full-time employees is approximately \$1,231,453 per 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 \$113,000 annually.

One of the most critical financial issues for the City remains the reduction of the local government funds provided by the State of Ohio. These funds have accounted for 15 percent of the City's general fund revenues, generating between \$600,000 - \$760,000 annually in years 2000 through 2011. As a result, the City experienced a decrease in local government revenue of \$359,373 annually from years 2008 to 2015. After all of the reductions were implemented, the City's local government revenue was reduced from a high of \$760,973 in 2001 to \$348,328 in 2014, resulting in an annual reduction of \$412,645 from the peak collection year. Although the City collected \$8,732 in inheritance taxes in 2015, 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, 2015, there were over 773 delinquent income tax accounts, and 571 accounts were in collection. This represents \$835,208 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 571 in 2015, an increase of 372. Due to more intensive collection efforts, revenues from accounts sent to collections average \$6,258 per month in 2015 compared to \$7,559 in 2014.

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., Finance Director, 294 Main Street, Conneaut, Ohio 44030, telephone 440-593-7416, or e-mail at connfinance@suite224.net.

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Basic Financial Statements

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City of Conneaut, Ohio
Statement of Net Position
December 31, 2015

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Conneaut Port Authority
Assets				
Equity in Pooled Cash and				
Cash Equivalents	\$2,557,226	\$2,110,947	\$4,668,173	\$185,644
Accounts Receivable	210,294	594,771	805,065	0
Internal Balances	(63,864)	63,864	0	0
Intergovernmental Receivable	762,129	14,268	776,397	0
Prepaid Items	0	0	0	10,472
Materials and Supplies Inventory	76,819	183,887	260,706	4,259
Property Taxes Receivable	2,430,072	0	2,430,072	0
Municipal Income Taxes Receivable	1,116,728	0	1,116,728	0
Special Assessments Receivable	1,049,077	48,477	1,097,554	0
Loans Receivable from Component Unit	180,000	0	180,000	0
Nondepreciable Capital Assets	840,049	100,849	940,898	149,529
Depreciable Capital Assets, Net	26,745,499	20,493,713	47,239,212	1,107,796
<i>Total Assets</i>	<u>35,904,029</u>	<u>23,610,776</u>	<u>59,514,805</u>	<u>1,457,700</u>
Deferred Outflows of Resources				
Pension	848,213	119,791	968,004	22,739
Liabilities				
Accounts Payable	81,047	23,682	104,729	4,365
Contracts Payable	14,458	45,899	60,357	0
Accrued Wages	55,304	19,319	74,623	8,881
Intergovernmental Payable	183,357	70,487	253,844	0
Accrued Interest Payable	17,830	81,269	99,099	412
Notes Payable	217,500	72,500	290,000	0
Due to Primary Government	0	0	0	180,000
Unearned Revenue	0	0	0	113,852
Deposits on Future Revenue	0	0	0	3,560
Long-Term Liabilities:				
Due Within One Year	697,927	881,576	1,579,503	0
Due In More Than One Year:				
Net Pension Liability	5,854,630	659,917	6,514,547	113,297
Other Amounts Due In More Than One Year	2,875,136	5,807,133	8,682,269	0
<i>Total Liabilities</i>	<u>9,997,189</u>	<u>7,661,782</u>	<u>17,658,971</u>	<u>424,367</u>
Deferred Inflows of Resources				
Property Taxes	2,145,501	0	2,145,501	0
Pension	32,997	11,593	44,590	2,054
<i>Total Deferred Inflows of Resources</i>	<u>2,178,498</u>	<u>11,593</u>	<u>2,190,091</u>	<u>2,054</u>
Net Position				
Net Investment in Capital Assets	26,060,414	14,125,413	40,185,827	1,077,325
Restricted for:				
Street Construction, Maintenance and Repair	605,531	0	605,531	0
Police and Fire Operations	218,313	0	218,313	0
Drug and Alcohol Enforcement	68,248	0	68,248	0
Cemetery Operations	59,495	0	59,495	0
Economic Development	23,647	0	23,647	0
Other Purposes	48,683	0	48,683	0
Unrestricted (Deficit)	(2,507,776)	1,931,779	(575,997)	(23,307)
<i>Total Net Position</i>	<u>\$24,576,555</u>	<u>\$16,057,192</u>	<u>\$40,633,747</u>	<u>\$1,054,018</u>

See accompanying notes to the basic financial statements

City of Conneaut, Ohio
Statement of Activities
For the Year Ended December 31, 2015

	Program Revenues			
	Expenses	Charges for Services and Assessments	Operating Grants and Contributions	Capital Grants
Governmental Activities:				
General Government	\$1,586,680	\$352,705	\$0	\$107,000
Security of Persons and Property	3,634,530	474,037	156,610	41,491
Public Health Services	185,703	36,955	0	0
Leisure Time Activities	122,354	43,425	3,364	0
Community Development	156,956	61,928	209,277	0
Basic Utility Services	348,553	127,334	0	0
Transportation	2,455,888	24,618	595,399	311,480
Interest and Fiscal Charges	89,634	0	0	0
<i>Total Governmental Activities</i>	<u>8,580,298</u>	<u>1,121,002</u>	<u>964,650</u>	<u>459,971</u>
Business-Type Activities:				
Water	2,149,651	2,244,357	0	14,268
Sewer	1,900,079	2,404,611	0	23,364
<i>Total Business-Type Activities</i>	<u>4,049,730</u>	<u>4,648,968</u>	<u>0</u>	<u>37,632</u>
<i>Total - Primary Government</i>	<u>\$12,630,028</u>	<u>\$5,769,970</u>	<u>\$964,650</u>	<u>\$497,603</u>
Component Unit				
Conneaut Port Authority	<u>\$558,238</u>	<u>\$448,756</u>	<u>\$14,637</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 - Restated (See Note 3)

Net Position End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Unit
(\$1,126,975)	\$0	(\$1,126,975)	\$0
(2,962,392)	0	(2,962,392)	0
(148,748)	0	(148,748)	0
(75,565)	0	(75,565)	0
114,249	0	114,249	0
(221,219)	0	(221,219)	0
(1,524,391)	0	(1,524,391)	0
(89,634)	0	(89,634)	0
(6,034,675)	0	(6,034,675)	0
0	108,974	108,974	0
0	527,896	527,896	0
0	636,870	636,870	0
(6,034,675)	636,870	(5,397,805)	0
0	0	0	(94,845)
316,065	0	316,065	0
85,313	0	85,313	0
473,019	0	473,019	0
722,423	0	722,423	0
2,589,415	0	2,589,415	0
51,963	0	51,963	0
585,435	0	585,435	0
62,164	0	62,164	0
20,392	0	20,392	0
479,906	0	479,906	0
133,313	0	133,313	0
19,609	0	19,609	0
6,819	0	6,819	0
18,582	0	18,582	1,194
95,314	31,067	126,381	5,197
5,659,732	31,067	5,690,799	6,391
(1,250)	1,250	0	0
5,658,482	32,317	5,690,799	6,391
(376,193)	669,187	292,994	(88,454)
24,952,748	15,388,005	40,340,753	1,142,472
\$24,576,555	\$16,057,192	\$40,633,747	\$1,054,018

City of Conneaut, Ohio

Balance Sheet

Governmental Funds

December 31, 2015

	General	Street Construction, Maintenance and Repair	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and				
Cash Equivalents	\$1,470,164	\$152,376	\$927,486	\$2,550,026
Materials and Supplies Inventory	26,081	50,738	0	76,819
Accounts Receivable	202,804	0	7,490	210,294
Intergovernmental Receivable	225,783	206,727	329,619	762,129
Municipal Income Taxes Receivable	879,278	198,737	38,713	1,116,728
Property Taxes Receivable	364,812	0	2,065,260	2,430,072
Loans Receivable from Component Unit	0	0	180,000	180,000
Interfund Receivable	120,472	0	0	120,472
Special Assessments Receivable	499,061	120,857	429,159	1,049,077
Restricted Assets:				
Equity in Pooled Cash and				
Cash Equivalents	7,200	0	0	7,200
<i>Total Assets</i>	<u>\$3,795,655</u>	<u>\$729,435</u>	<u>\$3,977,727</u>	<u>\$8,502,817</u>
Liabilities				
Accounts Payable	\$30,890	\$10,947	\$39,210	\$81,047
Contracts Payable	2,444	85	11,929	14,458
Accrued Wages	46,170	6,877	2,257	55,304
Intergovernmental Payable	116,861	25,698	40,798	183,357
Interfund Payable	0	0	184,336	184,336
Accrued Interest Payable	308	77	402	787
Notes Payable	30,000	7,500	180,000	217,500
<i>Total Liabilities</i>	<u>226,673</u>	<u>51,184</u>	<u>458,932</u>	<u>736,789</u>
Deferred Inflows of Resources				
Property Taxes	307,492	0	1,838,009	2,145,501
Unavailable Revenue	1,232,413	347,351	835,361	2,415,125
<i>Total Deferred Inflows of Resources</i>	<u>1,539,905</u>	<u>347,351</u>	<u>2,673,370</u>	<u>4,560,626</u>
Fund Balances				
Nonspendable	33,281	50,738	0	84,019
Restricted	0	280,162	872,175	1,152,337
Committed	0	0	77,864	77,864
Assigned	822,244	0	0	822,244
Unassigned (Deficit)	1,173,552	0	(104,614)	1,068,938
<i>Total Fund Balances</i>	<u>2,029,077</u>	<u>330,900</u>	<u>845,425</u>	<u>3,205,402</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$3,795,655</u>	<u>\$729,435</u>	<u>\$3,977,727</u>	<u>\$8,502,817</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, 2015*

Total Governmental Funds Balances	\$3,205,402
 <i>Amounts reported for governmental activities in the statement of net position are different because</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	27,585,548
Other long-term assets are not available to pay for current period expenditures and therefore are reported as unavailable in the funds:	
Delinquent Property Taxes	284,571
Municipal Income Taxes	486,251
Intergovernmental	441,410
Special Assessments	1,049,077
Charges for Services	153,816
Total	2,415,125
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(17,043)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
General Obligation Bonds	(1,462,186)
OWDA Loans Payable	(295,554)
Loans Payable	(652,960)
OPWC Loans Payable	(27,485)
Long-term Notes Payable	(150,000)
Capital Leases Payable	(101,264)
Compensated Absences	(883,614)
Total	(3,573,063)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in the governmental funds:	
Deferred Outflows - Pension	848,213
Net Pension Liability	(5,854,630)
Deferred Inflows - Pension	(32,997)
Total	(5,039,414)
<i>Net Position of Governmental Activities</i>	\$24,576,555

See accompanying notes to the basic financial statements

City of Conneaut, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2015

	General	Street Construction, Maintenance and Repair	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$325,810	\$0	\$1,291,301	\$1,617,111
Municipal Income Taxes	2,490,305	563,034	109,764	3,163,103
Hotel Taxes	23,409	0	0	23,409
Special Assessments	0	12,752	81,782	94,534
Intergovernmental	473,881	423,304	963,276	1,860,461
Fees, Licenses and Permits	106,551	46,905	171,066	324,522
Fines and Forfeitures	194,419	0	107,277	301,696
Rentals	20,000	0	31,650	51,650
Charges for Services	409,236	0	9,225	418,461
Contributions and Donations	19,609	0	960	20,569
Interest	6,721	40	58	6,819
Franchise Taxes	153,209	0	0	153,209
Other	65,447	25,404	4,463	95,314
<i>Total Revenues</i>	<u>4,288,597</u>	<u>1,071,439</u>	<u>2,770,822</u>	<u>8,130,858</u>
Expenditures				
Current:				
General Government	1,500,117	0	4,744	1,504,861
Security of Persons and Property	2,698,656	0	935,952	3,634,608
Public Health Services	188,370	0	0	188,370
Leisure Time Activities	48,424	0	47,247	95,671
Community Development	69,608	0	284,075	353,683
Basic Utility Services	0	0	156,956	156,956
Transportation	0	1,067,969	168,452	1,236,421
Capital Outlay	0	0	1,126,461	1,126,461
Debt Service:				
Principal Retirement	127,869	115,689	232,852	476,410
Interest and Fiscal Charges	34,371	19,361	31,971	85,703
<i>Total Expenditures</i>	<u>4,667,415</u>	<u>1,203,019</u>	<u>2,988,710</u>	<u>8,859,144</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(378,818)</u>	<u>(131,580)</u>	<u>(217,888)</u>	<u>(728,286)</u>
Other Financing Sources (Uses)				
General Obligation Bonds Issued	450,000	0	0	450,000
General Obligation Notes Issued	150,000	0	0	150,000
Capital Lease Issued	101,264	0	0	101,264
Sale of Capital Assets	10,655	7,927	0	18,582
Transfers In	0	0	30,750	30,750
Transfers Out	(30,750)	(1,250)	0	(32,000)
<i>Total Other Financing Sources (Uses)</i>	<u>681,169</u>	<u>6,677</u>	<u>30,750</u>	<u>718,596</u>
<i>Net Change in Fund Balances</i>	302,351	(124,903)	(187,138)	(9,690)
<i>Fund Balances Beginning of Year</i>	<u>1,726,726</u>	<u>455,803</u>	<u>1,032,563</u>	<u>3,215,092</u>
<i>Fund Balance End of Year</i>	<u>\$2,029,077</u>	<u>\$330,900</u>	<u>\$845,425</u>	<u>\$3,205,402</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, 2015*

Net Change in Fund Balances - Total Governmental Funds (\$9,690)

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

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

Capital Outlay	1,591,254	
Depreciation	(1,675,483)	
Total		(84,229)

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

Delinquent Property Taxes	(20,291)	
Municipal Income Taxes	125,874	
Hotel Taxes	(3,017)	
Intergovernmental	43,106	
Special Assessments	(109,759)	
Franchise Taxes	(19,896)	
Charges for Services	39,898	
Total		55,915

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

General Obligation Bonds Payable	174,745	
OWDA Loans Payable	95,301	
Loans Payable	136,335	
OPWC Loans Payable	2,293	
Notes Payable	37,500	
Capital Leases Payable	30,236	
Total		476,410

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. (3,931)

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. (93,831)

Other financing sources in the governmental funds that increase long-term liabilities in the statement of net position are not reported as revenues in the statement of activities:

General Obligation Bonds Issued	(450,000)	
General Obligation Notes Issued	(150,000)	
Capital Lease Issued	(101,264)	
Total		(701,264)

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 576,617

Except for amounts reported as deferred inflows/outflows, changes in net pension liability are reported as pension expense in the statement of activities. (592,190)

Change in Net Position of Governmental Activities (\$376,193)

See accompanying notes to the basic financial statements

City of Conneaut, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$320,447	\$306,684	\$325,810	\$19,126
Municipal Income Taxes	2,199,123	2,199,123	2,518,061	318,938
Hotel Taxes	17,500	17,500	31,072	13,572
Intergovernmental	399,750	399,750	449,603	49,853
Fees, Licenses and Permits	104,822	104,822	106,551	1,729
Fines and Forfeitures	199,150	199,150	196,250	(2,900)
Rentals	20,000	20,000	20,000	0
Charges for Services	415,000	415,000	406,978	(8,022)
Contributions and Donations	17,600	17,600	19,609	2,009
Interest	4,000	4,000	6,721	2,721
Franchise Taxes	141,000	141,000	130,666	(10,334)
Other	33,020	32,020	65,447	33,427
<i>Total Revenues</i>	3,871,412	3,856,649	4,276,768	420,119
Expenditures				
Current:				
General Government	1,411,000	1,673,616	1,540,887	132,729
Security of Persons and Property	3,026,478	3,163,478	3,009,716	153,762
Public Health Services	190,393	204,843	191,758	13,085
Leisure Time Activities	59,762	59,962	53,788	6,174
Community Development	62,753	73,727	70,086	3,641
Debt Service:				
Principal Retirement	147,870	147,870	147,869	1
Interest and Fiscal Charges	29,546	34,229	34,211	18
<i>Total Expenditures</i>	4,927,802	5,357,725	5,048,315	309,410
<i>Excess of Revenues Under Expenditures</i>	(1,056,390)	(1,501,076)	(771,547)	729,529
Other Financing Sources (Uses)				
General Obligation Bonds Issued	450,000	450,000	450,000	0
General Obligation Notes Issued	30,000	30,000	180,000	150,000
Capital Lease Issued	90,000	90,000	101,264	11,264
Sale of Capital Assets	0	1,000	10,655	9,655
Advances In	0	9,297	9,297	0
Advances Out	0	(120,472)	(120,472)	0
Transfers Out	(215,750)	(232,755)	(30,750)	202,005
<i>Total Other Financing Sources (Uses)</i>	354,250	227,070	599,994	372,924
<i>Net Change in Fund Balance</i>	(702,140)	(1,274,006)	(171,553)	1,102,453
<i>Fund Balance Beginning of Year</i>	1,291,826	1,291,826	1,291,826	0
Prior Year Encumbrances Appropriated	62,556	62,556	62,556	0
<i>Fund Balances End of Year</i>	\$652,242	\$80,376	\$1,182,829	\$1,102,453

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, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$497,052	\$497,052	\$569,307	\$72,255
Special Assessments	7,000	7,000	12,752	5,752
Intergovernmental	437,000	437,000	426,991	(10,009)
Fees, Licenses and Permits	20,000	20,000	46,905	26,905
Interest	100	100	40	(60)
Other	30,000	30,000	25,404	(4,596)
<i>Total Revenues</i>	991,152	991,152	1,081,399	90,247
Expenditures				
Current:				
Transportation	1,278,609	1,283,609	1,132,699	150,910
Debt Service:				
Principal Retirement	121,978	124,441	124,439	2
Interest and Fiscal Charges	20,555	19,342	19,339	3
<i>Total Expenditures</i>	1,421,142	1,427,392	1,276,477	150,915
<i>Excess of Revenues Under Expenditures</i>	(429,990)	(436,240)	(195,078)	241,162
Other Financing Sources (Uses)				
General Obligation Notes Issued	15,000	15,000	7,500	(7,500)
Capital Lease Issued	30,000	30,000	0	(30,000)
Sale of Capital Assets	0	0	7,927	7,927
Transfers In	140,000	140,000	0	(140,000)
<i>Total Other Financing Sources (Uses)</i>	185,000	185,000	15,427	(169,573)
<i>Net Change in Fund Balance</i>	(244,990)	(251,240)	(179,651)	71,589
<i>Fund Balance Beginning of Year</i>	143,580	143,580	143,580	0
Prior Year Encumbrances Appropriated	142,519	142,519	142,519	0
<i>Fund Balance End of Year</i>	\$41,109	\$34,859	\$106,448	\$71,589

See accompanying notes to the basic financial statements

City of Conneaut, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2015

	Business-Type Activities		
	Water	Sewer	Total
Assets			
<i>Current Assets:</i>			
Equity in Pooled Cash and Cash Equivalents	\$601,398	\$1,509,549	\$2,110,947
Materials and Supplies Inventory	126,752	57,135	183,887
Receivables:			
Accounts	289,196	305,575	594,771
Intergovernmental	14,268	0	14,268
Special Assessments	1,255	419	1,674
Interfund Receivable	0	63,864	63,864
<i>Total Current Assets</i>	<u>1,032,869</u>	<u>1,936,542</u>	<u>2,969,411</u>
<i>Noncurrent Assets:</i>			
Special Assessment Receivable	29,836	16,967	46,803
Capital Assets:			
Nondepreciable Capital Assets	6,880	93,969	100,849
Depreciable Capital Assets, Net	9,547,908	10,945,805	20,493,713
<i>Total Noncurrent Assets</i>	<u>9,584,624</u>	<u>11,056,741</u>	<u>20,641,365</u>
<i>Total Assets</i>	<u>10,617,493</u>	<u>12,993,283</u>	<u>23,610,776</u>
Deferred Outflows of Resources			
Pension	69,110	50,681	119,791
Liabilities			
<i>Current Liabilities:</i>			
Accounts Payable	11,423	12,259	23,682
Contracts Payable	13,366	32,533	45,899
Accrued Wages	11,082	8,237	19,319
Intergovernmental Payable	36,019	34,468	70,487
Compensated Absences Payable	30,688	69,339	100,027
Accrued Interest Payable	33,048	48,221	81,269
General Obligation Bonds Payable	71,472	8,358	79,830
OPWC Loans Payable	37,024	11,295	48,319
OWDA Loans Payable	123,310	245,860	369,170
Notes Payable	0	72,500	72,500
Loans Payable	268,897	15,333	284,230
<i>Total Current Liabilities</i>	<u>636,329</u>	<u>558,403</u>	<u>1,194,732</u>
<i>Long-Term Liabilities (net of current portion):</i>			
Compensated Absences Payable	135,402	56,631	192,033
General Obligation Bonds Payable	166,035	52,960	218,995
OPWC Loans Payable	327,269	173,753	501,022
OWDA Loans Payable	1,822,321	2,980,764	4,803,085
Loans Payable	45,996	46,002	91,998
Net Pension Liability	380,721	279,196	659,917
<i>Total Long-Term Liabilities</i>	<u>2,877,744</u>	<u>3,589,306</u>	<u>6,467,050</u>
<i>Total Liabilities</i>	<u>3,514,073</u>	<u>4,147,709</u>	<u>7,661,782</u>
Deferred Inflows of Resources			
Pension	6,688	4,905	11,593
Net Position			
Net Investment in Capital Assets	6,692,464	7,432,949	14,125,413
Unrestricted	473,378	1,458,401	1,931,779
<i>Total Net Position</i>	<u>\$7,165,842</u>	<u>\$8,891,350</u>	<u>\$16,057,192</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, 2015*

	Business-Type Activities		
	Water	Sewer	Total
Operating Revenues			
Charges for Services	\$2,224,945	\$2,394,292	\$4,619,237
Tap-In Fees	6,090	1,000	7,090
Special Assessments	11,872	9,319	21,191
Rentals	1,450	0	1,450
Other	25,975	5,092	31,067
<i>Total Operating Revenues</i>	<u>2,270,332</u>	<u>2,409,703</u>	<u>4,680,035</u>
Operating Expenses			
Personal Services	1,089,076	868,385	1,957,461
Purchased Services	259,101	336,882	595,983
Contractual Services	139,747	11,170	150,917
Materials and Supplies	176,206	158,703	334,909
Depreciation	362,567	419,187	781,754
Other	2,026	3,826	5,852
<i>Total Operating Expenses</i>	<u>2,028,723</u>	<u>1,798,153</u>	<u>3,826,876</u>
<i>Operating Income</i>	241,609	611,550	853,159
Non-Operating Expenses			
Interest and Fiscal Charges	(120,928)	(101,926)	(222,854)
<i>Income before Capital Contributions and Transfers</i>	120,681	509,624	630,305
Capital Contributions	14,268	23,364	37,632
Transfers In	0	1,250	1,250
<i>Change in Net Position</i>	134,949	534,238	669,187
<i>Net Position Beginning of Year - Restated (See Note 3)</i>	<u>7,030,893</u>	<u>8,357,112</u>	<u>15,388,005</u>
<i>Net Position End of Year</i>	<u><u>\$7,165,842</u></u>	<u><u>\$8,891,350</u></u>	<u><u>\$16,057,192</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, 2015

	Business-Type Activities		
	Water	Sewer	Total
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities			
Cash Received from Customers	\$2,228,466	\$2,401,280	\$4,629,746
Cash Received from Tap-In Fees	6,090	1,000	7,090
Cash Received from Special Assessments	3,826	2,119	5,945
Cash Received from Rentals	1,450	0	1,450
Other Cash Receipts	25,975	5,092	31,067
Cash Payments to Employees for Services	(1,135,686)	(960,927)	(2,096,613)
Cash Payments for Goods and Services	(565,909)	(482,846)	(1,048,755)
Other Cash Payments	(2,026)	(3,826)	(5,852)
<i>Net Cash Provided by Operating Activities</i>	<u>562,186</u>	<u>961,892</u>	<u>1,524,078</u>
Cash Flows from Noncapital Financing Activities			
Advances Out	0	(30,062)	(30,062)
Transfers In	0	1,250	1,250
<i>Net Cash Used in Noncapital Financing Activities</i>	<u>0</u>	<u>(28,812)</u>	<u>(28,812)</u>
Cash Flows from Capital and Related Financing Activities			
Capital Contributions	0	23,364	23,364
General Obligation Notes Issued	0	72,500	72,500
OWDA Loans Issued	227,025	376,976	604,001
Principal Paid on OWDA Loans	(116,625)	(116,628)	(233,253)
Interest Paid on OWDA Loans	(62,026)	(99,642)	(161,668)
Principal Paid on OPWC Loans	(37,024)	(10,045)	(47,069)
Principal Paid on General Obligation Bond	(69,444)	(8,229)	(77,673)
Interest Paid on General Obligation Bond	(9,240)	(2,156)	(11,396)
Principal Paid on Loans	(234,948)	(15,333)	(250,281)
Interest Paid on Loans	(21,445)	(3,005)	(24,450)
Principal Paid on Long-term Notes	0	(72,500)	(72,500)
Interest Paid on Long-term Notes	0	(975)	(975)
Principal Paid on Short-term Notes	0	(72,500)	(72,500)
Interest Paid on Short-term Notes	0	(975)	(975)
Payments for Capital Acquisitions	(354,284)	(177,310)	(531,594)
<i>Net Cash Used in Capital and Related Financing Activities</i>	<u>(678,011)</u>	<u>(106,458)</u>	<u>(784,469)</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalent</i>	(115,825)	826,622	710,797
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>717,223</u>	<u>682,927</u>	<u>1,400,150</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$601,398</u>	<u>\$1,509,549</u>	<u>\$2,110,947</u>

(continued)

City of Conneaut, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2015

	Business-Type Activities		
	Water	Sewer	Total
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating Income	\$241,609	\$611,550	\$853,159
Adjustments:			
Depreciation	362,567	419,187	781,754
(Increase) Decrease in Assets:			
Accounts Receivable	3,521	6,988	10,509
Special Assessments Receivable	(8,046)	(7,200)	(15,246)
Materials and Supplies Inventory	3,788	5,113	8,901
Decrease in Deferred Outflows of Resources - Pension	2,723	1,997	4,720
Increase (Decrease) in Liabilities:			
Accounts Payable	(4,036)	4,163	127
Contracts Payable	9,393	9,433	18,826
Accrued Wages	(23,920)	(21,412)	(45,332)
Compensated Absences Payable	(18,403)	(67,022)	(85,425)
Intergovernmental Payable	3,095	6,505	9,600
Net Pension Liability	(7,019)	(5,147)	(12,166)
Decrease in Deferred Inflows of Resources - Pension	(3,086)	(2,263)	(5,349)
<i>Total Adjustments</i>	<u>320,577</u>	<u>350,342</u>	<u>670,919</u>
<i>Net Cash Provided by Operating Activities</i>	<u>\$562,186</u>	<u>\$961,892</u>	<u>\$1,524,078</u>

See accompanying notes to the basic financial statements

City Of Conneaut, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Fund
December 31, 2015

Assets	
Equity in Pooled Cash and Cash Equivalents	\$137,513
Cash and Cash Equivalents in Segregated Accounts	<u>15,588</u>
<i>Total Assets</i>	<u><u>\$153,101</u></u>
 Liabilities	
Deposits Held and Due to Others	<u><u>\$153,101</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, 2015

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

The City is associated with the Ohio Municipal League Workers’ Compensation Group Retrospective Rating 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 12, 13 and 20 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, 2015

Note 2 – Summary of Significant Accounting Policies

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

Basis of Presentation

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

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

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

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

Fund Accounting

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

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

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

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, 2015

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

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

Basis of Accounting

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

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

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

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

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for pension. The deferred outflows of resources related to pension are explained in Note 18.

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the City, deferred inflows of resources include property taxes, unavailable revenue and pension. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2015, but which were levied to finance year 2016 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. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities found on page 21. Deferred inflows of resources related to pension are reported on the government-wide statement of net position (See Note 18).

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

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

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

Cash and Cash Equivalents

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

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

The City of Conneaut has invested in the State Treasury Asset Reserve of Ohio (STAR Ohio) during 2015. 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, 2015.

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 2015 amounted to \$6,721 which includes \$4,563 assigned from other City funds.

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

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

Inventory

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

Restricted Assets

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

Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The City was able to estimate the historical cost for the initial reporting of infrastructure by backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their 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
Furniture, Fixtures and Equipment	3 - 10 years
Vehicles	5 - 20 years
Infrastructure	25 - 40 years
Water and Sewer Lines	50 years

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

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

Compensated Absences

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

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

Accrued Liabilities and Long-Term Obligations

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

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

Fund Balance

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

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

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

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

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by City Council. In the general fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance, or by State Statute. State Statute authorizes the finance director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. City Council assigned fund balance to cover a gap between estimated revenue and appropriations in 2016'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.

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from contributions of capital assets from outside contributions of resources restricted to capital acquisition and construction.

Interfund Balances

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

Interfund Activity

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

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

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.

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

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 – Change in Accounting Principle and Restatement of Net Position

For 2015, the City implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, “Accounting and Financial Reporting for Pensions” and GASB Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68.” GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported December 31, 2014:

	<u>Governmental Activities</u>	<u>Business -Type Activities</u>	<u>Total</u>
Net position December 31, 2014	\$29,976,589	\$15,952,519	\$45,929,108
Adjustments:			
Net Pension Liability	(5,574,177)	(645,011)	(6,219,188)
Deferred Outflow - Payments Subsequent to Measurement Date	<u>550,336</u>	<u>80,497</u>	<u>630,833</u>
Restated Net Position December 31, 2014	<u>\$24,952,748</u>	<u>\$15,388,005</u>	<u>\$40,340,753</u>
	<u>Water</u>	<u>Sewer</u>	<u>Total Enterprise</u>
Net position December 31, 2014	\$7,356,574	\$8,595,945	\$15,952,519
Adjustments:			
Net Pension Liability	(372,122)	(272,889)	(645,011)
Deferred Outflow - Payments Subsequent to Measurement Date	<u>46,441</u>	<u>34,056</u>	<u>80,497</u>
Restated Net Position December 31, 2014	<u>\$7,030,893</u>	<u>\$8,357,112</u>	<u>\$15,388,005</u>

Other than employer contributions subsequent to the measurement date, the City made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

Note 4 - Budgetary Basis of Accounting

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The statement of revenues, expenditures and changes in fund balance - budget (non-GAAP basis) and Actual presented for the general and street construction, maintenance and repair funds is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

The major differences between the budget basis and the GAAP basis are as follows:

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

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

	Net Change in Fund Balances	
	General	Street Construction, Maintenance and Repair
	<u> </u>	<u> </u>
GAAP Basis	\$302,351	(\$124,903)
Net Adjustment for Revenue Accruals	(159,549)	9,960
Net Adjustment for Expenditures Accruals	(74,285)	(18,780)
Beginning Unrecorded Cash	5,640	0
Ending Unrecorded Cash	(7,920)	0
Advances In	9,297	0
Advances Out	(120,472)	0
Proceeds of Notes	180,000	7,500
Principal Retirement	(20,000)	(7,500)
Encumbrances	(286,615)	(45,928)
	<u> </u>	<u> </u>
Budget Basis	<u>(\$171,553)</u>	<u>(\$179,651)</u>

Note 5 - Fund Balances

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

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

Fund Balances	General	Street Construction, Maintenance and Repair	Other Governmental Funds	Total
<i>Nonspendable</i>				
Unclaimed Monies	\$7,200	\$0	\$0	\$7,200
Inventory	26,081	50,738	0	76,819
<i>Total Nonspendable</i>	33,281	50,738	0	84,019
<i>Restricted for</i>				
Road Improvements	0	280,162	63,761	343,923
Drug and Alcohol				
Alcohol Enforcement	0	0	82,276	82,276
Police and Fire				
Departments	0	0	48,175	48,175
Municipal Probation				
Services	0	0	1,300	1,300
Economic Development	0	0	23,647	23,647
Restaurant Inspection	0	0	7,461	7,461
Marina Improvements	0	0	7,702	7,702
Cemetery	0	0	56,495	56,495
Debt Service Payments	0	0	190,293	190,293
Municipal Court				
Improvements	0	0	367,813	367,813
Bridge Improvements	0	0	22,500	22,500
Industrial Park Improvements	0	0	751	751
Energy Improvements	0	0	1	1
<i>Total Restricted</i>	0	280,162	872,175	1,152,337
<i>Committed to</i>				
Recreation	0	0	60,722	60,722
Capital Improvements	0	0	17,142	17,142
<i>Total Committed</i>	0	0	77,864	77,864
<i>Assigned to</i>				
Purchases on Order:				
Salaries and Benefits	1,620	0	0	1,620
Supplies	9,958	0	0	9,958
Purchased/Contractual Services	12,085	0	0	12,085
Capital Outlay	247,310	0	0	247,310
Year 2016 Appropriations	551,271	0	0	551,271
<i>Total Assigned</i>	822,244	0	0	822,244
<i>Unassigned (Deficit)</i>	1,173,552	0	(104,614)	1,068,938
<i>Total Fund Balances</i>	\$2,029,077	\$330,900	\$845,425	\$3,205,402

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

Note 6 - Fund Deficits

Fund balance at December 31, 2015, included the following individual fund deficits:

<u>Fund</u>	<u>Amount</u>
<i>Nonmajor Funds:</i>	
Policy Levy II	\$6,674
Street Lighting	8,422
Police Pension	15,746
Fire Pension	9,908
Special Assessment Bond Retirement	63,864

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

Note 7 - Deposits and Investments

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

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

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

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

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

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

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and with certain limitations bonds and other obligations of political subdivisions of the State of Ohio;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to the market daily, and the term of the agreement must not exceed thirty days.

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

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

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

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

Deposits

Custodial Credit Risk Custodial credit risk for deposits is the risk that, in the event of 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, \$645,324 of the City's bank balance of \$4,407,291 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.

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

Investments

At December 31, 2015, the City had \$667,563 invested in STAR Ohio with an average maturity of 49.4 days.

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

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

Note 8 - Receivables

Receivables at December 31, 2015, 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 \$327,365 in the special assessment bond retirement fund, \$29,836 in the water enterprise fund and \$16,967 in the sewer enterprise fund. At December 31, 2015, the amount of delinquent special assessments was \$709,751.

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, 2015, the City has a loan receivable in the amount of \$180,000 in the marina special revenue fund. See Note 21 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 2015 for real and public utility property taxes represents collections of 2014 taxes.

2015 real property taxes are levied after October 1, 2015 on the assessed value as of January 1, 2015 the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2015 real property taxes are collected in and intended to finance 2016.

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. 2015 public utility property taxes which became a lien December 31, 2014, are levied after October 1, 2015, and are collected in 2016 with real property taxes.

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

The full tax rate for all City operations for the year ended December 31, 2015, was \$13.51 per \$1,000 of assessed value. The assessed values of real property and public utility property upon which 2015 property tax receipts were based are as follows:

Category	Assessed Value
Real Estate	
Residential/Agricultural	\$123,666,110
Other Real Estate	55,173,170
Public Utility Property	7,546,170
Total Assessed Values	\$186,385,450

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which are measurable as of December 31, 2015 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	\$185,432
Local Government	176,235
Ohio Public Works Commission Grant	142,972
Homestead and Rollback	125,154
Permissive Tax	69,281
Auto License Tax	38,055
Foundation Grant	25,000
Total	\$762,129

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

At December 31, 2015, the City had an intergovernmental receivable of \$14,268 in the water enterprise fund from the Ohio environmental protection agency.

Note 9 - Capital Assets

Capital asset activity for the year ended December 31, 2015, was as follows:

Governmental Activities	Balance 12/31/2014	Additions	Deductions	Balance 12/31/2015
<i>Capital Assets not being Depreciated:</i>				
Land	\$554,972	\$0	\$0	\$554,972
Construction in Progress	0	285,077	0	285,077
<i>Total Capital Assets not being Depreciated</i>	<u>554,972</u>	<u>285,077</u>	<u>0</u>	<u>840,049</u>
<i>Capital Assets being Depreciated:</i>				
Buildings and Improvements	1,870,412	33,900	0	1,904,312
Furniture, Fixtures and Equipment	2,968,587	145,342	(13,700)	3,100,229
Vehicles	3,713,367	209,121	(157,699)	3,764,789
Infrastructure:				
Traffic Lights	293,738	0	0	293,738
Roads	23,753,447	472,849	0	24,226,296
Bridges	13,258,591	289,942	0	13,548,533
Storm Sewers	2,610,800	155,023	0	2,765,823
<i>Total Capital Assets being Depreciated</i>	<u>48,468,942</u>	<u>1,306,177</u>	<u>(171,399)</u>	<u>49,603,720</u>
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(1,557,499)	(58,077)	0	(1,615,576)
Furniture, Fixtures and Equipment	(1,772,075)	(156,939)	13,700	(1,915,314)
Vehicles	(3,316,955)	(116,494)	157,699	(3,275,750)
Infrastructure:				
Traffic Lights	(89,701)	(6,886)	0	(96,587)
Roads	(11,907,820)	(1,032,359)	0	(12,940,179)
Bridges	(1,568,934)	(265,655)	0	(1,834,589)
Storm Sewers	(1,141,153)	(39,073)	0	(1,180,226)
<i>Total Accumulated Depreciation</i>	<u>(21,354,137)</u>	<u>(1,675,483) *</u>	<u>171,399</u>	<u>(22,858,221)</u>
Total Capital Assets being Depreciated, Net	<u>27,114,805</u>	<u>(369,306)</u>	<u>0</u>	<u>26,745,499</u>
Governmental Activities Capital Assets, Net	<u>\$27,669,777</u>	<u>(\$84,229)</u>	<u>\$0</u>	<u>\$27,585,548</u>

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

*Depreciation expense was charged to governmental functions as follows:

General Government	\$92,880
Security of Persons and Property	118,231
Leisure Time Activities	26,730
Community Development	99
Transportation	<u>1,437,543</u>
Total Depreciation Expense	<u><u>\$1,675,483</u></u>

	Balance 12/31/2014	Additions	Deductions	Balance 12/31/2015
Business-Type Activities:				
<i>Capital Assets not being Depreciated:</i>				
Land	\$6,880	\$0	\$0	\$6,880
Construction in Progress	<u>0</u>	<u>93,969</u>	<u>0</u>	<u>93,969</u>
<i>Total Capital Assets not being Depreciated</i>	<u>6,880</u>	<u>93,969</u>	<u>0</u>	<u>100,849</u>
<i>Capital Assets being Depreciated:</i>				
Buildings and Improvements	1,070,146	105,966	0	1,176,112
Equipment	6,552,362	107,775	(6,340)	6,653,797
Vehicles	861,084	27,982	0	889,066
Infrastructure:				
Water and Sewer Lines	<u>23,083,259</u>	<u>195,902</u>	<u>0</u>	<u>23,279,161</u>
<i>Total Capital Assets being Depreciated</i>	<u>31,566,851</u>	<u>437,625</u>	<u>(6,340)</u>	<u>31,998,136</u>
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(656,393)	(25,167)	0	(681,560)
Equipment	(3,487,740)	(302,445)	6,340	(3,783,845)
Vehicles	(512,561)	(56,170)	0	(568,731)
Infrastructure:				
Water and Sewer Lines	<u>(6,072,315)</u>	<u>(397,972)</u>	<u>0</u>	<u>(6,470,287)</u>
<i>Total Accumulated Depreciation</i>	<u>(10,729,009)</u>	<u>(781,754)</u>	<u>6,340</u>	<u>(11,504,423)</u>
Total Capital Assets being Depreciated, Net	<u>20,837,842</u>	<u>(344,129)</u>	<u>0</u>	<u>20,493,713</u>
Business-Type Activities Capital Assets, Net	<u><u>\$20,844,722</u></u>	<u><u>(\$250,160)</u></u>	<u><u>\$0</u></u>	<u><u>\$20,594,562</u></u>

Note 10 – Interfund Transactions

Internal Balances

The general fund advanced \$120,472 to the creek road bridge 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, 2014 and 2015 in the amounts of \$23,132, \$10,670 and \$30,062 respectively, to cover debt requirements pending the receipt of delinquent special assessments. These loans are expected to be repaid in one year. At December 31, 2015, the special assessment bond retirement fund is not able to repay these advances.

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

Interfund Transfers

The general fund transferred \$30,750 to other governmental funds to provide additional resources for current operations. The street construction, maintenance and repair special revenue fund transferred \$1,250 to the sewer enterprise fund for debt payments.

Note 11 - Compensated Absences

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

Note 12 – Insurance Purchasing Pool

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

Note 13 – 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 14 - 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 2015, the City contracted with USI Insurance Services for various types of insurance as follows:

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

Type of Coverage	Coverage
Property/Boilers and Machinery	\$25,506,733
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 2015, the City participated in the Ohio Municipal League Workers' Compensation Group Rating Retrospective Plan (GRP), an insurance purchasing pool (Note 12). 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 15 - Notes Payable

Changes in the City's note activity for the year ended December 31, 2015, were as follows:

	Outstanding 12/31/2014	Additions	Reductions	Outstanding 12/31/2015
<i>General Fund:</i>				
Prison Land, 1.85%	\$5,000	\$10,000	(\$5,000)	\$10,000
Madison Street Storm Sewer, 1.85%	15,000	20,000	(15,000)	20,000
<i>Total General Fund</i>	20,000	30,000	(20,000)	30,000
<i>Special Revenue Fund:</i>				
Street Equipment, 1.85%	7,500	7,500	(7,500)	7,500
Port Authority 1.99%	210,000	180,000	(210,000)	180,000
<i>Total Special Revenue Fund</i>	217,500	187,500	(217,500)	187,500
<i>Total Governmental Activities</i>	\$237,500	\$217,500	(\$237,500)	\$217,500
<i>Enterprise Funds:</i>				
<i>Sewer:</i>				
Waste Water Improvement, 1.85%	\$15,000	\$20,000	(\$15,000)	\$20,000
Sewer Jet, 1.85%	57,500	52,500	(57,500)	52,500
<i>Total Enterprise Funds</i>	\$72,500	\$72,500	(\$72,500)	\$72,500

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

In 2015, the City issued \$10,000, \$20,000, \$7,500, \$20,000 and \$52,500 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, 2015 and the notes mature on June 10, 2016.

In 2015, the City issued a \$180,000 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 1.99 percent maturing on November 18, 2016. As of December 31, 2015 all proceeds had been disbursed.

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

Note 16 - Long-Term Obligations

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

Debt Issue	Original Issue Date	Interest Rate	Original Issue Amount	Year of Maturity
Governmental Activities				
<i>General Obligation Bonds:</i>				
Library Refunding	2011	3.00%	\$735,000	2018
Energy Conservation	2012	3.10	544,352	2022
Vehicle Acquisition	2014	5.35	55,000	2024
Various Purpose Improvements	2014	3.48	305,000	2024
Fire Truck Acquisition	2015	2.50	450,000	2025
<i>Special Assessment Loans:</i>				
East Conneaut Sewer Phase II	1996	4.16	746,716	2016
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
Center Road Bridge	2015	1.93	150,000	2016
Business-Type Activities				
<i>Special Assessment Loans:</i>				
East Conneaut Sewer Phase II	1996	4.16	215,671	2016
I-90 Sewer	1998	3.98	94,123	2020
East Conneaut Sewer Phase III	1999	3.50	132,997	2020

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

Debt Issue	Original Issue Date	Interest Rate	Original Issue Amount	Year of Maturity
Business-Type Activities (continued)				
<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	2034
Harbor Street Infrastructure	2013	3.16	604,001	2035
<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	2032
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
<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 2015 follows:

	Outstanding 12/31/2014	Additions	Reductions	Outstanding 12/31/2015	Amount Due In one Year
Governmental Activities:					
<i>General Obligation Bonds:</i>					
Library Refunding	\$384,818	\$0	\$91,982	\$292,836	\$94,742
Energy Conservation	442,113	0	52,319	389,794	53,135
Vehicle Acquisition	55,000	0	4,870	50,130	5,000
Various Purpose Improvements	305,000	0	25,574	279,426	26,972
Fire Truck Acquisition	0	450,000	0	450,000	43,000
Total General Obligation Bonds	\$1,186,931	\$450,000	\$174,745	\$1,462,186	\$222,849

(continued)

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

	Outstanding 12/31/2014	Additions	Reductions	Outstanding 12/31/2015	Amount Due In one Year
Governmental Activities (continued):					
<i>Special Assessment OWDA Loans</i>					
<i>with Governmental Commitment:</i>					
East Conneaut Sewer Phase II	\$94,816	\$0	\$46,431	\$48,385	\$48,385
I-90 Sewer	44,749	0	10,535	34,214	10,958
East Conneaut Sewer Phase III	251,290	0	38,335	212,955	39,688
Total Special Assessment OWDA Loans	390,855	0	95,301	295,554	99,031
<i>Loans:</i>					
Industrial Park	437,941	0	45,419	392,522	46,801
Road Equipment Acquisition	76,668	0	15,333	61,335	15,333
State Infrastructure Loan - Parrish Road	274,686	0	75,583	199,103	77,867
Total Loans:	789,295	0	136,335	652,960	140,001
<i>OPWC Loan:</i>					
Under Ridge Road Culvert	16,606	0	1,581	15,025	1,581
Roadway Safety	13,172	0	712	12,460	712
Total OPWC Loans	29,778	0	2,293	27,485	2,293
<i>Long - Term Notes Payable:</i>					
Prison Land	10,000	0	10,000	0	0
Madison Street Storm Sewer	20,000	0	20,000	0	0
Street Equipment	7,500	0	7,500	0	0
Center Road Bridge	0	150,000	0	150,000	0
Total Long - Term Notes Payable	37,500	150,000	37,500	150,000	0
<i>Other Long-Term Liabilities:</i>					
Capital Leases	30,236	101,264	30,236	101,264	32,817
Compensated Absences	789,783	269,312	175,481	883,614	200,936
Total Other Long-Term Liabilities	820,019	370,576	205,717	984,878	233,753
<i>Net Pension Liability:</i>					
OPERS	1,835,802	42,423	0	1,878,225	0
OPF	3,738,375	238,030	0	3,976,405	0
Total Net Pension Liability	5,574,177	280,453	0	5,854,630	0
Total Governmental Activities					
Long-Term Obligations	\$8,828,555	\$1,251,029	\$651,891	\$9,427,693	\$697,927
Business-Type Activities:					
<i>Special Assessment OWDA Loans</i>					
<i>with Governmental Commitment:</i>					
East Conneaut Sewer Phase II	\$31,604	\$0	\$15,478	\$16,126	\$16,126
I-90 Sewer	25,172	0	5,926	19,246	6,164
East Conneaut Sewer Phase III	55,162	0	8,415	46,747	8,712
Total Special Assessment OWDA Loans	111,938	0	29,819	82,119	31,002
<i>OWDA Loans</i>					
Water III	95,198	0	36,855	58,343	38,476
Dechlorination Project	14,759	0	5,723	9,036	5,961
Wastewater Improvement Loan	2,075,114	36,439	24,714	2,086,839	160,633
Industrial Park	229,691	0	27,744	201,947	28,582
Wastewater Aeration Repairs	224,322	0	11,075	213,247	11,388
Lake Erie Street Sanitary Sewer	226,411	0	8,008	218,403	9,381
Aerial Sewer Repairs	198,886	0	16,969	181,917	0
Creek Road Eleveated Storage Tank	1,625,188	0	61,599	1,563,589	61,740
Harbor Street Infrastructure	0	567,562	10,747	556,815	22,007
Total OWDA Loans	4,689,569	604,001	203,434	5,090,136	338,168
Total OWDA Obligations	\$4,801,507	\$604,001	\$233,253	\$5,172,255	\$369,170

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

	Outstanding 12/31/2014	Additions	Reductions	Outstanding 12/31/2015	Amount Due In one Year
Business-Type Activities (continued):					
<i>OPWC Loans:</i>					
South Conneaut Water Tank	\$125,125	\$0	\$19,250	\$105,875	\$19,250
Liberty Water Line	53,319	0	5,924	47,395	5,924
Madison Sanitary Sewer	18,913	0	1,892	17,021	1,892
Finished Water and Booster Pump	32,699	0	2,044	30,655	2,044
Water and Booster Pump Station	8,801	0	550	8,251	550
Sandusky Sanitary Sewer	22,542	0	1,409	21,133	1,409
Sanitary Sewer Repairs	8,794	0	503	8,291	503
Roadway Safety	29,323	0	1,585	27,738	1,585
Wastewater Aeration Improvement	16,771	0	906	15,865	906
Creek Road Water Tank	146,250	0	7,500	138,750	7,500
Aerial Sewer	48,750	0	2,500	46,250	2,500
Harbor Street Infrastructure	50,000	0	1,250	48,750	2,500
Water Treatment Plant Improvements	35,123	0	1,756	33,367	1,756
<i>Total OPWC Loans</i>	<u>596,410</u>	<u>0</u>	<u>47,069</u>	<u>549,341</u>	<u>48,319</u>
<i>General Obligation Bonds:</i>					
Water Refunding	274,444	0	65,600	208,844	67,568
Energy Conservation	102,054	0	12,073	89,981	12,262
<i>Total Bonds</i>	<u>376,498</u>	<u>0</u>	<u>77,673</u>	<u>298,825</u>	<u>79,830</u>
<i>Loans:</i>					
Road Equipment Acquisition	153,332	0	30,667	122,665	30,667
Water Meters	473,177	0	219,614	253,563	253,563
<i>Total Loans</i>	<u>626,509</u>	<u>0</u>	<u>250,281</u>	<u>376,228</u>	<u>284,230</u>
<i>Long-term Notes Payable</i>					
Waste Water Improvement	20,000	0	20,000	0	0
Sewer Jet	52,500	0	52,500	0	0
<i>Total Long-term Notes Payable</i>	<u>72,500</u>	<u>0</u>	<u>72,500</u>	<u>0</u>	<u>0</u>
<i>Other Long-Term Liabilities:</i>					
Compensated Absences	309,708	93,594	111,242	292,060	100,027
<i>Net Pension Liability:</i>					
OPERS	645,011	14,906	0	659,917	0
<i>Total Business-Type Activities</i>					
<i>Long-Term Obligations</i>	<u>\$7,428,143</u>	<u>\$712,501</u>	<u>\$792,018</u>	<u>\$7,348,626</u>	<u>\$881,576</u>

General obligation bonds are direct obligations of the City and will be paid from the bond retirement debt service fund using property tax revenues and from the water fund using operating revenues. Special assessment debt will be paid from the proceeds of special assessments levied against benefited property owners. In the event that a property owner would fail to pay the assessment, payment would be made by the City. The OWDA loans will be paid partly with special assessments levied against benefited property owners as well as user charges from the appropriate enterprise fund. The OPWC loans in the enterprise funds will be paid with user 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, capital improvements and Center Road bridge capital projects funds. Compensated absences will be paid from the general fund, street

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

construction, maintenance and repair special revenue fund and the water and sewer enterprise funds. Capital leases will be paid from police levy special revenue fund. The business-type notes will be paid with charges for services revenues from the sewer enterprise fund. The City pays obligations related to employee compensation from the fund benefitting from their service. See Note 18 for additional information related to the net pension liability.

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

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

A line of credit has been established with the Ohio Water Development Authority in the amount of \$339,372 for the aerial sewer repair project in the sewer enterprise fund. Since the loan repayment schedule has not yet been finalized, a repayment schedule is not included in the schedule of debt service requirements. Until a final repayment schedule is available, the City is paying based on estimates. The balance of this loan at December 31, 2015 is \$181,917.

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 35.70 percent of net revenues. The total principal and interest remaining to be paid on the debt is \$2,958,232. Principal and interest paid for the current year and total net revenues were \$215,675 and \$604,176 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 21.96 percent of net revenues. The total principal and interest remaining to be paid on the debt is \$4,159,692. Principal and interest paid for the current year and total net revenues were \$226,315 and \$1,030,737 respectively.

In 2015, the City issued \$450,000 in fire truck acquisition bonds for the purchase of a new fire truck. The bonds were issued for a ten year period with final maturity at April 1, 2025. As of December 31, 2015, \$220,903 of the proceeds have not been spent.

In 2015, the City issued \$150,000 in Center Road bridge improvement notes to help finance improvements necessary to fix the Center Road bridge. All proceeds have been spent at December 31, 2015 and the notes mature on June 10, 2016.

The City's overall legal debt margin was \$16,568,066 with an unvoted debt margin of \$7,248,794 at December 31, 2015. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2015, are as follows:

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

<i>Governmental Activities</i>							
	General Obligation Bonds		Special Assessment Loans		Loans Payable		OPWC Loans
	Principal	Interest	Principal	Interest	Principal	Interest	Principal
2016	\$222,849	\$43,988	\$99,031	\$9,878	\$140,001	\$18,934	\$2,293
2017	227,592	37,218	52,489	6,521	143,778	14,515	2,293
2018	233,468	30,283	54,396	4,612	106,039	9,982	2,293
2019	134,960	23,183	44,042	2,755	66,539	7,215	2,293
2020	138,014	19,015	45,596	1,200	52,760	5,177	2,294
2021-2025	505,303	35,109	0	0	143,843	5,825	10,679
2026-2030	0	0	0	0	0	0	3,560
2031-2034	0	0	0	0	0	0	1,780
Total	\$1,462,186	\$188,796	\$295,554	\$24,966	\$652,960	\$61,648	\$27,485

<i>Business-Type Activities</i>							
	Special Assessment OWDA Loans		OWDA Loans		OPWC Loans	General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Principal	Interest
2016	\$31,002	\$2,771	\$338,168	\$152,903	\$48,319	\$79,830	\$9,054
2017	15,433	1,711	326,153	141,887	48,319	82,047	6,647
2018	16,008	1,134	312,995	132,026	48,319	84,331	4,172
2019	9,668	605	323,098	122,355	48,319	12,846	1,630
2020	10,008	264	333,527	112,372	48,319	13,046	1,232
2021-2025	0	0	1,710,190	406,028	141,226	26,725	1,245
2026-2030	0	0	985,903	181,473	106,259	0	0
2031-2035	0	0	578,185	47,486	60,261	0	0
Total	\$82,119	\$6,485	\$4,908,219	\$1,296,530	\$549,341	\$298,825	\$23,980

<i>Business-Type Activities</i>		
Loans Payable		
	Principal	Interest
2016	\$284,230	\$14,229
2017	30,666	3,526
2018	30,666	2,244
2019	30,666	962
Total	\$376,228	\$20,961

Note 17 – Capital Lease

During 2015, 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, 2015 for governmental activities follows:

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

	Governmental Activities
Asset:	
Police Vehicles	\$101,264
Less: Accumulated depreciation	(20,253)
Current Book Value	\$81,011

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

Year Ending December 31,	Governmental Activities
2016	\$35,434
2017	35,434
2018	35,434
Total	106,302
Less: Amount Representing Interest	(5,038)
Present Value of Net Minimum Lease Payments	\$101,264

Note 18 - Defined Benefit Pension Plans

Net Pension Liability

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

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

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

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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

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

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

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

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

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

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

	State and Local
2015 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
 2015 Actual Contribution Rates	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	2.0
Total Employer	14.0 %
 Employee	 10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$325,306 for 2015. Of this amount, \$33,447 is reported as an intergovernmental payable.

Plan Description – Ohio Police & Fire Pension Fund (OPF)

Plan Description – City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. 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 and detailed information about OPF fiduciary net position. The report that may be obtained by visiting the OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

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

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to three percent of their base pension or disability benefit.

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

	Police	Firefighters
2015 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee:		
January 1, 2015 through July 1, 2015	11.50	11.50
July 2, 2015 through December 31, 2015	12.25	12.25
 2015 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
 Total Employer	 19.50 %	 24.00 %
 Employee:		
January 1, 2015 through July 1, 2015	11.50 %	11.50 %
July 2, 2015 through December 31, 2015	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$335,890 for 2015. Of this amount \$33,000 is reported as an intergovernmental payable.

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

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

The net pension liability for OPERS was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF's total pension liability was measured as of December 31, 2014, and was determined by rolling forward the total pension liability as of January 1, 2014, to December 31, 2014. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OPF</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$2,538,142	\$3,976,405	\$6,514,547
Proportion of the Net Pension Liability	0.02104400%	0.07675840%	
Pension Expense	\$276,094	\$387,880	\$663,974

At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OPF</u>	<u>Total</u>
Deferred Outflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$135,429	\$171,379	\$306,808
City contributions subsequent to the measurement date	<u>325,306</u>	<u>335,890</u>	<u>661,196</u>
Total Deferred Outflows of Resources	<u><u>\$460,735</u></u>	<u><u>\$507,269</u></u>	<u><u>\$968,004</u></u>
Deferred Inflows of Resources			
Differences between expected and actual experience	<u><u>\$44,590</u></u>	<u><u>\$0</u></u>	<u><u>\$44,590</u></u>

\$661,196 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>OPERS</u>	<u>OPF</u>	<u>Total</u>
Year Ending December 31:			
2016	\$13,283	\$42,845	\$56,128
2017	13,283	42,845	56,128
2018	30,415	42,845	73,260
2019	<u>33,858</u>	<u>42,844</u>	<u>76,702</u>
Total	<u><u>\$90,839</u></u>	<u><u>\$171,379</u></u>	<u><u>\$262,218</u></u>

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.75 percent
Future Salary Increases, including inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA	3 percent, simple
Investment Rate of Return	8 percent
Actuarial Cost Method	Individual Entry Age

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

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

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

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 6.95 percent for 2014.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table that follows displays the Board-approved asset allocation policy for 2014 and the long-term expected real rates of return:

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.31 %
Domestic Equities	19.90	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	19.10	7.40
Other investments	18.00	4.59
Total	100.00 %	5.28 %

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

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

The following table presents the City's proportionate share of the net pension liability calculated using the current period discount rate assumption of 8 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (7 percent) or one-percentage-point higher (9 percent) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$4,669,453	\$2,538,142	\$743,064

Actuarial Assumptions – OPF

OPF's total pension liability as of December 31, 2014 is based on the results of an actuarial valuation date of January 1, 2014, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2014, are presented as follows:

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

Valuation Date	January 1, 2014
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
Cost of Living Adjustments	2.60 percent and 3.00 percent

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2014 are summarized as follows:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	(0.25) %
Domestic Equity	16.00	4.47
Non-US Equity	16.00	4.47
Core Fixed Income *	20.00	1.62
Global Inflation Protected *	20.00	1.33
High Yield	15.00	3.39
Real Estate	12.00	3.93
Private Markets	8.00	6.98
Timber	5.00	4.92
Master Limited Partnerships	8.00	7.03
Total	<u>120.00 %</u>	

* levered 2x

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

Discount Rate The total pension liability was calculated using the discount rate of 8.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

return 8.25 percent. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$5,499,970	\$3,976,405	\$2,686,409

Note 19 - Postemployment Benefits

Ohio Public Employees Retirement System

Plan Description - The 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 two cost-sharing, multiple-employer defined benefit postemployment health care trusts, which fund multiple health care plans including medical coverage, prescription drug coverage, deposits to a health reimbursement arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage.

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

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

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

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

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2015, state and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

OPERS maintains three health care trusts. The two cost-sharing, multiple employer trusts, the 401(h) Health Care Trust and the 115 Health Care Trust, work together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) that provides funding for a Retiree Medical Account for Member-Directed Plan members. Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0 percent during calendar year 2015. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.0 percent for both plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited to the VEBA for participants in the Member-Directed Plan for 2015 was 4.5 percent.

Substantially all of the City's contribution allocated to fund postemployment health care benefits relates to the cost-sharing, multiple employer trusts. The corresponding contribution for the years ended December 31, 2015, 2014, and 2013 was \$54,218, \$45,993 and \$23,566, respectively. For 2015, 89.72 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2014 and 2013.

Ohio Police and Fire Pension Fund

Plan Description - The City contributes to the Ohio Police and Fire Pension Fund (OPF) sponsored healthcare 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 statutory survivor benefit, 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. The report may be obtained by visiting the OPF website at www.opf.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

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 the 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 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 contribution 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 2015, the employer contribution allocated to the health care plan was .5 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 is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions to OPF which was allocated to fund postemployment health care benefits for police and firefighters was \$5,026 and \$3,083 for the year ended December 31, 2015, \$4,830 and \$2,926 for the year ended December 31, 2014, and \$33,803 and \$20,746 for the year ended December 31, 2013. For 2015, 89.79 percent for police and 90.69 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 2014 and 2013.

Note 20 – 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 2015. Financial information can be obtained by contacting Ronald McVoy, Chairman, 31320 Solon Road, Suite 20, Solon, Ohio 11120.

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

Note 21 – Related Party Transactions

The Conneaut Port Authority, a component unit of the City of Conneaut, owes the City \$180,000 as of December 31, 2015 for a marina improvement note issued by the City. During 2015, The Port Authority paid the City \$213,318, the amount of the principal and interest on the note. The financial statements reflect \$180,000 in ‘due from component unit’.

Note 22 - 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, 2015.

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 23 – 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	\$286,615	Water	\$27,715
Street Construction, Maintenance and Repair Fund	45,928	Sewer	<u>22,941</u>
Other Governmental Funds	<u>21,326</u>	Total Proprietary Funds	<u><u>\$50,656</u></u>
Total	<u><u>\$353,869</u></u>		

Note 24 – Subsequent Events

On June 10, 2015, the City retired \$260,000 in general obligation bond anticipation notes and issued \$150,000 in new notes. The new notes have a maturity date of June 15, 2017 and an interest rate of 1.92 percent. The following table summarizes the activity:

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

Note Issuance	Retired	Issued
Prison Land	\$10,000	\$0
Madison Street Storm Sewer	20,000	0
Street Equipment	7,500	0
Center Road Bridge	150,000	150,000
Waste Water Improvement	20,000	0
Sewer Jet	52,500	0
Total Notes	<u>\$260,000</u>	<u>\$150,000</u>

Note 25 – Conneaut Port Authority

Description of Reporting Entity

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

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

Summary of Significant Accounting Policies

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

Basis of Presentation

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

Measurement Focus

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

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

Basis of Accounting

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

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

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

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

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

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

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

Cash and Cash Equivalents

All monies of the Port Authority are maintained in one bank account. Investment procedures are restricted by the provisions of the Ohio Revised Code. During 2015, the Port Authority maintained no investment accounts.

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

Inventory

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

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

Capital Assets

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

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

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

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

Net Position

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

Operating Revenues

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

Change in Accounting Principles

For 2015, the Port Authority implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68." GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported December 31, 2014:

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

	Business -Type Activities
Net position December 31, 2014	\$1,239,233
Adjustments:	
Net Pension Liability	(110,878)
Deferred Outflow - Payments Subsequent to Measurement Date	14,117
Restated Net Position December 31, 2014	\$1,142,472

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 \$195,720 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, 2015 was as follows:

	Balance 12/31/2014	Additions	Deductions	Balance 12/31/2015
<i>Capital Assets not being Depreciated:</i>				
Land	\$38,496	\$0	\$0	\$38,496
Land Improvements	31,021	0	0	31,021
Construction in Progress	55,012	25,000	0	80,012
<i>Total Capital Assets not being Depreciated</i>	124,529	25,000	0	149,529
<i>Capital Assets being Depreciated:</i>				
Buildings and Improvements	2,524,430	0	0	2,524,430
Dock Improvements	1,157,085	0	0	1,157,085
Vehicles	16,823	0	0	16,823
Machinery and Equipment	154,983	0	(12,376)	142,607
<i>Total Capital Assets being Depreciated</i>	3,853,321	0	(12,376)	3,840,945
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(2,191,975)	(105,887)	0	(2,297,862)
Dock Improvements	(248,902)	(51,992)	0	(300,894)
Vehicles	(11,657)	(2,000)	0	(13,657)
Machinery and Equipment	(121,781)	(11,331)	12,376	(120,736)
<i>Total Accumulated Depreciation</i>	(2,574,315)	(171,210)	12,376	(2,733,149)
Total Capital Assets being Depreciated, Net	1,279,006	(171,210)	0	1,107,796
Governmental Activities Capital Assets, Net	\$1,403,535	(\$146,210)	\$0	\$1,257,325

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

Long-Term Obligations

The Port Authority is liable for a note payable to the City of Conneaut. A \$180,000 note was issued on November 20, 2015 with an interest rate of 1.99 percent. This note is due on November 18, 2016.

Net Pension Liability

The Conneaut Port Authority participates in the Ohio Public Employee Retirement System (OPERS). See Note 18. The Conneaut Port Authority required contributions to OPERS in the amount of \$16,671 for 2015. Of this amount, \$947 is reported as an intergovernmental payable.

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

The net pension liability for OPERS was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Port Authority's proportion of the net pension liability was based on the Port Authority's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS
Proportionate Share of the Net Pension Liability	\$113,297
Proportion of the Net Pension Liability	0.00145400%
Pension Expense	\$12,522

At December 31, 2015, the Port Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS
Deferred Outflows of Resources	
Net difference between projected and actual earnings on pension plan investments	\$6,068
Port Authority contributions subsequent to the measurement date	16,671
Total Deferred Outflows of Resources	\$22,739
Deferred Inflows of Resources	
Differences between expected and actual experience	\$2,054

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

\$16,671 reported as deferred outflows of resources related to pension resulting from Port Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS
2016	(\$1,003)
2017	(1,003)
2018	(1,003)
2019	(1,005)
Total	(\$4,014)

Sensitivity of the Port Authority Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7 percent), or one percentage point higher (9 percent) than the current rate.

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Port Authority proportionate share of the net pension liability	\$208,824	\$113,297	\$32,853

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, 2015, 2014 and 2013 were \$2,835, \$2,428 and \$1,214, respectively. The full amount has been contributed for 2014 and 2013, 96 percent has been contributed for 2015 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, 2015, PEP retained \$350,000 for casualty claims and \$100,000 for property claims.

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2015

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

Financial Position PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2015 and 2014.

	<u>2015</u>	<u>2014</u>
Assets	\$38,307,677	\$35,402,177
Liabilities	<u>(12,759,127)</u>	<u>(12,363,257)</u>
Net Position	<u>\$25,548,550</u>	<u>\$23,038,920</u>

At December 31, 2015 and 2014, respectively, the liabilities above include approximately \$11.5 million and \$11.1 million of estimated incurred claims payable. The assets above also include approximately \$11.0 million and \$10.8 million of unpaid claims to be billed to approximately 499 and 488 member governments in the future, as of December 31, 2015 and 2014, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2015, the Port Authority's share of these unpaid claims collectible in future years is approximately \$11,409.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed as follows. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership. During 2015, member contributions amounted to \$18,109.

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.

Required Supplementary Information

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

	2014	2013
City's Proportion of the Net Pension Liability	0.02104400%	0.02104400%
City's Proportionate Share of the Net Pension Liability	\$2,538,142	\$2,480,813
City's Covered-Employee Payroll	\$2,580,033	\$2,356,597
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	98.38%	105.27%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.45%	86.36%

(1) Information prior to 2013 is not available.

Amounts presented as of the City's measurement date which is the prior year end.

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

	2014	2013
City's Proportion of the Net Pension Liability	0.07675840%	0.07675840%
City's Proportionate Share of the Net Pension Liability	\$3,976,405	\$3,738,375
City's Covered-Employee Payroll	\$1,552,383	\$1,524,286
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	256.15%	245.25%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.20%	73.00%

(1) Information prior to 2013 is not available.

Amounts presented as of the City's measurement date which is the prior year end.

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$325,306	\$309,604	\$306,358
Contributions in Relation to the Contractually Required Contribution	<u>(325,306)</u>	<u>(309,604)</u>	<u>(306,358)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered-Employee Payroll	\$2,710,885	\$2,580,033	\$2,356,597
Contributions as a Percentage of Covered-Employee Payroll	12.00%	12.00%	13.00%

(1) Information prior to 2013 is not available.

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually Required Contribution	\$335,890	\$321,229	\$267,948	\$208,758
Contributions in Relation to the Contractually Required Contribution	<u>(335,890)</u>	<u>(321,229)</u>	<u>(267,948)</u>	<u>(208,758)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered-Employee Payroll	\$1,621,815	\$1,552,383	\$1,524,286	\$1,440,692
Contributions as a Percentage of Covered-Employee Payroll:	20.71%	20.69%	17.58%	14.49%

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$200,873	\$210,141	\$207,441	\$214,083	\$224,183	\$197,809
<u>(200,873)</u>	<u>(210,141)</u>	<u>(207,441)</u>	<u>(214,083)</u>	<u>(224,183)</u>	<u>(197,809)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,394,499	\$1,467,373	\$1,431,072	\$1,464,770	\$1,535,137	\$1,452,258
14.40%	14.32%	14.50%	14.62%	14.60%	13.62%

Combining and Individual Fund Statements and Schedules

Fund Descriptions – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

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.

Policy Levy II Fund – The Policy Levy II Fund accounts for and reports a restricted property tax levy restricted for police officer wages. This fund did not have any budgetary activity during 2015; therefore, budgetary information is not provided.

(continued)

Fund Descriptions – Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

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

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

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

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 2015; therefore budgetary information is not provided.

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

Center Road Bridge Fund The Center Road Bridge Fund accounts for and reports restricted grant monies for improvements to the Center Road Bridge.

City of Conneaut, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2015

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and				
Cash Equivalents	\$315,725	\$190,293	\$421,468	\$927,486
Accounts Receivable	386	0	7,104	7,490
Intergovernmental Receivable	167,387	6,505	155,727	329,619
Municipal Income Taxes Receivable	21,116	0	17,597	38,713
Property Taxes Receivable	1,407,726	112,051	545,483	2,065,260
Loans Receivable from Component Unit	180,000	0	0	180,000
Special Assessments Receivable	0	429,159	0	429,159
<i>Total Assets</i>	<u>\$2,092,340</u>	<u>\$738,008</u>	<u>\$1,147,379</u>	<u>\$3,977,727</u>
Liabilities				
Accounts Payable	\$22,042	\$0	\$17,168	\$39,210
Contracts Payable	11,929	0	0	11,929
Accrued Wages	2,257	0	0	2,257
Intergovernmental Payable	40,798	0	0	40,798
Interfund Payable	0	63,864	120,472	184,336
Accrued Interest Payable	402	0	0	402
Notes Payable	180,000	0	0	180,000
<i>Total Liabilities</i>	<u>257,428</u>	<u>63,864</u>	<u>137,640</u>	<u>458,932</u>
Deferred Inflows of Resources				
Property Taxes	1,280,114	96,861	461,034	1,838,009
Unavailable Revenue	279,641	450,854	104,866	835,361
<i>Total Deferred Inflows of Resources</i>	<u>1,559,755</u>	<u>547,715</u>	<u>565,900</u>	<u>2,673,370</u>
Fund Balances				
Restricted	255,185	190,293	426,697	872,175
Committed	60,722	0	17,142	77,864
Unassigned (Deficit)	(40,750)	(63,864)	0	(104,614)
<i>Total Fund Balances</i>	<u>275,157</u>	<u>126,429</u>	<u>443,839</u>	<u>845,425</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$2,092,340</u>	<u>\$738,008</u>	<u>\$1,147,379</u>	<u>\$3,977,727</u>

City of Conneaut, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2015

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	\$725,272	\$86,280	\$479,749	\$1,291,301
Municipal Income Taxes	59,784	0	49,980	109,764
Special Assessments	0	81,782	0	81,782
Intergovernmental	490,036	13,000	460,240	963,276
Fees, Licenses and Permits	171,066	0	0	171,066
Fines and Forfeitures	5,413	0	101,864	107,277
Rentals	31,650	0	0	31,650
Charges for Services	9,225	0	0	9,225
Contributions and Donations	960	0	0	960
Interest	58	0	0	58
Other	4,463	0	0	4,463
<i>Total Revenues</i>	<u>1,497,927</u>	<u>181,062</u>	<u>1,091,833</u>	<u>2,770,822</u>
Expenditures				
Current:				
General Government	0	4,744	0	4,744
Security of Persons and Property	935,952	0	0	935,952
Leisure Time Activities	47,247	0	0	47,247
Community Development	284,075	0	0	284,075
Basic Utility Services	156,956	0	0	156,956
Transportation	168,452	0	0	168,452
Capital Outlay	0	0	1,126,461	1,126,461
Debt Service:				
Principal Retirement	30,236	187,283	15,333	232,852
Interest and Fiscal Charges	3,815	25,151	3,005	31,971
<i>Total Expenditures</i>	<u>1,626,733</u>	<u>217,178</u>	<u>1,144,799</u>	<u>2,988,710</u>
<i>Excess of Revenues Under Expenditures</i>	(128,806)	(36,116)	(52,966)	(217,888)
Other Financing Sources				
Transfers In	30,750	0	0	30,750
<i>Net Change in Fund Balances</i>	(98,056)	(36,116)	(52,966)	(187,138)
<i>Fund Balances Beginning of Year</i>	<u>373,213</u>	<u>162,545</u>	<u>496,805</u>	<u>1,032,563</u>
<i>Fund Balances End of Year</i>	<u><u>\$275,157</u></u>	<u><u>\$126,429</u></u>	<u><u>\$443,839</u></u>	<u><u>\$845,425</u></u>

City of Conneaut, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2015

	Auto Permissive Tax	State Highway	Restaurant Vending	Marina	Enforcement and Education
Assets					
Equity in Pooled Cash and					
Cash Equivalents	\$3,488	\$89	\$8,068	\$8,104	\$8,973
Accounts Receivable	0	0	0	0	45
Intergovernmental Receivable	69,281	16,760	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	180,000	0
<i>Total Assets</i>	<u>\$72,769</u>	<u>\$16,849</u>	<u>\$8,068</u>	<u>\$188,104</u>	<u>\$9,018</u>
Liabilities					
Accounts Payable	\$0	\$0	\$0	\$0	\$0
Contracts Payable	0	0	0	0	0
Accrued Wages	0	0	48	0	0
Intergovernmental Payable	0	0	559	0	0
Accrued Interest Payable	0	0	0	402	0
Notes Payable	0	0	0	180,000	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>607</u>	<u>180,402</u>	<u>0</u>
Deferred Inflows of Resources					
Property Taxes	0	0	0	0	0
Unavailable Revenue	50,142	11,347	0	0	0
<i>Total Deferred Inflows of Resources</i>	<u>50,142</u>	<u>11,347</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances					
Restricted	22,627	5,502	7,461	7,702	9,018
Committed	0	0	0	0	0
Unassigned (Deficit)	0	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>22,627</u>	<u>5,502</u>	<u>7,461</u>	<u>7,702</u>	<u>9,018</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$72,769</u>	<u>\$16,849</u>	<u>\$8,068</u>	<u>\$188,104</u>	<u>\$9,018</u>

<u>Indigent Drivers</u>	<u>Cemetery</u>	<u>Police Levy</u>	<u>Fire Levy</u>	<u>Indigent Monitoring</u>	<u>Law Enforcement Trust</u>	<u>Municipal Probation Services</u>
\$52,547	\$58,692	\$19,037	\$22,646	\$20,470	\$6,492	\$1,200
191	0	0	0	50	0	100
0	0	22,118	11,089	0	0	0
0	0	0	0	0	0	0
0	0	285,845	320,344	0	0	0
0	0	0	0	0	0	0
<u>\$52,738</u>	<u>\$58,692</u>	<u>\$327,000</u>	<u>\$354,079</u>	<u>\$20,520</u>	<u>\$6,492</u>	<u>\$1,300</u>
\$0	\$236	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0
0	658	0	0	0	0	0
0	1,303	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>0</u>	<u>2,197</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	231,914	293,379	0	0	0
0	0	76,049	38,054	0	0	0
<u>0</u>	<u>0</u>	<u>307,963</u>	<u>331,433</u>	<u>0</u>	<u>0</u>	<u>0</u>
52,738	56,495	19,037	22,646	20,520	6,492	1,300
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>52,738</u>	<u>56,495</u>	<u>19,037</u>	<u>22,646</u>	<u>20,520</u>	<u>6,492</u>	<u>1,300</u>
<u>\$52,738</u>	<u>\$58,692</u>	<u>\$327,000</u>	<u>\$354,079</u>	<u>\$20,520</u>	<u>\$6,492</u>	<u>\$1,300</u>

(continued)

City of Conneaut, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2015

	Moving Ohio Forward	Police Levy II	Street Lighting	Community Housing	Recreation
Assets					
Equity in Pooled Cash and					
Cash Equivalents	\$16,687	\$0	\$6,764	\$18,889	\$55,796
Accounts Receivable	0	0	0	0	0
Intergovernmental Receivable	0	28,132	0	0	0
Municipal Income Taxes Receivable	0	0	11,438	0	9,678
Property Taxes Receivable	0	504,214	0	0	0
Loans Receivable from Component Unit	0	0	0	0	0
<i>Total Assets</i>	<u>\$16,687</u>	<u>\$532,346</u>	<u>\$18,202</u>	<u>\$18,889</u>	<u>\$65,474</u>
Liabilities					
Accounts Payable	\$0	\$0	\$21,644	\$0	\$162
Contracts Payable	11,929	0	0	0	0
Accrued Wages	0	1,551	0	0	0
Intergovernmental Payable	0	5,123	0	0	376
Accrued Interest Payable	0	0	0	0	0
Notes Payable	0	0	0	0	0
<i>Total Liabilities</i>	<u>11,929</u>	<u>6,674</u>	<u>21,644</u>	<u>0</u>	<u>538</u>
Deferred Inflows of Resources					
Property Taxes	0	504,214	0	0	0
Unavailable Revenue	0	28,132	4,980	0	4,214
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>532,346</u>	<u>4,980</u>	<u>0</u>	<u>4,214</u>
Fund Balances					
Restricted	4,758	0	0	18,889	0
Committed	0	0	0	0	60,722
Unassigned (Deficit)	0	(6,674)	(8,422)	0	0
<i>Total Fund Balances (Deficit)</i>	<u>4,758</u>	<u>(6,674)</u>	<u>(8,422)</u>	<u>18,889</u>	<u>60,722</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$16,687</u>	<u>\$532,346</u>	<u>\$18,202</u>	<u>\$18,889</u>	<u>\$65,474</u>

Police Pension	Fire Pension	Total Nonmajor Special Revenue Funds
\$3,914	\$3,869	\$315,725
0	0	386
11,047	8,960	167,387
0	0	21,116
164,166	133,157	1,407,726
0	0	180,000
<u>\$179,127</u>	<u>\$145,986</u>	<u>\$2,092,340</u>
\$0	\$0	\$22,042
0	0	11,929
0	0	2,257
19,660	13,777	40,798
0	0	402
0	0	180,000
<u>19,660</u>	<u>13,777</u>	<u>257,428</u>
138,372	112,235	1,280,114
36,841	29,882	279,641
<u>175,213</u>	<u>142,117</u>	<u>1,559,755</u>
0	0	255,185
0	0	60,722
(15,746)	(9,908)	(40,750)
<u>(15,746)</u>	<u>(9,908)</u>	<u>275,157</u>
<u>\$179,127</u>	<u>\$145,986</u>	<u>\$2,092,340</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, 2015

	Auto Permissive Tax	State Highway	Restaurant Vending	Marina	Enforcement and Education
Revenues					
Property Taxes	\$0	\$0	\$0	\$0	\$0
Municipal Income Taxes	0	0	0	0	0
Intergovernmental	134,015	34,324	0	3,364	0
Fees, Licenses and Permits	0	0	18,562	480	0
Fines and Forfeitures	0	0	0	0	1,056
Rentals	0	0	0	0	0
Charges for Services	0	0	0	0	0
Contributions and Donations	0	0	0	0	0
Interest	21	10	0	0	0
Other	0	0	0	0	0
<i>Total Revenues</i>	<u>134,036</u>	<u>34,334</u>	<u>18,562</u>	<u>3,844</u>	<u>1,056</u>
Expenditures					
Current:					
Security of Persons and Property	0	0	0	0	0
Leisure Time Activities	0	0	0	0	0
Community Development	0	0	18,835	0	0
Basic Utility Services	0	0	0	0	0
Transportation	133,052	35,400	0	0	0
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	3,339	0
<i>Total Expenditures</i>	<u>133,052</u>	<u>35,400</u>	<u>18,835</u>	<u>3,339</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	984	(1,066)	(273)	505	1,056
Other Financing Sources					
Transfers In	0	0	0	0	0
<i>Net Change in Fund Balances</i>	984	(1,066)	(273)	505	1,056
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>21,643</u>	<u>6,568</u>	<u>7,734</u>	<u>7,197</u>	<u>7,962</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$22,627</u></u>	<u><u>\$5,502</u></u>	<u><u>\$7,461</u></u>	<u><u>\$7,702</u></u>	<u><u>\$9,018</u></u>

Indigent Drivers	Cemetery	Police Levy	Fire Levy	Indigent Monitoring	Law Enforcement Trust	Municipal Probation Services
\$0	\$0	\$306,501	\$153,250	\$0	\$0	\$0
0	0	0	0	0	0	0
0	0	44,072	22,061	0	0	0
0	23,490	0	0	0	0	0
2,189	0	0	0	830	738	600
0	0	0	0	0	0	0
0	7,425	0	0	0	0	0
0	0	0	0	0	0	0
0	4	0	0	0	0	0
581	155	0	0	865	0	0
<u>2,770</u>	<u>31,074</u>	<u>350,573</u>	<u>175,311</u>	<u>1,695</u>	<u>738</u>	<u>600</u>
0	0	372,981	199,207	0	0	0
0	0	0	0	0	0	0
0	23,751	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	30,236	0	0	0	0
0	0	476	0	0	0	0
<u>0</u>	<u>23,751</u>	<u>403,693</u>	<u>199,207</u>	<u>0</u>	<u>0</u>	<u>0</u>
2,770	7,323	(53,120)	(23,896)	1,695	738	600
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
2,770	7,323	(53,120)	(23,896)	1,695	738	600
49,968	49,172	72,157	46,542	18,825	5,754	700
<u>\$52,738</u>	<u>\$56,495</u>	<u>\$19,037</u>	<u>\$22,646</u>	<u>\$20,520</u>	<u>\$6,492</u>	<u>\$1,300</u>

(continued)

City of Conneaut, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Year Ended December 31, 2015

	Moving Ohio Forward	Police Levy II	Street Lighting	Tree Commission	Community Housing
Revenues					
Property Taxes	\$0	\$0	\$0	\$0	\$0
Municipal Income Taxes	0	0	32,263	0	0
Intergovernmental	0	0	0	0	0
Fees, Licenses and Permits	0	0	127,334	0	0
Fines and Forfeitures	0	0	0	0	0
Rentals	0	0	0	0	0
Charges for Services	0	0	0	0	0
Contributions and Donations	0	0	0	960	0
Interest	0	0	0	0	23
Other	0	0	1,713	0	0
<i>Total Revenues</i>	<u>0</u>	<u>0</u>	<u>161,310</u>	<u>960</u>	<u>23</u>
Expenditures					
Current:					
Security of Persons and Property	0	6,674	0	0	0
Leisure Time Activities	0	0	0	0	0
Community Development	18,428	0	0	1,710	1,180
Basic Utility Services	0	0	156,956	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>18,428</u>	<u>6,674</u>	<u>156,956</u>	<u>1,710</u>	<u>1,180</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(18,428)	(6,674)	4,354	(750)	(1,157)
Other Financing Sources					
Transfers In	0	0	0	750	0
<i>Net Change in Fund Balances</i>	(18,428)	(6,674)	4,354	0	(1,157)
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>23,186</u>	<u>0</u>	<u>(12,776)</u>	<u>0</u>	<u>20,046</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$4,758</u></u>	<u><u>(\$6,674)</u></u>	<u><u>(\$8,422)</u></u>	<u><u>\$0</u></u>	<u><u>\$18,889</u></u>

CHIPS	Recreation	Police Pension	Fire Pension	Total Nonmajor Special Revenue Funds
\$0	\$0	\$146,607	\$118,914	\$725,272
0	27,521	0	0	59,784
208,317	0	24,260	19,623	490,036
0	1,200	0	0	171,066
0	0	0	0	5,413
0	31,650	0	0	31,650
0	1,800	0	0	9,225
0	0	0	0	960
0	0	0	0	58
0	690	410	49	4,463
<u>208,317</u>	<u>62,861</u>	<u>171,277</u>	<u>138,586</u>	<u>1,497,927</u>
0	0	203,861	153,229	935,952
0	47,247	0	0	47,247
220,171	0	0	0	284,075
0	0	0	0	156,956
0	0	0	0	168,452
0	0	0	0	30,236
0	0	0	0	3,815
<u>220,171</u>	<u>47,247</u>	<u>203,861</u>	<u>153,229</u>	<u>1,626,733</u>
(11,854)	15,614	(32,584)	(14,643)	(128,806)
0	0	25,000	5,000	30,750
(11,854)	15,614	(7,584)	(9,643)	(98,056)
<u>11,854</u>	<u>45,108</u>	<u>(8,162)</u>	<u>(265)</u>	<u>373,213</u>
<u>\$0</u>	<u>\$60,722</u>	<u>(\$15,746)</u>	<u>(\$9,908)</u>	<u>\$275,157</u>

City of Conneaut, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2015

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$190,293	\$0	\$190,293
Intergovernmental Receivable	6,505	0	6,505
Property Taxes Receivable	112,051	0	112,051
Special Assessments Receivable	0	429,159	429,159
<i>Total Assets</i>	<u>\$308,849</u>	<u>\$429,159</u>	<u>\$738,008</u>
Liabilities and Fund Balances			
Liabilities			
Interfund Payable	\$0	\$63,864	\$63,864
Deferred Inflows of Resources			
Property Taxes	96,861	0	96,861
Unavailable Revenue	21,695	429,159	450,854
<i>Total Deferred Inflows of Resources</i>	<u>118,556</u>	<u>429,159</u>	<u>547,715</u>
Fund Balances			
Restricted	190,293	0	190,293
Unassigned (Deficit)	0	(63,864)	(63,864)
<i>Total Fund Balances (Deficit)</i>	<u>190,293</u>	<u>(63,864)</u>	<u>126,429</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$308,849</u>	<u>\$429,159</u>	<u>\$738,008</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, 2015

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Revenues			
Property Taxes	\$86,280	\$0	\$86,280
Special Assessments	0	81,782	81,782
Intergovernmental	13,000	0	13,000
<i>Total Revenues</i>	<u>99,280</u>	<u>81,782</u>	<u>181,062</u>
Expenditures			
Current:			
General Government	1,807	2,937	4,744
Debt Service:			
Principal Retirement	91,982	95,301	187,283
Interest and Fiscal Charges	11,545	13,606	25,151
<i>Total Expenditures</i>	<u>105,334</u>	<u>111,844</u>	<u>217,178</u>
<i>Net Change in Fund Balances</i>	(6,054)	(30,062)	(36,116)
<i>Fund Balances (Deficit)</i>			
<i>Beginning of Year</i>	<u>196,347</u>	<u>(33,802)</u>	<u>162,545</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$190,293</u></u>	<u><u>(\$63,864)</u></u>	<u><u>\$126,429</u></u>

City of Conneaut, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2015

	Street Improvement	Energy Improvement	Municipal Court Improvement
Assets			
Equity in Pooled Cash and Cash Equivalents	\$51,684	\$393	\$360,709
Accounts Receivable	0	0	7,104
Intergovernmental Receivable	12,755	0	0
Municipal Income Taxes Receivable	0	0	0
Property Taxes Receivable	545,483	0	0
<i>Total Assets</i>	<u>\$609,922</u>	<u>\$393</u>	<u>\$367,813</u>
Liabilities			
Accounts Payable	\$16,052	\$392	\$0
Interfund Payable	0	0	0
<i>Total Liabilities</i>	<u>16,052</u>	<u>392</u>	<u>0</u>
Deferred Inflows of Resources			
Property Taxes	461,034	0	0
Unavailable Revenue	97,204	0	0
<i>Total Deferred Inflows of Resources</i>	<u>558,238</u>	<u>0</u>	<u>0</u>
Fund Balances			
Restricted	35,632	1	367,813
Committed	0	0	0
<i>Total Fund Balances</i>	<u>35,632</u>	<u>1</u>	<u>367,813</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$609,922</u>	<u>\$393</u>	<u>\$367,813</u>

<u>Capital Improvement</u>	<u>Industrial Park</u>	<u>Center Road Bridge</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$7,931	\$751	\$0	\$421,468
0	0	0	7,104
0	0	142,972	155,727
17,597	0	0	17,597
0	0	0	545,483
<u>\$25,528</u>	<u>\$751</u>	<u>\$142,972</u>	<u>\$1,147,379</u>
\$724	\$0	\$0	\$17,168
0	0	120,472	120,472
724	0	120,472	137,640
0	0	0	461,034
7,662	0	0	104,866
7,662	0	0	565,900
0	751	22,500	426,697
17,142	0	0	17,142
17,142	751	22,500	443,839
<u>\$25,528</u>	<u>\$751</u>	<u>\$142,972</u>	<u>\$1,147,379</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, 2015

	Street Improvement	Office of Justice Grant	Energy Improvement	Municipal Court Improvement
Revenues				
Property Taxes	\$479,749	\$0	\$0	\$0
Municipal Income Taxes	0	0	0	0
Intergovernmental	168,777	1,491	0	0
Fines and Forfeitures	0	0	0	101,864
<i>Total Revenues</i>	<u>648,526</u>	<u>1,491</u>	<u>0</u>	<u>101,864</u>
Expenditures				
Capital Outlay	717,278	1,491	20,611	74,709
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>717,278</u>	<u>1,491</u>	<u>20,611</u>	<u>74,709</u>
<i>Net Change in Fund Balances</i>	(68,752)	0	(20,611)	27,155
<i>Fund Balances Beginning of Year</i>	<u>104,384</u>	<u>0</u>	<u>20,612</u>	<u>340,658</u>
<i>Fund Balance End of Year</i>	<u>\$35,632</u>	<u>\$0</u>	<u>\$1</u>	<u>\$367,813</u>

Formula Grant	Capital Improvement	Industrial Park	BWC Grant	Center Road Bridge	Total Nonmajor Capital Projects Funds
\$0	\$0	\$0	\$0	\$0	\$479,749
0	49,980	0	0	0	49,980
107,000	0	0	40,000	142,972	460,240
0	0	0	0	0	101,864
107,000	49,980	0	40,000	142,972	1,091,833
107,105	44,795	0	40,000	120,472	1,126,461
0	15,333	0	0	0	15,333
0	3,005	0	0	0	3,005
107,105	63,133	0	40,000	120,472	1,144,799
(105)	(13,153)	0	0	22,500	(52,966)
105	30,295	751	0	0	496,805
\$0	\$17,142	\$751	\$0	\$22,500	\$443,839

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, 2015

	Beginning Balance 12/31/14	Additions	Deductions	Ending Balance 12/31/15
<i>Deposits Fund</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$71,993	\$124,706	\$59,186	\$137,513
Cash and Cash Equivalents In Segregated Accounts	3,050	658,805	646,267	15,588
<i>Total Assets</i>	<u><u>\$75,043</u></u>	<u><u>\$783,511</u></u>	<u><u>\$705,453</u></u>	<u><u>\$153,101</u></u>
Liabilities				
Deposits Held and Due to Others	<u><u>\$75,043</u></u>	<u><u>\$783,511</u></u>	<u><u>\$705,453</u></u>	<u><u>\$153,101</u></u>

**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, 2015

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$320,447	\$306,684	\$325,810	\$19,126
Municipal Income Taxes	2,199,123	2,199,123	2,518,061	318,938
Hotel Taxes	17,500	17,500	31,072	13,572
Intergovernmental	399,750	399,750	449,603	49,853
Fees, Licenses and Permits	104,822	104,822	106,551	1,729
Fines and Forfeitures	199,150	199,150	196,250	(2,900)
Rentals	20,000	20,000	20,000	0
Charges for Services	415,000	415,000	406,978	(8,022)
Contributions and Donations	17,600	17,600	19,609	2,009
Interest	4,000	4,000	6,721	2,721
Franchise Taxes	141,000	141,000	130,666	(10,334)
Other	33,020	32,020	65,447	33,427
<i>Total Revenues</i>	<i>3,871,412</i>	<i>3,856,649</i>	<i>4,276,768</i>	<i>420,119</i>
Expenditures				
Current:				
General Government:				
Council				
Personal Services	51,800	51,800	51,153	647
Materials and Supplies	700	700	52	648
Contractual Services	5,308	5,308	3,163	2,145
Total Council	57,808	57,808	54,368	3,440
Clerk of Council				
Personal Services	7,925	7,925	7,562	363
City Manager				
Personal Services	133,611	133,512	123,886	9,626
Materials and Supplies	2,750	2,750	2,491	259
Contractual Services	3,424	3,423	1,911	1,512
Capital Outlay	0	3,100	2,740	360
Total City Manager	139,785	142,785	131,028	11,757
Finance Office				
Personal Services	203,380	215,480	214,149	1,331
Materials and Supplies	20,388	22,888	22,593	295
Contractual Services	3,305	3,305	2,863	442
Capital Outlay	5,800	5,300	0	5,300
Total Finance Office	\$232,873	\$246,973	\$239,605	\$7,368

(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, 2015

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Law Director				
Personal Services	\$131,550	\$143,150	\$127,290	\$15,860
Materials and Supplies	3,014	3,314	2,446	868
Contractual Services	5,342	5,942	4,721	1,221
	<u>139,906</u>	<u>152,406</u>	<u>134,457</u>	<u>17,949</u>
Civil Service				
Personal Services	5,470	5,470	5,354	116
Materials and Supplies	2,500	2,500	1,098	1,402
Contractual Services	1,885	1,885	1,885	0
	<u>9,855</u>	<u>9,855</u>	<u>8,337</u>	<u>1,518</u>
Court				
Personal Services	353,179	337,809	324,227	13,582
Materials and Supplies	18,865	19,365	16,476	2,889
Contractual Services	22,838	22,338	15,612	6,726
Purchased Services	1,100	1,100	984	116
Capital Outlay	2,000	2,000	2,000	0
	<u>397,982</u>	<u>382,612</u>	<u>359,299</u>	<u>23,313</u>
City Hall				
Personal Services	5,960	6,460	5,880	580
Materials and Supplies	26,509	28,509	25,975	2,534
Contractual Services	8,000	8,000	6,067	1,933
Purchased Services	7,000	7,000	6,456	544
Capital Outlay	1,108	1,108	84	1,024
	<u>48,577</u>	<u>51,077</u>	<u>44,462</u>	<u>6,615</u>
Planning Commission				
Personal Services	5,200	5,200	2,251	2,949
Materials and Supplies	600	900	301	599
	<u>5,800</u>	<u>6,100</u>	<u>2,552</u>	<u>3,548</u>
Demolition				
Purchased Services	255	255	0	255
Reserve Fund				
Contractual Services	34,200	39,200	38,176	1,024
Purchased Services	80,843	85,843	53,161	32,682
Capital Outlay	40,000	87,000	85,425	1,575
	<u>\$155,043</u>	<u>\$212,043</u>	<u>\$176,762</u>	<u>\$35,281</u>

(continued)

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
General Services				
Contractual Services	\$96,691	\$82,241	\$73,593	\$8,648
Capital Outlay	34,000	229,000	225,622	3,378
Other	84,500	92,536	83,240	9,296
Total General Services	<u>215,191</u>	<u>403,777</u>	<u>382,455</u>	<u>21,322</u>
Total General Government	<u>1,411,000</u>	<u>1,673,616</u>	<u>1,540,887</u>	<u>132,729</u>
Security of Persons and Property				
Police Department				
Personal Services	1,249,600	1,300,600	1,288,456	12,144
Materials and Supplies	74,120	74,120	55,842	18,278
Contractual Services	37,432	37,432	29,840	7,592
Purchased Services	33,699	33,699	23,984	9,715
Capital Outlay	126,439	141,438	123,020	18,418
Other	3,500	3,500	2,500	1,000
Total Police Department	<u>1,524,790</u>	<u>1,590,789</u>	<u>1,523,642</u>	<u>67,147</u>
Jail				
Materials and Supplies	3,000	3,500	2,422	1,078
Purchased Services	10,634	10,634	7,452	3,182
Capital Outlay	3,500	3,500	3,500	0
Other	6,100	6,100	3,772	2,328
Total Jail	<u>23,234</u>	<u>23,734</u>	<u>17,146</u>	<u>6,588</u>
Fire Department				
Personal Services	832,300	847,300	799,595	47,705
Materials and Supplies	62,147	62,147	50,281	11,866
Contractual Services	36,838	36,839	28,434	8,405
Purchased Services	71,969	82,469	73,290	9,179
Capital Outlay	473,500	518,500	517,328	1,172
Total Fire Department	<u>1,476,754</u>	<u>1,547,255</u>	<u>1,468,928</u>	<u>78,327</u>
Ambulance Fund				
Capital Outlay	<u>1,700</u>	<u>1,700</u>	<u>0</u>	<u>1,700</u>
Total Security of Persons and Property	<u>\$3,026,478</u>	<u>\$3,163,478</u>	<u>\$3,009,716</u>	<u>\$153,762</u>

(continued)

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Public Health Services:				
Health Department				
Personal Services	\$146,985	\$146,435	\$143,454	\$2,981
Materials and Supplies	4,558	4,558	4,135	423
Contractual Services	27,850	27,850	23,152	4,698
Purchased Services	11,000	11,000	10,745	255
Total Health Department	190,393	189,843	181,486	8,357
Street Lighting				
Purchased Services	0	15,000	10,272	4,728
Total Public Health Services	190,393	204,843	191,758	13,085
Leisure Time Activities:				
Museum Railroad				
Purchased Service	4,203	4,203	2,593	1,610
Bureau of Tourism				
Materials and Supplies	3,995	3,995	3,915	80
Contractual Services	2,020	2,020	2,000	20
Purchased Services	15,540	15,540	15,459	81
Total Bureau of Tourism	21,555	21,555	21,374	181
Cable Advisory Board				
Personal Services	23,092	23,092	19,698	3,394
Materials and Supplies	543	743	475	268
Contractual Services	369	369	345	24
Capital Outlay	10,000	10,000	9,303	697
Total Cable Advisory Board	34,004	34,204	29,821	4,383
Total Leisure Time Activities	59,762	59,962	53,788	6,174
Community Development:				
Housing and Zoning:				
Personal Services	53,625	64,599	62,059	2,540
Materials and Supplies	3,694	3,694	3,061	633
Contractual Services	1,034	1,034	689	345
Purchased Services	4,400	4,400	4,277	123
Total Community Development	\$62,753	\$73,727	\$70,086	\$3,641

(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, 2015*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Debt Service				
Principal Retirement	\$147,870	\$147,870	\$147,869	\$1
Interest and Fiscal Charges	29,546	34,229	34,211	18
Total Debt Service	<u>177,416</u>	<u>182,099</u>	<u>182,080</u>	<u>19</u>
<i>Total Expenditures</i>	<u>4,927,802</u>	<u>5,357,725</u>	<u>5,048,315</u>	<u>309,410</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,056,390)</u>	<u>(1,501,076)</u>	<u>(771,547)</u>	<u>729,529</u>
Other Financing Sources (Uses)				
General Obligation Bonds Issued	450,000	450,000	450,000	0
General Obligation Notes Issued	30,000	30,000	180,000	150,000
Capital Lease Issued	90,000	90,000	101,264	11,264
Sale of Capital Assets	0	1,000	10,655	9,655
Advances In	0	9,297	9,297	0
Advances Out	0	(120,472)	(120,472)	0
Transfers Out	(215,750)	(232,755)	(30,750)	202,005
<i>Total Other Financing Sources (Uses)</i>	<u>354,250</u>	<u>227,070</u>	<u>599,994</u>	<u>372,924</u>
<i>Net Change in Fund Balance</i>	<u>(702,140)</u>	<u>(1,274,006)</u>	<u>(171,553)</u>	<u>1,102,453</u>
<i>Fund Balance Beginning of Year</i>	1,291,826	1,291,826	1,291,826	0
Prior Year Encumbrances Appropriated	<u>62,556</u>	<u>62,556</u>	<u>62,556</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$652,242</u></u>	<u><u>\$80,376</u></u>	<u><u>\$1,182,829</u></u>	<u><u>\$1,102,453</u></u>

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$497,052	\$497,052	\$569,307	\$72,255
Special Assessments	7,000	7,000	12,752	5,752
Intergovernmental	437,000	437,000	426,991	(10,009)
Fees, Licenses and Permits	20,000	20,000	46,905	26,905
Interest	100	100	40	(60)
Other	30,000	30,000	25,404	(4,596)
<i>Total Revenues</i>	991,152	991,152	1,081,399	90,247
Expenditures				
Current:				
Transportation:				
Street Department				
Personal Services	729,430	722,630	658,163	64,467
Materials and Supplies	260,290	272,090	222,125	49,965
Contractual Services	23,850	23,850	20,198	3,652
Purchased Services	105,480	105,480	80,428	25,052
Capital Outlay	157,559	157,559	150,773	6,786
Other	2,000	2,000	1,012	988
<i>Total Transportation</i>	1,278,609	1,283,609	1,132,699	150,910
Debt Service:				
Principal Retirement	121,978	124,441	124,439	2
Interest and Fiscal Charges	20,555	19,342	19,339	3
<i>Total Debt Service</i>	142,533	143,783	143,778	5
<i>Total Expenditures</i>	1,421,142	1,427,392	1,276,477	150,915
<i>Excess of Revenues Under Expenditures</i>	(429,990)	(436,240)	(195,078)	241,162
Other Financing Sources (Uses)				
General Obligation Notes Issued	15,000	15,000	7,500	(7,500)
Capital Lease Issued	30,000	30,000	0	(30,000)
Sale of Capital Assets	0	0	7,927	7,927
Transfers In	140,000	140,000	0	(140,000)
<i>Total Other Financing Sources (Uses)</i>	185,000	185,000	15,427	(169,573)
<i>Net Change in Fund Balance</i>	(244,990)	(251,240)	(179,651)	71,589
<i>Fund Balance Beginning of Year</i>	143,580	143,580	143,580	0
Prior Year Encumbrances Appropriated	142,519	142,519	142,519	0
<i>Fund Balance End of Year</i>	\$41,109	\$34,859	\$106,448	\$71,589

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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$2,189,550	\$2,189,550	\$2,228,466	\$38,916
Tap-In Fees	15,000	15,000	6,090	(8,910)
Special Assessments	4,000	4,000	3,826	(174)
Intergovernmental	14,268	14,268	0	(14,268)
Rentals	2,500	2,500	1,450	(1,050)
Other	8,500	8,500	25,975	17,475
OWDA Loans Issued	227,025	227,025	227,025	0
<i>Total Revenues</i>	<u>2,460,843</u>	<u>2,460,843</u>	<u>2,492,832</u>	<u>31,989</u>
Expenses				
Personal Services	1,224,430	1,221,430	1,135,686	85,744
Purchased Services	283,492	328,492	271,896	56,596
Contractual Services	152,100	146,100	103,725	42,375
Materials and Supplies	192,004	219,504	167,998	51,506
Capital Outlay	427,502	424,504	404,354	20,150
Other	2,800	17,568	2,026	15,542
Debt Service:				
Principal Retirement	451,941	458,052	458,041	11
Interest and Fiscal Charges	90,821	92,758	92,711	47
<i>Total Expenses</i>	<u>2,825,090</u>	<u>2,908,408</u>	<u>2,636,437</u>	<u>271,971</u>
<i>Net Change in Fund Equity</i>	(364,247)	(447,565)	(143,605)	303,960
<i>Fund Equity Beginning of Year</i>	501,685	501,685	501,685	0
Prior Year Encumbrances Appropriated	216,031	216,031	216,031	0
<i>Fund Equity End of Year</i>	<u>\$353,469</u>	<u>\$270,151</u>	<u>\$574,111</u>	<u>\$303,960</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$2,359,703	\$2,359,703	\$2,401,563	\$41,860
Tap-In Fees	5,000	5,000	1,000	(4,000)
Special Assessments	2,500	2,500	2,119	(381)
Intergovernmental	357,131	357,131	23,364	(333,767)
Other	1,500	1,500	5,092	3,592
General Obligation Notes Issued	72,500	72,500	72,500	0
OPWC Loans Issued	150,000	150,000	0	(150,000)
OWDA Loans Issued	421,540	457,979	376,976	(81,003)
<i>Total Revenues</i>	<u>3,369,874</u>	<u>3,406,313</u>	<u>2,882,614</u>	<u>(523,699)</u>
Expenses				
Personal Services	979,730	1,017,730	960,927	56,803
Purchased Services	1,002,514	1,020,515	345,368	675,147
Contractual Services	266,315	266,815	135,638	131,177
Materials and Supplies	155,707	161,207	127,880	33,327
Capital Outlay	253,260	200,259	74,184	126,075
Other	6,250	6,250	3,826	2,424
Debt Service:				
Principal Retirement	351,486	302,435	293,985	8,450
Interest and Fiscal Charges	68,297	110,360	106,753	3,607
<i>Total Expenses</i>	<u>3,083,559</u>	<u>3,085,571</u>	<u>2,048,561</u>	<u>1,037,010</u>
<i>Excess of Revenues Over Expenses before Advances</i>	286,315	320,742	834,053	513,311
Advances Out	(25,000)	(30,062)	(30,062)	0
<i>Net Change in Fund Equity</i>	261,315	290,680	803,991	513,311
<i>Fund Equity Beginning of Year</i>	633,978	633,978	633,978	0
Prior Year Encumbrances Appropriated	49,067	49,067	49,067	0
<i>Fund Equity End of Year</i>	<u>\$944,360</u>	<u>\$973,725</u>	<u>\$1,487,036</u>	<u>\$513,311</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$133,000	\$133,000	\$133,620	\$620
Interest	100	100	21	(79)
<i>Total Revenues</i>	133,100	133,100	133,641	541
Expenditures				
Current:				
Transportation:				
Auto Permissive				
Personal Services	135,200	135,200	133,052	2,148
<i>Net Change in Fund Balance</i>	(2,100)	(2,100)	589	2,689
<i>Fund Balance Beginning of Year</i>	2,899	2,899	2,899	0
<i>Fund Balance End of Year</i>	\$799	\$799	\$3,488	\$2,689

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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$36,300	\$36,300	\$34,624	(\$1,676)
Interest	100	100	10	(90)
<i>Total Revenues</i>	36,400	36,400	34,634	(1,766)
Expenditures				
Current:				
Transportation:				
State Highway				
Personal Services	36,000	36,000	35,400	600
<i>Net Change in Fund Balance</i>	400	400	(766)	(1,166)
<i>Fund Balance Beginning of Year</i>	855	855	855	0
<i>Fund Balance End of Year</i>	<u>\$1,255</u>	<u>\$1,255</u>	<u>\$89</u>	<u>(\$1,166)</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fees, Licenses and Permits	\$20,110	\$20,110	\$18,562	(\$1,548)
Expenditures				
Current:				
Community Development:				
Restaurant Vending				
Personal Services	17,270	17,270	16,399	871
Materials and Supplies	200	200	49	151
Contractual Services	3,200	3,200	2,290	910
Purchased Services	150	150	60	90
<i>Total Expenditures</i>	<u>20,820</u>	<u>20,820</u>	<u>18,798</u>	<u>2,022</u>
<i>Net Change in Fund Balance</i>	(710)	(710)	(236)	474
<i>Fund Balance Beginning of Year</i>	<u>8,304</u>	<u>8,304</u>	<u>8,304</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$7,594</u></u>	<u><u>\$7,594</u></u>	<u><u>\$8,068</u></u>	<u><u>\$474</u></u>

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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$33,318	\$33,318	\$33,364	\$46
Fees, Licenses and Permits	585	585	480	(105)
<i>Total Revenues</i>	33,903	33,903	33,844	(59)
Expenditures				
Current:				
Leisure Time Activities:				
Marina				
Contractual Services	0	500	0	500
Debt Service:				
Principal Retirement	210,000	210,000	210,000	0
Interest and Fiscal Charges	3,318	3,318	3,318	0
Total Debt Service	213,318	213,318	213,318	0
<i>Total Expenditures</i>	213,318	213,818	213,318	500
<i>Excess of Revenues Under Expenditures</i>	(179,415)	(179,915)	(179,474)	441
Other Financing Sources				
General Obligation Notes Issued	180,000	180,000	180,000	0
<i>Net Change in Fund Balance</i>	585	85	526	441
<i>Fund Balance Beginning of Year</i>	7,578	7,578	7,578	0
<i>Fund Balance End of Year</i>	\$8,163	\$7,663	\$8,104	\$441

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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$1,100	\$1,100	\$1,036	(\$64)
Expenditures				
Current:				
Community Development:				
Enforcement and Education				
Contractual Services	1,000	1,000	0	1,000
<i>Net Change in Fund Balance</i>	100	100	1,036	936
<i>Fund Balance Beginning of Year</i>	7,937	7,937	7,937	0
<i>Fund Balance End of Year</i>	<u>\$8,037</u>	<u>\$8,037</u>	<u>\$8,973</u>	<u>\$936</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$1,900	\$1,900	\$2,245	\$345
Other	1,000	1,000	581	(419)
<i>Total Revenues</i>	2,900	2,900	2,826	(74)
Expenditures				
Current:				
Public Health Services:				
Indigent Drivers				
Contractual Services	1,000	1,000	0	1,000
<i>Net Change in Fund Balance</i>	1,900	1,900	2,826	926
<i>Fund Balance Beginning of Year</i>	49,721	49,721	49,721	0
<i>Fund Balance End of Year</i>	<u>\$51,621</u>	<u>\$51,621</u>	<u>\$52,547</u>	<u>\$926</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$5,000	\$5,000	\$7,425	\$2,425
Fees, Licenses and Permits	21,100	21,100	23,490	2,390
Interest	80	80	4	(76)
Other	1,000	1,000	155	(845)
<i>Total Revenues</i>	27,180	27,180	31,074	3,894
Expenditures				
Current:				
Community Development:				
Cemetery				
Personal Services	20,565	20,565	20,466	99
Materials and Supplies	4,184	4,184	2,046	2,138
Contractual Services	2,000	2,000	1,526	474
Purchased Services	4,216	4,216	2,395	1,821
<i>Total Expenditures</i>	30,965	30,965	26,433	4,532
<i>Net Change in Fund Balance</i>	(3,785)	(3,785)	4,641	8,426
<i>Fund Balance at Beginning of Year</i>	51,184	51,184	51,184	0
Prior Year Encumbrances Appropriated	1,400	1,400	1,400	0
<i>Fund Balance End of Year</i>	\$48,799	\$48,799	\$57,225	\$8,426

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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$299,198	\$291,151	\$306,501	\$15,350
Intergovernmental	41,990	41,990	44,072	2,082
<i>Total Revenues</i>	341,188	333,141	350,573	17,432
Expenditures				
Current:				
Security of Persons and Property:				
Police Levy				
Personal Services	320,000	368,000	366,616	1,384
Other	6,500	6,400	6,365	35
Total Security of Persons and Property	326,500	374,400	372,981	1,419
Debt Service:				
Principal Retirement	30,238	30,238	30,236	2
Interest and Fiscal Charges	476	476	476	0
Total Debt Service	30,714	30,714	30,712	2
<i>Total Expenditures</i>	357,214	405,114	403,693	1,421
<i>Net Change in Fund Balance</i>	(16,026)	(71,973)	(53,120)	18,853
<i>Fund Balance Beginning of Year</i>	72,157	72,157	72,157	0
<i>Fund Balance End of Year</i>	\$56,131	\$184	\$19,037	\$18,853

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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$149,599	\$145,576	\$153,250	\$7,674
Intergovernmental	20,995	20,995	22,061	1,066
<i>Total Revenues</i>	170,594	166,571	175,311	8,740
Expenditures				
Current:				
Security of Persons and Property:				
Fire Levy				
Personal Services	182,000	197,000	196,024	976
Other	3,200	3,200	3,183	17
<i>Total Expenditures</i>	185,200	200,200	199,207	993
<i>Net Change in Fund Balance</i>	(14,606)	(33,629)	(23,896)	9,733
<i>Fund Balance Beginning of Year</i>	46,542	46,542	46,542	0
<i>Fund Balance End of Year</i>	\$31,936	\$12,913	\$22,646	\$9,733

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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$2,000	\$2,000	\$880	(\$1,120)
Other	1,200	1,200	865	(335)
<i>Total Revenues</i>	3,200	3,200	1,745	(1,455)
Expenditures	0	0	0	0
<i>Net Change in Fund Balance</i>	3,200	3,200	1,745	(1,455)
<i>Fund Balance Beginning of Year</i>	18,725	18,725	18,725	0
<i>Fund Balance End of Year</i>	<u>\$21,925</u>	<u>\$21,925</u>	<u>\$20,470</u>	<u>(\$1,455)</u>

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Trust Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$3,000	\$3,000	\$738	(\$2,262)
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	3,000	3,000	738	(2,262)
<i>Fund Balance Beginning of Year</i>	<u>5,754</u>	<u>5,754</u>	<u>5,754</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$8,754</u></u>	<u><u>\$8,754</u></u>	<u><u>\$6,492</u></u>	<u><u>(\$2,262)</u></u>

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Municipal Probation Services Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$100	\$100	\$700	\$600
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	100	100	700	600
<i>Fund Balance Beginning of Year</i>	<u>500</u>	<u>500</u>	<u>500</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$600</u></u>	<u><u>\$600</u></u>	<u><u>\$1,200</u></u>	<u><u>\$600</u></u>

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Moving Ohio Forward Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Community Development:				
Moving Ohio Forward				
Purchased Services	28,426	28,426	16,497	0
<i>Net Change in Fund Balance</i>	(28,426)	(28,426)	(16,497)	11,929
<i>Fund Balance Beginning of Year</i>	4,758	4,758	4,758	0
Prior Year Encumbrances Appropriated	28,426	28,426	28,426	0
<i>Fund Balance End of Year</i>	<u>\$4,758</u>	<u>\$4,758</u>	<u>\$16,687</u>	<u>\$11,929</u>

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Lighting Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$28,607	\$28,607	\$32,624	\$4,017
Fees, Licenses and Permits	125,000	125,000	127,334	2,334
Other	1,700	1,700	1,713	13
<i>Total Revenues</i>	155,307	155,307	161,671	6,364
Expenditures				
Current:				
Basic Utility Services:				
Street Lighting				
Purchased Services	151,000	155,300	154,907	393
<i>Net Change in Fund Balance</i>	4,307	7	6,764	6,757
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$4,307	\$7	\$6,764	\$6,757

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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Contributions and Donations	\$2,000	\$2,000	\$960	(\$1,040)
Expenditures				
Current:				
Community Development:				
Tree Commission				
Materials and Supplies	900	900	900	0
Capital Outlay	1,850	1,850	810	1,040
<i>Total Expenditures</i>	<u>2,750</u>	<u>2,750</u>	<u>1,710</u>	<u>1,040</u>
<i>Excess of Revenues Under Expenditures</i>	(750)	(750)	(750)	0
Other Financing Sources				
Transfers In	750	750	750	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Community Housing Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$3,000	\$3,000	\$0	(\$3,000)
Interest	40	40	23	(17)
<i>Total Revenues</i>	3,040	3,040	23	(3,017)
Expenditures				
Current:				
Community Development:				
Community Housing				
Capital Outlay	1,000	1,180	1,180	0
<i>Net Change in Fund Balance</i>	2,040	1,860	(1,157)	(3,017)
<i>Fund Balance Beginning of Year</i>	20,046	20,046	20,046	0
<i>Fund Balance End of Year</i>	<u>\$22,086</u>	<u>\$21,906</u>	<u>\$18,889</u>	<u>(\$3,017)</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$306,084	\$306,084	\$208,317	(\$97,767)
Expenditures				
Current:				
Community Development:				
CHIPS				
Materials and Supplies	56,708	56,708	42,960	13,748
Purchased Services	266,666	266,666	188,085	78,581
<i>Total Expenditures</i>	323,374	323,374	231,045	92,329
<i>Net Change in Fund Balance</i>	(17,290)	(17,290)	(22,728)	(5,438)
<i>Fund Balance Beginning of Year</i>	5,438	5,438	5,438	0
Prior Year Encumbrances Appropriated	17,290	17,290	17,290	0
<i>Fund Balance End of Year</i>	\$5,438	\$5,438	\$0	(\$5,438)

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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$24,206	\$24,206	\$27,827	\$3,621
Fees, Licenses and Permits	2,200	2,200	1,200	(1,000)
Rentals	28,650	28,650	31,650	3,000
Charges for Services	2,150	2,150	1,800	(350)
Contributions and Donations	1,000	1,000	0	(1,000)
Other	50	50	690	640
<i>Total Revenues</i>	<u>58,256</u>	<u>58,256</u>	<u>63,167</u>	<u>4,911</u>
Expenditures				
Current:				
Leisure Time Activities:				
Recreation				
Personal Services	15,636	15,636	13,323	2,313
Materials and Supplies	11,000	11,000	8,980	2,020
Contractual Services	270	270	209	61
Purchased Services	2,800	2,800	1,600	1,200
Other	3,500	3,500	3,420	80
Total Recreation	<u>33,206</u>	<u>33,206</u>	<u>27,532</u>	<u>5,674</u>
Parks				
Personal Services	17,050	17,050	7,949	9,101
Materials and Supplies	5,991	5,991	3,718	2,273
Contractual Services	944	944	0	944
Purchased Services	11,200	11,200	9,160	2,040
Capital Outlay	1,000	1,000	0	1,000
Total Parks	<u>36,185</u>	<u>36,185</u>	<u>20,827</u>	<u>15,358</u>
<i>Total Expenditures</i>	<u>69,391</u>	<u>69,391</u>	<u>48,359</u>	<u>21,032</u>
<i>Net Change in Fund Balance</i>	(11,135)	(11,135)	14,808	25,943
<i>Fund Balance Beginning of Year</i>	39,339	39,339	39,339	0
Prior Year Encumbrances Appropriated	<u>1,135</u>	<u>1,135</u>	<u>1,135</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$29,339</u>	<u>\$29,339</u>	<u>\$55,282</u>	<u>\$25,943</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$140,148	\$138,139	\$146,607	\$8,468
Intergovernmental	31,738	31,738	24,260	(7,478)
Other	0	0	410	410
<i>Total Revenues</i>	171,886	169,877	171,277	1,400
Expenditures				
Current:				
Security of Persons and Property:				
Police Pension				
Personal Services	210,000	210,000	198,878	11,122
Other	3,500	3,500	3,069	431
<i>Total Expenditures</i>	213,500	213,500	201,947	11,553
<i>Excess of Revenues Under Expenditures</i>	(41,614)	(43,623)	(30,670)	12,953
Other Financing Sources				
Transfers In	45,000	45,000	25,000	(20,000)
<i>Net Change in Fund Balance</i>	3,386	1,377	(5,670)	(7,047)
<i>Fund Balance Beginning of Year</i>	9,584	9,584	9,584	0
<i>Fund Balance End of Year</i>	\$12,970	\$10,961	\$3,914	(\$7,047)

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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$113,470	\$111,840	\$118,914	\$7,074
Intergovernmental	21,205	21,205	19,623	(1,582)
Other	0	0	49	49
<i>Total Revenues</i>	<u>134,675</u>	<u>133,045</u>	<u>138,586</u>	<u>5,541</u>
Expenditures				
Current:				
Security of Persons and Property:				
Fire Pension				
Personal Services	160,000	160,000	150,283	9,717
Other	2,000	2,600	2,489	111
<i>Total Expenditures</i>	<u>162,000</u>	<u>162,600</u>	<u>152,772</u>	<u>9,828</u>
<i>Excess of Revenues Under Expenditures</i>	(27,325)	(29,555)	(14,186)	15,369
Other Financing Sources				
Transfers In	30,000	30,000	5,000	(25,000)
<i>Net Change in Fund Balance</i>	2,675	445	(9,186)	(9,631)
<i>Fund Balance Beginning of Year</i>	<u>13,055</u>	<u>13,055</u>	<u>13,055</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$15,730</u></u>	<u><u>\$13,500</u></u>	<u><u>\$3,869</u></u>	<u><u>(\$9,631)</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$83,757	\$82,574	\$86,280	\$3,706
Intergovernmental	11,727	11,727	13,000	1,273
<i>Total Revenues</i>	95,484	94,301	99,280	4,979
Expenditures				
Current:				
General Government:				
General Obligation Bond Retirement				
Contractual Services	7,620	7,620	1,807	5,813
Debt Service:				
Principal Retirement	91,983	91,983	91,982	1
Interest and Fiscal Charges	11,545	11,545	11,545	0
<i>Total Debt Service</i>	103,528	103,528	103,527	1
<i>Total Expenditures</i>	111,148	111,148	105,334	5,814
<i>Net Change in Fund Balance</i>	(15,664)	(16,847)	(6,054)	10,793
<i>Fund Balance Beginning of Year</i>	196,347	196,347	196,347	0
<i>Fund Balance End of Year</i>	\$180,683	\$179,500	\$190,293	\$10,793

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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Special Assessments	\$106,000	\$106,000	\$81,782	(\$24,218)
Expenditures				
Current:				
General Government:				
Special Assessment Bond Retirement				
Other	4,000	4,000	2,937	1,063
Debt Service:				
Principal Retirement	95,302	95,302	95,301	1
Interest and Fiscal Charges	13,608	13,608	13,606	2
Total Debt Service	108,910	108,910	108,907	3
<i>Total Expenditures</i>	112,910	112,910	111,844	1,066
<i>Excess of Revenues Under Expenditures</i>	(6,910)	(6,910)	(30,062)	(23,152)
Other Financing Sources				
Advances In	25,000	25,000	30,062	5,062
<i>Net Change in Fund Balance</i>	18,090	18,090	0	(18,090)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$18,090	\$18,090	\$0	(\$18,090)

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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$434,430	\$420,129	\$479,749	\$59,620
Intergovernmental	357,958	357,958	168,777	(189,181)
<i>Total Revenues</i>	792,388	778,087	648,526	(129,561)
Expenditures				
Current:				
Capital Outlay:				
Street Improvement				
Capital Outlay	851,924	946,824	724,248	222,576
<i>Excess of Revenues Under Expenditures</i>	(59,536)	(168,737)	(75,722)	93,015
Other Financing Sources				
OPWC Loans Issued	50,000	50,000	0	(50,000)
<i>Net Change in Fund Balance</i>	(9,536)	(118,737)	(75,722)	43,015
<i>Fund Balance Beginning of Year</i>	101,863	101,863	101,863	0
Prior Year Encumbrances Appropriated	17,262	17,262	17,262	0
<i>Fund Balance End of Year</i>	\$109,589	\$388	\$43,403	\$43,015

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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$1,491	\$1,491	\$1,491	\$0
Expenditures				
Capital Outlay:				
OCJS Technology Replacement Grant				
Capital Outlay	1,491	1,491	1,491	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Energy Improvement Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay:				
Energy System Improvements				
Capital Outlay	20,612	20,612	20,612	0
<i>Net Change in Fund Balance</i>	(20,612)	(20,612)	(20,612)	0
<i>Fund Balance Beginning of Year</i>	20,612	20,612	20,612	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
Municipal Court Improvement Fund
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$95,500	\$95,500	\$104,321	\$8,821
Expenditures				
Capital Outlay:				
Municipal Court Improvement				
Capital Outlay	137,295	137,295	87,108	50,187
<i>Net Change in Fund Balance</i>	(41,795)	(41,795)	17,213	59,008
<i>Fund Balance Beginning of Year</i>	331,360	331,360	331,360	0
Prior Year Encumbrances Appropriated	2,295	2,295	2,295	0
<i>Fund Balance End of Year</i>	<u>\$291,860</u>	<u>\$291,860</u>	<u>\$350,868</u>	<u>\$59,008</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$110,000	\$110,000	\$107,000	(\$3,000)
Expenditures				
Capital Outlay:				
Formula Grant				
Capital Outlay	110,000	110,105	107,105	3,000
<i>Net Change in Fund Balance</i>	0	(105)	(105)	0
<i>Fund Balance Beginning of Year</i>	105	105	105	0
<i>Fund Balance End of Year</i>	\$105	\$0	\$0	\$0

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, 2015

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

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Capital Improvement Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$44,011	\$44,011	\$50,535	\$6,524
Expenditures				
Capital Outlay:				
Capital Improvement				
Capital Outlay	29,604	49,604	49,436	168
Debt Service:				
Principal Retirement	15,333	15,333	15,333	0
Interest and Fiscal Charges	3,047	3,047	3,005	42
Total Debt Service	18,380	18,380	18,338	42
<i>Total Expenditures</i>	47,984	67,984	67,774	210
<i>Net Change in Fund Balance</i>	(3,973)	(23,973)	(17,239)	6,734
<i>Fund Balance Beginning of Year</i>	14,842	14,842	14,842	0
Prior Year Encumbrances Appropriated	9,604	9,604	9,604	0
<i>Fund Balance End of Year</i>	\$20,473	\$473	\$7,207	\$6,734

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Bureau of Workers' Compensation Grant Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$40,000	\$40,000	\$40,000	\$0
Expenditures				
Capital Outlay:				
BWC Grant				
Capital Outlay	40,000	40,000	40,000	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Center Road Bridge Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$150,000	\$150,000	\$0	(\$150,000)
Expenditures				
Capital Outlay:				
Center Road Bridge				
Capital Outlay	150,000	150,000	120,472	29,528
<i>Excess of Revenues Over (Under) Expenditures</i>	0	0	(120,472)	(120,472)
Other Financing Sources				
Advances In	0	0	120,472	120,472
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

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Statistical Section

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

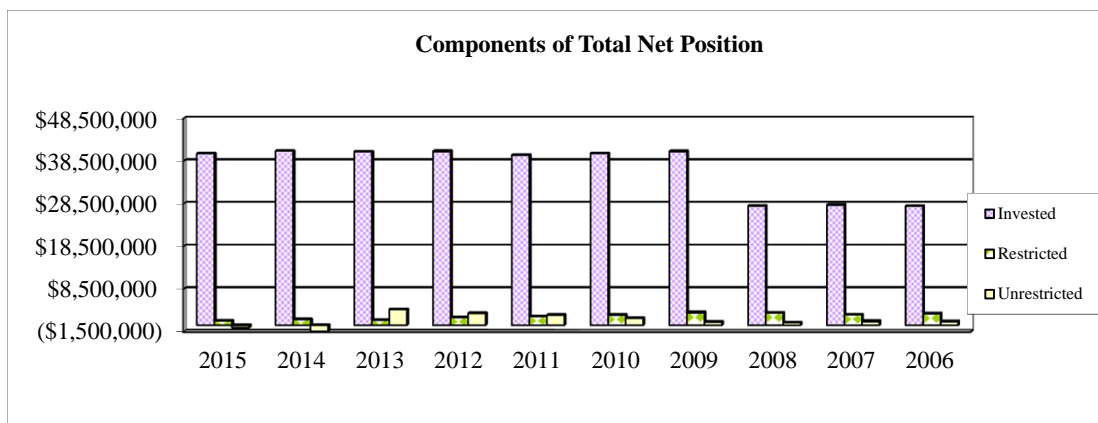
Contents	Pages(s)
<i>Financial Trends</i>	<i>S2 – S13</i>
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
<i>Revenue Capacity</i>	<i>S14 – S23</i>
These schedules contain information to help the reader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

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

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

	2015 (1)	2014	2013	2012
Governmental Activities				
Net Investment in Capital Assets	\$26,060,414	\$26,506,355	\$26,751,490	\$27,886,020
Restricted:				
Capital Projects	0	17,713	84,680	791,699
Debt Service	0	0	0	0
Street Construction, Maintenance and Repair	605,531	768,474	575,566	347,209
Police and Fire Operations	218,313	296,491	270,622	220,558
Drug and Alcohol Enforcement	68,248	76,755	69,654	62,277
Cemetery Operations	59,495	49,172	52,533	45,156
Community Housing	0	0	0	0
Economic Development	23,647	55,086	0	72,220
USEPA	0	0	0	0
Other Purposes	48,683	46,645	72,817	197,930
Unrestricted (Deficit)	(2,507,776)	(2,863,943)	2,101,712	1,288,417
<i>Total Governmental Activities Net Position</i>	<u>24,576,555</u>	<u>24,952,748</u>	<u>29,979,074</u>	<u>30,911,486</u>
Business-Type - Activities				
Net Investment in Capital Assets	14,125,413	14,298,798	13,880,043	12,848,459
Unrestricted	1,931,779	1,089,207	1,580,056	1,452,234
<i>Total Business-Type Activities Net Position</i>	<u>16,057,192</u>	<u>15,388,005</u>	<u>15,460,099</u>	<u>14,300,693</u>
Primary Government				
Net Investment in Capital Assets	40,185,827	40,805,153	40,631,533	40,734,479
Restricted	1,023,917	1,310,336	1,125,872	1,737,049
Unrestricted	(575,997)	(1,774,736)	3,681,768	2,740,651
<i>Total Primary Government Net Position</i>	<u>\$40,633,747</u>	<u>\$40,340,753</u>	<u>\$45,439,173</u>	<u>\$45,212,179</u>

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



2011	2010	2009	2008	2007	2006
\$27,936,348	\$28,696,100	\$29,749,095	\$17,147,964	\$17,632,445	\$17,359,101
625,348	616,736	996,700	1,086,874	328,198	300,157
0	576,190	686,581	784,246	875,896	924,154
241,401	342,702	357,308	328,839	262,384	355,363
0	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
223,944	223,752	223,301	232,096	324,232	494,102
60,223	184,960	193,195	0	0	0
803,024	395,117	454,658	424,486	586,281	456,124
1,134,968	400,613	100,450	(99,466)	350,902	553,320
31,025,256	31,440,948	32,773,301	19,915,144	20,414,068	20,596,055
11,935,329	11,515,121	10,970,211	10,794,002	10,543,038	10,515,764
1,191,639	1,243,770	586,161	618,321	511,375	283,302
13,126,968	12,758,891	11,556,372	11,412,323	11,054,413	10,799,066
39,871,677	40,211,221	40,719,306	27,941,966	28,175,483	27,874,865
1,953,940	2,344,235	2,923,756	2,866,646	2,430,721	2,683,634
2,326,607	1,644,383	686,611	518,855	862,277	836,622
\$44,152,224	\$44,199,839	\$44,329,673	\$31,327,467	\$31,468,481	\$31,395,121

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

	2015 (2)	2014	2013	2012
Program Revenues				
Governmental Activities:				
Charges for Services and Assessments:				
General Government	\$352,705	\$359,075	\$342,133	\$318,582
Security of Persons and Property	474,037	453,367	495,024	428,794
Public Health Services	36,955	37,215	41,973	39,160
Leisure Time Activities	43,425	45,825	43,477	42,852
Community Development	61,928	54,221	65,248	56,373
Basic Utility Services	127,334	123,698	123,056	124,708
Transportation	24,618	91,847	138,364	52,031
Subtotal - Charges for Services	<u>1,121,002</u>	<u>1,165,248</u>	<u>1,249,275</u>	<u>1,062,500</u>
Operating Grants and Contributions:				
General Government	0	0	0	0
Security of Persons and Property	156,610	123,178	126,853	85,931
Public Health Services	0	0	0	0
Leisure Time Activities	3,364	3,287	3,600	4,946
Community Development	209,277	317,792	272,528	102,036
Transportation	595,399	521,060	307,256	615,517
Subtotal - Operating Grants and Contributions	<u>964,650</u>	<u>965,317</u>	<u>710,237</u>	<u>808,430</u>
Capital Grants and Assessments:				
General Government	107,000	48,351	55,455	55,455
Security of Persons and Property	41,491	0	3,800	4,000
Public Health Services	0	0	0	0
Leisure Time Activities	0	0	0	0
Community Development	0	0	6,000	431,453
Transportation	311,480	102,866	115,180	89,492
Subtotal - Capital Grants and Assessments	<u>459,971</u>	<u>151,217</u>	<u>180,435</u>	<u>580,400</u>
<i>Total Governmental Activities</i>				
<i>Program Revenues</i>	<u>2,545,623</u>	<u>2,281,782</u>	<u>2,139,947</u>	<u>2,451,330</u>
Business-Type Activities:				
Charges for Services:				
Water	2,244,357	2,234,837	2,164,625	2,126,057
Sewer	2,404,611	2,381,691	2,299,651	2,247,383
Operating Grants and Contributions				
Sewer	0	0	0	0
Capital Grants and Assessments				
Water	14,268	360	411,285	64,346
Sewer	23,364	256,461	133,803	235,283
<i>Total Business-Type Activities</i>				
<i>Program Revenues</i>	<u>4,686,600</u>	<u>4,873,349</u>	<u>5,009,364</u>	<u>4,673,069</u>
<i>Total Primary Government</i>				
<i>Program Revenues</i>	<u>\$7,232,223</u>	<u>\$7,155,131</u>	<u>\$7,149,311</u>	<u>\$7,124,399</u>

2011	2010	2009 (1)	2008	2007	2006
\$348,583	\$302,039	\$426,290	\$158,783	\$176,418	\$186,469
556,754	457,176	658,859	530,394	508,332	453,497
58,426	64,244	39,544	34,644	38,655	37,551
46,378	52,911	56,026	49,113	47,501	43,313
54,225	65,170	75,456	57,247	65,921	55,708
124,473	125,004	0	0	0	0
53,406	58,621	54,333	44,742	67,008	4,300
<u>1,242,245</u>	<u>1,125,165</u>	<u>1,310,508</u>	<u>874,923</u>	<u>903,835</u>	<u>780,838</u>
0	0	0	4,578	5,649	6,995
156,429	175,617	189,911	220,073	18,655	48,451
0	44,121	22,879	1,385	4,716	16,231
302,750	1,940	0	4,395	1,878	13,941
255,725	219,613	230,219	226,539	106,897	249,202
626,342	361,059	591,731	684,981	702,427	657,215
<u>1,341,246</u>	<u>802,350</u>	<u>1,034,740</u>	<u>1,141,951</u>	<u>840,222</u>	<u>992,035</u>
23,750	0	219,607	721,800	82,883	159,621
0	0	23,313	0	0	25,319
0	0	0	0	0	0
0	0	0	0	0	0
179,640	0	0	0	0	0
25,283	24,626	45,505	148,737	5,759	5,800
<u>228,673</u>	<u>24,626</u>	<u>288,425</u>	<u>870,537</u>	<u>88,642</u>	<u>190,740</u>
<u>2,812,164</u>	<u>1,952,141</u>	<u>2,633,673</u>	<u>2,887,411</u>	<u>1,832,699</u>	<u>1,963,613</u>
2,063,031	2,116,230	2,077,360	1,951,756	1,922,216	1,785,302
2,383,343	2,408,925	2,001,905	2,003,945	1,944,689	1,879,332
0	0	0	0	0	0
0	91,414	178,560	4,040	13,383	30,075
67,973	112,476	118,292	16,478	29,859	10,615
<u>4,514,347</u>	<u>4,729,045</u>	<u>4,376,117</u>	<u>3,976,219</u>	<u>3,910,147</u>	<u>3,705,324</u>
<u>\$7,326,511</u>	<u>\$6,681,186</u>	<u>\$7,009,790</u>	<u>\$6,863,630</u>	<u>\$5,742,846</u>	<u>\$5,668,937</u>

(continued)

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

	2015 (2)	2014	2013	2012
Expenses				
<i>Governmental Activities:</i>				
General Government	\$1,586,680	\$1,292,248	\$1,228,286	\$1,184,781
Security of Persons and Property	3,634,530	3,322,801	3,275,647	3,061,292
Public Health Services	185,703	176,534	177,336	190,035
Leisure Time Activities	122,354	121,622	124,444	125,943
Community Development	156,956	362,079	463,946	376,556
Basic Utility Services	348,553	159,031	157,911	141,999
Transportation	2,455,888	2,544,047	2,492,999	1,812,092
Interest and Fiscal Charges	89,634	78,000	84,250	80,138
<i>Total Governmental Activities Expenses</i>	<u>8,580,298</u>	<u>8,056,362</u>	<u>8,004,819</u>	<u>6,972,836</u>
<i>Business-Type Activities</i>				
Water	2,149,651	2,276,702	1,959,425	2,069,126
Sewer	1,900,079	1,846,843	2,069,309	1,926,287
<i>Total Business-Type Activities Expenses</i>	<u>4,049,730</u>	<u>4,123,545</u>	<u>4,028,734</u>	<u>3,995,413</u>
<i>Total Primary Government Program Expenses</i>	<u>12,630,028</u>	<u>12,179,907</u>	<u>12,033,553</u>	<u>10,968,249</u>
Net (Expense)/Revenue				
Governmental Activities	(6,034,675)	(5,774,580)	(5,864,872)	(4,521,506)
Business-Type Activities	636,870	749,804	980,630	677,656
<i>Total Primary Government Net Expense</i>	<u><u>(\$5,397,805)</u></u>	<u><u>(\$5,024,776)</u></u>	<u><u>(\$4,884,242)</u></u>	<u><u>(\$3,843,850)</u></u>

2011	2010	2009 (1)	2008	2007	2006
\$1,424,515	\$1,226,765	\$1,167,792	\$1,254,299	\$1,308,725	\$1,406,409
3,043,520	3,362,411	3,590,030	3,888,488	3,527,501	3,387,785
211,538	312,558	148,494	359,428	432,807	374,896
141,303	136,287	131,575	77,711	115,777	94,657
513,096	310,981	150,557	501,093	294,546	467,034
155,121	109,837	149,308	43,877	31,975	32,500
2,628,167	2,321,555	1,917,512	2,376,287	2,420,821	2,449,845
111,373	132,375	135,715	157,917	178,252	195,947
8,228,633	7,912,769	7,390,983	8,659,100	8,310,404	8,409,073
2,183,135	1,576,246	2,350,298	1,755,161	1,763,839	1,711,495
1,982,892	1,959,232	1,899,102	1,865,615	1,769,365	1,802,037
4,166,027	3,535,478	4,249,400	3,620,776	3,533,204	3,513,532
12,394,660	11,448,247	11,640,383	12,279,876	11,843,608	11,922,605
(5,416,469)	(5,960,628)	(4,757,310)	(5,771,689)	(6,477,705)	(6,445,460)
348,320	1,193,567	126,717	355,443	376,943	191,792
<u>(\$5,068,149)</u>	<u>(\$4,767,061)</u>	<u>(\$4,630,593)</u>	<u>(\$5,416,246)</u>	<u>(\$6,100,762)</u>	<u>(\$6,253,668)</u>

(continued)

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

	2015 (2)	2014	2013	2012
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes:				
Property Taxes Levied For:				
General Purposes	\$316,065	\$365,055	\$357,968	\$303,604
Debt Service	85,313	84,961	99,499	94,984
Capital Outlay	473,019	563,092	0	0
Other Purposes	722,423	710,714	694,993	589,108
Municipal Income Taxes levied for:				
General Purposes	2,589,415	2,337,586	2,305,411	2,243,409
Capital Outlay	51,963	61,935	42,449	303,620
Street Construction, Maintenance and Repair	585,435	528,499	521,201	506,860
Other Purposes	62,164	56,118	55,323	53,766
Hotel Taxes	20,392	21,381	20,655	20,477
Grants and Entitlements not Restricted to Specific Programs	479,906	409,787	658,227	480,529
Franchise Taxes	133,313	139,189	145,370	145,880
Unrestricted Contributions	19,609	17,098	23,085	22,173
Investment Earnings	6,819	5,253	5,101	3,716
Gain on Sale of Capital Assets	18,582	0	0	0
Miscellaneous	95,314	174,638	141,150	77,092
Special Item - Capital Contribution (1)	0	0	0	0
Transfers	(1,250)	296,789	(137,972)	(437,482)
<i>Total Governmental Activities</i>	<u>5,658,482</u>	<u>5,772,095</u>	<u>4,932,460</u>	<u>4,407,736</u>
Business-Type Activities				
Gain on Sale of Capital Assets	0	0	0	0
Miscellaneous	31,067	39,405	40,804	58,587
Transfers	1,250	(296,789)	137,972	437,482
<i>Total Business-Type Activities</i>	<u>32,317</u>	<u>(257,384)</u>	<u>178,776</u>	<u>496,069</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<u>5,690,799</u>	<u>5,514,711</u>	<u>5,111,236</u>	<u>4,903,805</u>
Change in Net Position				
Governmental Activities	(376,193)	(2,485)	(932,412)	(113,770)
Business-Type Activities	669,187	492,420	1,159,406	1,173,725
<i>Total Primary Government Change in Net Position</i>	<u>\$292,994</u>	<u>\$489,935</u>	<u>\$226,994</u>	<u>\$1,059,955</u>

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

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

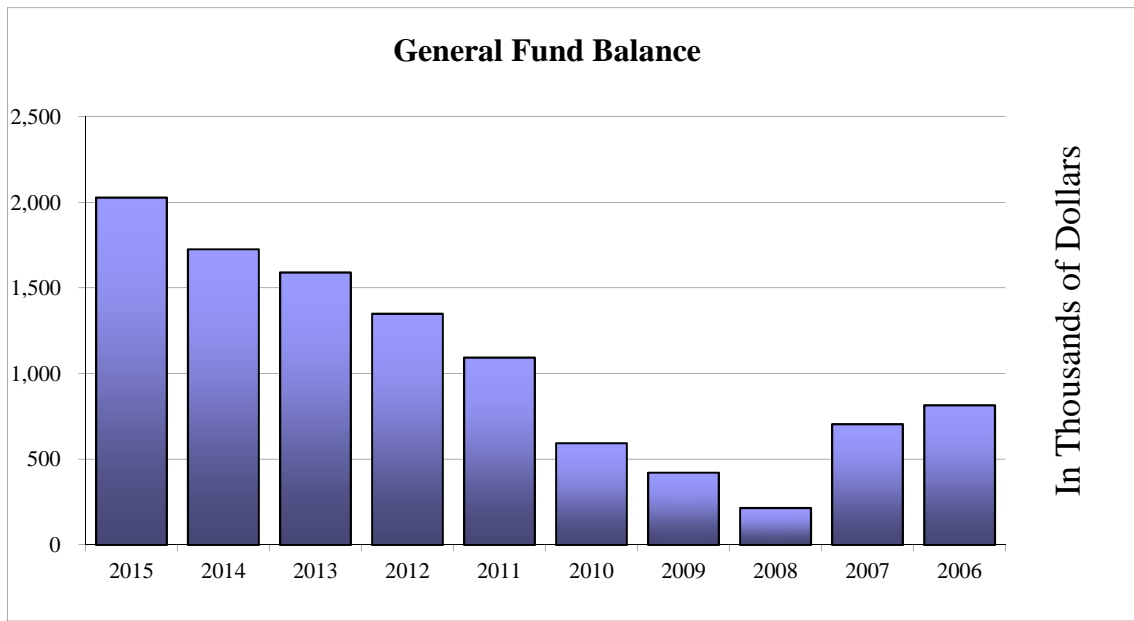
2011	2010	2009 (1)	2008	2007	2006
\$355,721	\$345,426	\$357,971	\$327,807	\$401,371	\$419,938
146,123	198,163	214,134	226,055	275,546	316,107
0	0	0	0	0	0
756,686	626,793	648,490	635,997	707,006	721,649
2,028,347	1,913,724	1,953,905	1,791,008	2,030,350	2,015,340
274,515	258,999	230,716	278,447	317,487	309,969
458,270	133,594	536,238	731,338	845,549	839,298
48,613	45,862	48,681	45,113	56,221	55,850
18,744	15,925	18,902	0	0	0
675,631	897,681	800,550	1,157,451	1,122,971	1,196,117
130,915	125,997	152,708	0	0	0
0	0	0	0	0	0
2,935	4,071	7,655	51,195	139,919	147,560
20,056	0	6,469	7,953	7,303	0
84,221	62,040	57,142	20,401	56,620	293,427
0	0	12,595,661	0	0	0
0	0	(13,755)	0	0	0
5,000,777	4,628,275	17,615,467	5,272,765	5,960,343	6,315,255
4,768	0	0	0	239	0
14,989	8,952	3,577	2,467	10,877	44,565
0	0	13,755	0	0	0
19,757	8,952	17,332	2,467	11,116	44,565
5,020,534	4,637,227	17,632,799	5,275,232	5,971,459	6,359,820
(415,692)	(1,332,353)	12,858,157	(498,924)	(517,362)	(130,205)
368,077	1,202,519	144,049	357,910	388,059	236,357
(\$47,615)	(\$129,834)	\$13,002,206	(\$141,014)	(\$129,303)	\$106,152

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

	2015	2014	2013	2012
General Fund				
Nonspendable	\$33,281	\$47,130	\$43,139	\$40,845
Assigned	822,244	679,916	383,150	343,253
Unassigned	1,173,552	999,680	1,164,537	965,912
Reserved	n/a	n/a	n/a	n/a
Unreserved	n/a	n/a	n/a	n/a
Total General Fund	2,029,077	1,726,726	1,590,826	1,350,010
All Other Governmental Funds				
Nonspendable	50,738	61,601	51,723	66,015
Restricted	1,152,337	1,406,367	1,209,060	1,171,627
Committed	77,864	75,403	38,707	30,049
Unassigned (Deficit)	(104,614)	(55,005)	(115,317)	(55,840)
Reserved	n/a	n/a	n/a	n/a
Unreserved, Undesignated, Reported in:				
Special Revenue funds	n/a	n/a	n/a	n/a
Debt Service funds	n/a	n/a	n/a	n/a
Capital Projects funds (Deficit)	n/a	n/a	n/a	n/a
Total All Other Governmental Funds	1,176,325	1,488,366	1,184,173	1,211,851
Total Governmental Funds	\$3,205,402	\$3,215,092	\$2,774,999	\$2,561,861

Note: The City implemented GASB 54 during 2011.

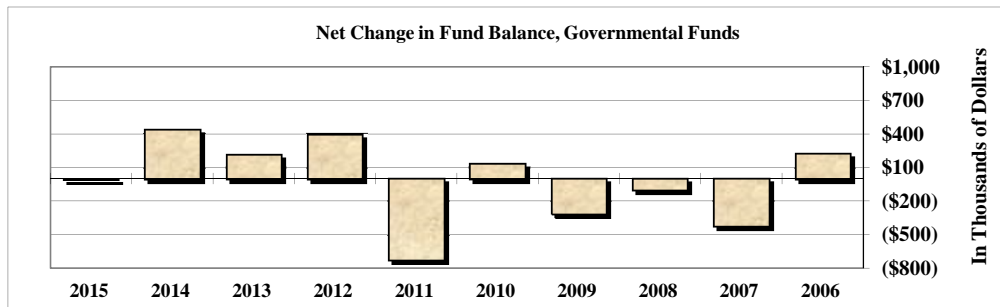
n/a - Information not available.



2011	2010	2009	2008	2007	2006
\$52,597	\$53,077	n/a	n/a	n/a	n/a
345,329	18,035	n/a	n/a	n/a	n/a
695,947	523,368	n/a	n/a	n/a	n/a
n/a	n/a	\$9,478	\$10,063	\$12,326	\$31,333
n/a	n/a	412,981	205,180	692,944	783,991
1,093,873	594,480	422,459	215,243	705,270	815,324
59,912	66,205	n/a	n/a	n/a	n/a
1,398,644	2,055,894	n/a	n/a	n/a	n/a
46,874	14,153	n/a	n/a	n/a	n/a
(430,812)	(144,163)	n/a	n/a	n/a	n/a
n/a	n/a	24,228	57,471	111,035	347,586
n/a	n/a	559,643	909,427	972,650	1,216,277
n/a	n/a	572,348	675,692	764,661	799,830
n/a	n/a	873,648	904,996	313,671	254,831
1,074,618	1,992,089	2,029,867	2,547,586	2,162,017	2,618,524
\$2,168,491	\$2,586,569	\$2,452,326	\$2,762,829	\$2,867,287	\$3,433,848

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

	2015	2014	2013	2012
Revenues				
Property Taxes	\$1,617,111	\$1,632,504	\$1,155,333	\$1,021,308
Municipal Income Taxes	3,163,103	3,021,077	2,931,872	3,067,806
Hotel Taxes	23,409	18,364	20,655	20,477
Special Assessments	94,534	113,575	142,659	149,561
Intergovernmental	1,860,461	1,616,276	1,534,596	2,145,486
Fees, Licenses and Permits	324,522	354,471	338,594	251,207
Fines and Forfeitures	301,696	316,332	321,006	281,892
Rentals	51,650	51,725	58,661	40,464
Charges for Services	418,461	420,540	480,371	456,002
Contributions and Donations	20,569	17,598	23,885	23,963
Interest	6,819	5,253	5,101	3,716
Franchise Taxes	153,209	135,793	128,870	145,880
Other	95,314	174,638	141,150	77,092
<i>Total Revenues</i>	<u>8,130,858</u>	<u>7,878,146</u>	<u>7,282,753</u>	<u>7,684,854</u>
Expenditures				
Current:				
General Government	1,504,861	1,215,590	1,132,241	1,110,431
Security of Persons and Property	3,634,608	3,212,086	3,111,589	2,867,862
Public Health Services	188,370	174,357	172,451	186,860
Leisure Time Activities	95,671	98,353	100,758	103,469
Community Development	353,683	369,484	453,549	374,504
Basic Utilities Services	156,956	163,261	155,068	141,999
Transportation	1,236,421	1,269,511	1,114,909	1,174,367
Capital Outlay	1,126,461	836,317	340,170	1,168,624
Debt Service:				
Principal Retirement	476,410	400,430	478,715	619,379
Principal Retirement - Current Refunding	0	7,500	7,500	26,000
Interest and Fiscal Charges	85,703	81,164	90,358	76,581
<i>Total Expenditures</i>	<u>8,859,144</u>	<u>7,828,053</u>	<u>7,157,308</u>	<u>7,850,076</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(728,286)</u>	<u>50,093</u>	<u>125,445</u>	<u>(165,222)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	18,582	0	0	0
Loans Issued	0	0	0	0
General Obligation Bonds Issued	450,000	360,000	0	544,352
General Obligation Notes Issued	150,000	37,500	15,000	73,000
OPWC Loans Issued	0	0	0	14,240
Inception of Capital Lease	101,264	0	88,485	0
Current Refunding	0	(7,500)	(15,000)	(73,000)
Transfers In	30,750	161,234	176,308	200,750
Transfers Out	(32,000)	(161,234)	(177,100)	(200,750)
<i>Total Other Financing Sources (Uses)</i>	<u>718,596</u>	<u>390,000</u>	<u>87,693</u>	<u>558,592</u>
<i>Net Change in Fund Balances</i>	<u>(\$9,690)</u>	<u>\$440,093</u>	<u>\$213,138</u>	<u>\$393,370</u>
Debt Service as a Percentage of Noncapital Expenditures	7.7%	7.5%	8.1%	11.2%



2011	2010	2009	2008	2007	2006
\$1,047,455	\$1,285,434	\$1,196,921	\$1,200,633	\$1,374,642	\$1,428,751
2,771,887	2,392,978	2,709,105	2,966,852	3,264,412	3,134,220
18,744	15,925	18,902	0	0	0
125,719	117,447	140,026	156,324	160,405	166,702
2,015,466	1,960,327	2,065,713	2,564,852	2,024,833	2,340,638
686,084	698,995	822,684	204,923	342,916	240,568
316,679	256,964	249,793	203,988	209,448	228,014
89,720	51,000	53,050	53,985	53,525	49,750
47,210	31,000	120,092	327,059	288,911	271,371
26,036	27,917	27,212	36,335	34,114	46,641
2,935	4,071	7,655	51,195	139,919	147,560
144,227	125,799	139,594	0	0	0
84,221	62,040	57,142	20,401	56,620	293,427
<u>7,376,383</u>	<u>7,029,897</u>	<u>7,607,889</u>	<u>7,786,547</u>	<u>7,949,745</u>	<u>8,347,642</u>
1,346,573	1,205,449	1,103,255	1,189,657	1,187,788	1,279,596
2,847,980	3,205,587	3,589,404	3,679,873	3,680,658	3,330,567
223,038	312,852	192,405	334,167	429,521	368,283
112,259	113,391	107,704	95,067	141,403	93,265
505,419	302,117	161,431	485,474	318,168	473,387
155,125	109,837	149,308	43,877	31,975	32,500
1,129,878	1,090,117	1,174,475	1,543,137	1,592,808	1,714,041
1,402,792	538,330	952,076	482,922	418,959	445,600
1,283,255	439,156	477,512	447,015	412,952	315,870
26,000	26,000	34,000	87,000	82,000	90,500
117,198	127,253	140,956	167,254	189,969	193,157
<u>9,149,517</u>	<u>7,470,089</u>	<u>8,082,526</u>	<u>8,555,443</u>	<u>8,486,201</u>	<u>8,336,766</u>
<u>(1,773,134)</u>	<u>(440,192)</u>	<u>(474,637)</u>	<u>(768,896)</u>	<u>(536,456)</u>	<u>10,876</u>
20,056	0	10,800	39,439	7,303	10,000
0	574,435	153,334	500,000	0	0
735,000	0	0	0	0	0
399,000	125,000	151,000	185,000	203,500	297,000
0	0	0	0	0	0
0	0	0	74,999	103,764	208,267
(99,000)	(125,000)	(151,000)	(135,000)	(203,500)	(297,000)
36,250	60,750	77,265	100,350	116,750	104,750
<u>(36,250)</u>	<u>(60,750)</u>	<u>(77,265)</u>	<u>(100,350)</u>	<u>(116,750)</u>	<u>(104,750)</u>
<u>1,055,056</u>	<u>574,435</u>	<u>164,134</u>	<u>664,438</u>	<u>111,067</u>	<u>218,267</u>
<u>(\$718,078)</u>	<u>\$134,243</u>	<u>(\$310,503)</u>	<u>(\$104,458)</u>	<u>(\$425,389)</u>	<u>\$229,143</u>
17.8%	8.6%	9.8%	8.8%	8.9%	8.0%

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
2015	\$123,666,110	\$55,173,170	\$510,969,371	\$7,546,170	\$8,575,193
2014	123,558,190	56,595,160	514,723,857	7,137,030	8,110,261
2013	123,185,650	56,632,450	513,766,000	6,846,710	7,780,352
2012	122,881,370	57,275,150	514,732,914	6,171,300	7,012,841
2011	122,619,790	32,124,220	442,125,743	5,705,250	6,483,239
2010	131,694,650	35,376,140	477,345,114	5,527,720	6,281,500
2009	131,441,760	35,607,370	477,283,229	5,304,940	6,028,341
2008	131,378,020	34,138,410	472,904,086	5,451,860	6,195,295
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

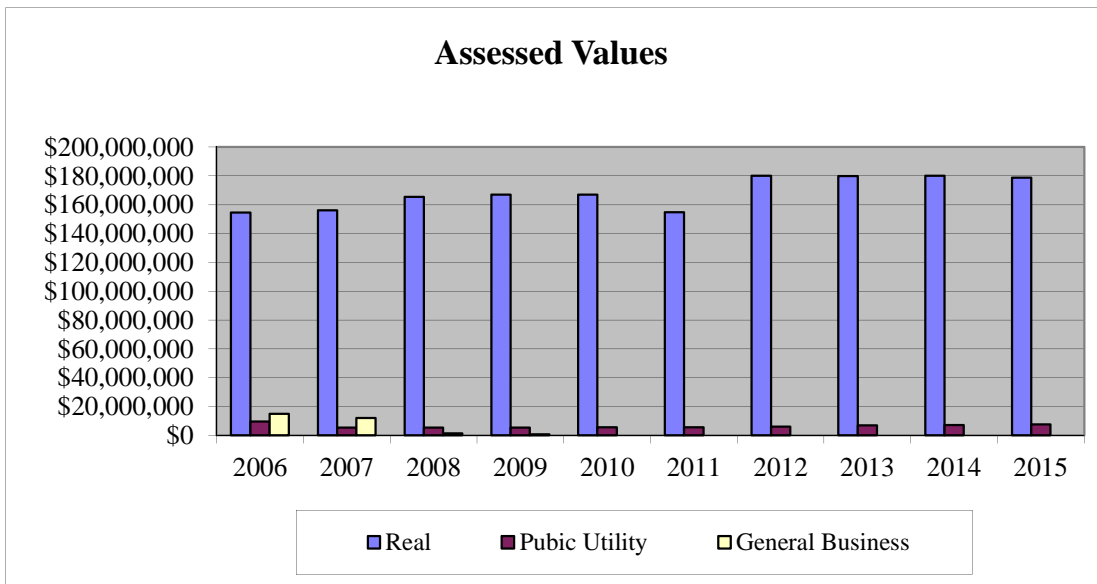
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

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.

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 has been eliminated.

Source: Ashtabula County, Ohio; County Auditor

Tangible Personal Property					Weighted Average Tax Rate (per \$1,000 of Assessed Value)
General Business		Total			
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio	
\$0	\$0	\$186,385,450	\$519,544,565	35.87%	\$13.46
0	0	187,290,380	522,834,119	35.82	9.80
0	0	186,664,810	521,546,352	35.79	9.75
0	0	186,327,820	521,745,755	35.71	7.09
0	0	160,449,260	448,608,981	35.77	7.17
0	0	172,598,510	483,626,614	35.69	7.51
641,975	10,271,600	172,996,045	493,583,169	35.05	7.50
1,357,800	21,724,800	172,326,090	500,824,181	34.41	7.51
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



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

	2015	2014	2013	2012	2011
Unvoted Millage					
Operating	\$2.0000	\$2.0000	\$2.2000	\$2.2000	\$2.2000
Fire Pension	0.7300	0.7300	0.6300	0.6300	0.6300
Police Pension	0.9000	0.9000	0.8000	0.8000	0.8000
Bond Sinking Fund	0.0000	0.0000	0.0000	0.0000	0.0000
<i>Total Unvoted Millage</i>	<u>3.6300</u>	<u>3.6300</u>	<u>3.6300</u>	<u>3.6300</u>	<u>3.6300</u>
Voted Millage - by levy					
1986 Bond	0.0000	0.0000	0.0000	0.0000	0.0000
1995 Library Bond	0.6300	0.5300	0.5300	0.6300	0.7300
2003 Police Operating					
Residential/Agricultural Real	2.00000	2.00000	1.85339	1.85366	1.85270
Commercial/Industrial and Public Utility Real	1.84657	1.80650	1.97037	1.95099	1.93870
General Business and Public Utility Personal	2.00000	2.00000	2.00000	2.00000	2.00000
2005 Fire					
Residential/Agricultural Real	0.0000	1.0000	0.9267	0.9268	0.9264
Commercial/Industrial and Public Utility Real	0.0000	0.9033	0.9852	0.9755	0.9693
General Business and Public Utility Personal	0.0000	1.0000	1.0000	1.0000	1.0000
2013 Road and Bridge					
Residential/Agricultural Real	2.7500	2.7500	2.7496	0.0000	0.0000
Commercial/Industrial and Public Utility Real	2.7395	2.6801	2.7500	0.0000	0.0000
General Business and Public Utility Personal	2.7500	2.7500	2.7500	0.0000	0.0000
2015 Fire					
Residential/Agricultural Real	1.5000	0.0000	0.0000	0.0000	0.0000
Commercial/Industrial and Public Utility Real	1.5000	0.0000	0.0000	0.0000	0.0000
General Business and Public Utility Personal	1.5000	0.0000	0.0000	0.0000	0.0000
2015 Police					
Residential/Agricultural Real	3.0000	0.0000	0.0000	0.0000	0.0000
Commercial/Industrial and Public Utility Real	3.0000	0.0000	0.0000	0.0000	0.0000
General Business and Public Utility Personal	3.0000	0.0000	0.0000	0.0000	0.0000
<i>Total Voted Millage by Type of Property</i>					
Residential/Agricultural Real	\$9.8800	\$6.2800	\$6.0597	\$3.4105	\$3.5091
Commercial/Industrial and Public Utility Real	9.7160	5.9199	6.2356	3.5565	3.6380
General Business and Public Utility Personal	9.8800	6.2800	6.2800	3.6300	3.7300
<hr/>					
<i>Total Millage by Type of Property</i>					
Residential/Agricultural Real	\$13.5100	\$9.9100	\$9.6897	\$7.0405	\$7.1391
Commercial/Industrial and Public Utility Real	13.3460	9.5499	9.8656	7.1865	7.2680
General Business and Public Utility Personal	13.5100	9.9100	9.9100	7.2600	7.3600
<i>Total Weighted Average Tax Rate</i>	<u>13.4615</u>	<u>9.8012</u>	<u>7.7511</u>	<u>7.0926</u>	<u>7.1727</u>

2010	2009	2008	2007	2006
\$2.0000	\$2.0000	\$2.0000	\$2.0000	\$2.1900
0.6300	0.4400	0.4400	0.4400	0.4400
1.0000	1.1900	1.1900	1.1900	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	0.4400	0.6400	0.7400
0.8300	0.8300	0.8300	0.8300	0.9300
1.72580	1.72480	1.7236	1.8075	1.8070
1.74400	1.73520	1.7606	1.9114	1.9075
2.00000	2.00000	2.0000	2.0000	2.0000
0.8629	0.8624	0.8618	0.9038	0.9035
0.8720	0.8676	0.8803	0.9557	0.9538
1.0000	1.0000	1.0000	1.0000	1.0000
0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000
\$3.8587	\$3.8572	\$3.8554	\$4.1813	\$4.3805
3.8860	3.8728	3.9109	4.3371	4.5313
4.2700	4.2700	4.2700	4.4700	4.6700
\$7.4887	\$7.4872	\$7.4854	\$7.8113	\$8.0105
7.5160	7.5028	7.5409	7.9671	8.1613
7.9000	7.9000	7.9000	8.1000	8.3000
7.5075	7.5046	7.5128	7.8800	8.0781

(continued)

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

	2015	2014	2013	2012	2011
Overlapping Rates by Taxing District					
Conneaut City School District					
Residential/Agricultural Real	\$36.3900	\$26.0683	\$24.3233	\$25.5513	\$25.5424
Commercial/Industrial and Public Utility Real	23.9227	23.5787	25.5875	26.6359	26.5549
General Business and Public Utility Personal	26.6232	36.3900	39.3900	37.6300	37.6300
Ashtabula County					
Residential/Agricultural Real	9.5530	10.8876	9.0012	8.9962	8.9922
Commercial/Industrial and Public Utility Real	8.0465	9.4306	9.9622	9.9304	9.9223
General Business and Public Utility Personal	9.2017	11.5200	11.0200	11.0200	11.0200
Special Taxing Districts (1)					
Residential/Agricultural Real	7.6500	3.5383	3.5917	3.5894	2.5972
Commercial/Industrial and Public Utility Real	5.9616	3.8581	3.6610	3.6489	2.6574
General Business and Public Utility Personal	6.2914	5.2500	5.2500	5.2500	4.2600

Source: Ashtabula County Auditor

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

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

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

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

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

(1) Park Districts, Joint Vocational School, Public Library

2010	2009	2008	2007	2006
\$24.4838	\$24.4735	\$24.4579	\$24.5244	\$24.5371
24.5714	24.5103	24.5311	24.7382	24.6535
37.6300	37.6300	37.6300	37.6300	37.6300
8.5409	8.5335	8.5375	8.9780	8.4057
9.4041	9.2994	9.2655	9.7795	9.4488
11.0200	11.0200	11.0300	11.0300	11.0300
3.3998	3.2237	3.2207	3.7273	3.4773
3.3966	3.2468	3.2461	3.8383	3.6471
5.2500	5.2500	5.2500	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)
2015	\$1,807,218	\$1,662,558	92.00 %	\$68,344	\$1,730,902
2014	1,824,225	1,662,089	91.11	79,952	1,742,041
2013	1,319,314	1,223,741	92.76	50,554	1,274,295
2012	1,157,637	1,062,111	91.75	65,444	1,127,555
2011	1,281,428	1,149,689	89.72	60,441	1,210,130
2010	1,366,669	1,286,146	94.11	61,699	1,347,845
2009	1,361,376	1,234,909	90.71	81,875	1,316,784
2008	1,366,449	1,250,191	91.49	56,280	1,306,471
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

Source: Ashtabula County, Ohio; County Auditor

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

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

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

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

Percent of Total Tax Collections To Original Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes To Original Tax Levy
95.78 %	\$284,571	15.75 %
95.49	304,863	16.71
96.59	207,183	15.70
97.40	210,056	18.15
94.44	243,668	19.02
98.62	32,593	2.38
96.72	147,644	10.85
95.61	123,970	9.07
104.15	134,745	9.06
94.12	138,160	8.72

City of Conneaut, Ohio
Principal Real Property Taxpayers
 2015 and 2006

<u>2015</u>		
Taxpayer	Real Property Assessed Valuation	Percentage of Total Real Assessed Valuation
CCA Western Properties	\$25,049,150	14.01 %
Cleveland Electric Illuminating Company	6,120,750	3.42
Millwork Properties	1,415,580	0.79
Navigroup Venture, LLC	1,332,240	0.75
CSP of Ohio, LLC	961,700	0.54
ES Realty	840,980	0.47
Kolman Properties	786,560	0.44
Highland Place	775,610	0.43
Attitude Limited	763,570	0.43
Loves Travel Stops	742,120	0.41
Total	\$38,788,260	21.69 %
Total Real Assessed Valuation	\$178,839,280	

<u>2006</u>		
Taxpayer	Real Property Assessed Valuation	Percentage of Total Real Assessed Valuation
Cleveland Electric Illuminating Company	\$3,918,590	2.53 %
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
Emster XV, LLC	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
Yogi Hospitality	611,150	0.39
Total	\$14,139,160	9.14 %
Total Real Assessed Valuation	\$154,646,580	

Source: Ashtabula County Auditor

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

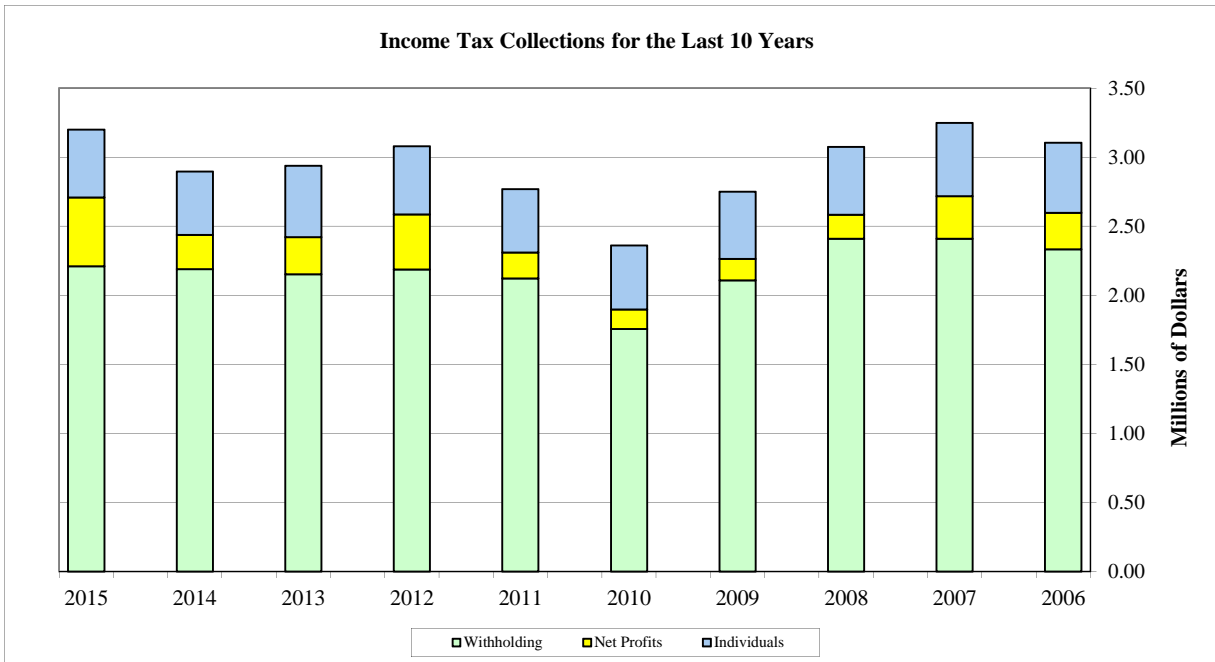
Tax Year	Tax Rate (2)	Total Tax Collected (1)	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individuals	Percentage of Taxes from Individuals
2015	1.65%	\$3,198,238	\$2,209,573	69.09%	\$498,257	15.58%	\$490,408	15.33%
2014	1.65	2,896,554	2,189,229	75.58	249,088	8.60	458,237	15.82
2013	1.65	2,937,263	2,151,241	73.24	269,472	9.17	516,550	17.59
2012	1.80	3,078,827	2,185,879	71.00	400,016	12.99	492,932	16.01
2011	1.80	2,768,926	2,121,702	76.62	188,782	6.82	458,442	16.56
2010	1.80	2,360,141	1,755,009	74.36	142,990	6.06	462,142	19.58
2009	1.80	2,750,298	2,108,614	76.67	154,590	5.62	487,094	17.71
2008	1.80	3,073,413	2,410,323	78.42	172,210	5.60	490,880	15.97
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

(1) Cash Basis of Accounting

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

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

Source: City Financial Records



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

Year	Governmental Activities					
	General Obligation Bonds	OWDA Loans	Loans	OPWC Loans	Bond Anticipation Notes	Capital Leases
2015	\$1,462,186	\$295,554	\$652,960	\$27,485	\$150,000	\$101,264
2014	1,186,931	390,855	789,295	29,778	37,500	30,236
2013	967,749	485,908	922,072	32,071	15,000	59,725
2012	1,105,175	622,506	1,026,597	34,008	73,000	18,969
2011	645,000	753,536	1,111,053	21,349	399,000	37,104
2010	940,000	879,237	1,193,481	22,930	125,000	80,649
2009	1,145,000	999,827	653,334	24,511	151,000	158,346
2008	1,350,000	1,115,517	500,000	26,092	242,000	256,587
2007	1,555,000	1,226,509	0	27,673	329,000	261,030
2006	1,760,000	1,332,998	0	29,254	467,000	201,148

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

Source: City Financial Records

Business-Type Activities								
OWDA Loans	OPWC Loans	General Obligation Bonds	Loans	Bond Anticipation Notes	Capital Leases	Total Debt	Percentage of Personal Income (1)	Per Capita (1)
\$5,172,255	\$549,341	\$298,825	\$376,228	\$0	\$0	\$9,086,098	4.15%	\$707.58
4,801,507	596,410	376,498	626,509	72,500	0	8,938,019	4.08	696.05
4,207,834	550,350	452,075	867,539	135,000	0	8,695,323	3.97	677.15
3,582,226	383,167	525,615	1,099,707	160,000	0	8,630,970	3.94	672.14
3,441,654	364,657	460,000	1,178,287	200,000	0	8,611,640	3.93	670.64
3,750,911	305,621	530,895	1,379,949	240,000	0	9,448,673	4.31	735.82
4,236,568	345,077	601,018	306,666	280,000	0	8,901,347	4.85	712.96
4,700,557	384,536	671,141	0	0	0	9,246,430	5.04	740.60
5,143,931	423,995	741,264	0	10,000	34,751	9,753,153	5.31	781.19
5,402,913	464,225	811,387	0	20,000	68,570	10,557,495	5.75	845.61

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		
2015	12,841	\$519,544,565	\$1,462,186	\$298,825	\$1,761,011	0.34 %	\$137.14
2014	12,841	522,834,119	1,186,931	376,498	1,563,429	0.30	121.75
2013	12,841	521,546,352	967,749	452,075	1,419,824	0.27	110.57
2012	12,841	521,745,755	1,105,175	525,615	1,630,790	0.31	127.00
2011	12,841	448,608,981	645,000	460,000	1,105,000	0.25	86.05
2010	12,841	483,626,614	940,000	530,895	1,470,895	0.30	114.55
2009	12,485	493,583,169	1,145,000	601,018	1,746,018	0.35	139.85
2008	12,485	500,824,181	1,350,000	670,000	2,020,000	0.40	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

Sources:

- (1) 2015 - 2010 The U.S. Bureau of Census, 2010 Federal Census of Population
2006 - 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, 2015

Jurisdiction	Governmental Activites Debt	Percentage Applicable to City (1)	Amount Applicable to City of Conneaut
Direct			
General Obligation Bonds	\$1,462,186	100.00 %	\$1,462,186
OWDA Loans	295,554	100.00	295,554
Loans	652,960	100.00	652,960
OPWC Loans	27,485	100.00	27,485
Bond Anticipation Notes	150,000	100.00	150,000
Capital Leases	101,264	100.00	101,264
<i>Total Direct Debt</i>	<u>2,689,449</u>		<u>2,689,449</u>
Overlapping			
Ashtabula County			
General Obligation Bonds	18,186,572	10.32	1,876,854
OPWC Loans	133,107	10.32	13,737
Capital Leases	163,010	10.32	16,823
Conneaut City School District			
General Obligation Bonds	4,843,205	85.55	4,143,362
Loan	112,000	85.55	95,816
<i>Total Overlapping Debt</i>	<u>23,437,894</u>		<u>6,146,593</u>
Total	<u><u>\$26,127,343</u></u>		<u><u>\$8,836,042</u></u>

Source: Ashtabula County, Ohio; County Auditor

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

City of Conneaut, Ohio

Legal Debt Margin

Last Ten Years

	2015	2014	2013	2012
Total Assessed Property Value	<u>\$186,385,450</u>	<u>\$187,290,380</u>	<u>\$186,664,810</u>	<u>\$186,327,820</u>
General Bonded Debt Outstanding:				
General Obligation Bonds	\$1,761,011	\$1,563,429	\$1,419,824	\$1,630,790
OWDA Loans	5,467,809	5,192,362	4,693,742	4,204,732
OPWC Loans	576,826	626,188	582,421	417,175
Bond Anticipation Notes	440,000	420,000	598,000	739,000
Loans	<u>1,029,188</u>	<u>1,415,804</u>	<u>1,789,611</u>	<u>2,126,304</u>
Total Gross Indebtedness	9,274,834	9,217,783	9,083,598	9,118,001
Less:				
Bond Anticipation Notes	(37,500)	(27,500)	(125,500)	(126,000)
OPWC Loans	(576,826)	(626,188)	(582,421)	(417,175)
OWDA Loans	(5,467,809)	(5,192,362)	(4,693,742)	(4,204,732)
General Obligation Bond Retirement Fund Balance	<u>(190,293)</u>	<u>(196,347)</u>	<u>(201,824)</u>	<u>(191,063)</u>
Total Net Debt Applicable to Debt Limit	<u>3,002,406</u>	<u>3,175,386</u>	<u>3,480,111</u>	<u>4,179,031</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>19,570,472</u>	<u>19,665,490</u>	<u>19,599,805</u>	<u>19,564,421</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$16,568,066</u>	<u>\$16,490,104</u>	<u>\$16,119,694</u>	<u>\$15,385,390</u>
Legal Debt Margin as a Percentage of the Debt Limit	84.66%	83.85%	82.24%	78.64%
Unvoted Debt Limitation 5 ½ % of Assessed Valuation	<u>\$10,251,200</u>	<u>\$10,300,971</u>	<u>\$10,266,565</u>	<u>\$10,248,030</u>
Total Gross Indebtedness	9,274,834	9,217,783	9,083,598	9,118,001
Less:				
Bond Anticipation Notes	(37,500)	(27,500)	(125,500)	(126,000)
Special Assessment Bonds	0	0	0	0
OPWC Loans	(576,826)	(626,188)	(582,421)	(417,175)
OWDA Loans	(5,467,809)	(5,192,362)	(4,693,742)	(4,204,732)
General Obligation Bond Retirement Fund Balance	<u>(190,293)</u>	<u>(196,347)</u>	<u>(201,824)</u>	<u>(191,063)</u>
Net Debt Within 5 ½ % Limitations	<u>3,002,406</u>	<u>3,175,386</u>	<u>3,480,111</u>	<u>4,179,031</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$7,248,794</u>	<u>\$7,125,585</u>	<u>\$6,786,454</u>	<u>\$6,068,999</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	70.71%	69.17%	66.10%	59.22%

Source: City Financial Records

2011	2010	2009	2008	2007	2006
<u>\$160,449,260</u>	<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>
\$1,105,000	\$1,470,000	\$1,745,000	\$2,020,000	\$2,295,000	\$2,570,000
4,195,190	4,630,148	5,236,395	5,816,074	6,370,440	6,735,911
386,006	328,551	369,588	410,628	451,668	493,479
880,000	691,000	1,090,000	667,000	796,000	1,007,500
<u>2,289,340</u>	<u>2,573,430</u>	<u>960,000</u>	<u>500,000</u>	<u>0</u>	<u>0</u>
8,855,536	9,693,129	9,400,983	9,413,702	9,913,108	10,806,890
(151,000)	(301,000)	(510,905)	(517,000)	(621,000)	(857,500)
(386,006)	(328,551)	(369,588)	(410,628)	(451,668)	(493,479)
(4,195,190)	(4,630,148)	(5,236,395)	(5,816,074)	(6,370,440)	(6,735,911)
<u>(178,020)</u>	<u>(394,447)</u>	<u>(449,671)</u>	<u>(511,302)</u>	<u>(563,506)</u>	<u>(568,788)</u>
<u>3,945,320</u>	<u>4,038,983</u>	<u>2,834,424</u>	<u>2,158,698</u>	<u>1,906,494</u>	<u>2,151,212</u>
16,847,172	18,122,844	18,164,585	18,094,239	18,230,901	18,823,135
<u>\$12,901,852</u>	<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>
76.58%	77.71%	84.40%	88.07%	89.54%	88.57%
<u>\$8,824,709</u>	<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>
8,855,536	9,693,129	9,400,983	9,413,702	9,913,108	10,806,890
(151,000)	(301,000)	(510,905)	(517,000)	(621,000)	(857,500)
0	0	0	0	0	0
(386,006)	(328,551)	(369,588)	(410,628)	(451,668)	(493,479)
(4,195,190)	(4,630,148)	(5,236,395)	(5,816,074)	(6,370,440)	(6,735,911)
<u>(178,020)</u>	<u>(394,447)</u>	<u>(449,671)</u>	<u>(511,302)</u>	<u>(563,506)</u>	<u>(568,788)</u>
<u>3,945,320</u>	<u>4,038,983</u>	<u>2,834,424</u>	<u>2,158,698</u>	<u>1,906,494</u>	<u>2,151,212</u>
<u>\$4,879,389</u>	<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>
55.29%	57.45%	70.21%	77.22%	80.04%	78.18%

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	
2015	\$2,270,332	\$1,666,156	\$604,176	\$153,649	\$62,026	\$215,675	2.80
2014	2,258,092	1,851,666	406,426	80,286	21,395	101,681	4.00
2013	2,188,771	1,541,500	647,271	74,654	10,928	85,582	7.56
2012	2,174,864	1,687,291	487,573	66,549	10,425	76,974	6.33
2011	2,075,076	1,748,927	326,149	58,795	9,572	68,367	4.77
2010	2,119,609	1,287,132	832,477	54,894	10,882	65,776	12.66
2009	2,078,764	2,092,618	(13,854)	53,642	12,131	65,773	(0.21)
2008	1,953,085	1,504,597	448,488	25,174	0	25,174	17.82
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

* 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	
2015	\$2,409,703	\$1,378,966	\$1,030,737	\$126,673	\$99,642	\$226,315	4.55
2014	2,397,841	1,393,600	1,004,241	325,227	40,695	365,922	2.74
2013	2,316,309	1,549,071	767,238	328,697	117,636	446,333	1.72
2012	2,257,163	1,427,678	829,485	291,692	116,774	408,466	2.03
2011	2,386,287	1,489,917	896,370	480,714	133,660	614,374	1.46
2010	2,414,498	1,454,173	960,325	470,219	158,406	628,625	1.53
2009	2,004,078	1,372,948	631,130	449,806	173,721	623,527	1.01
2008	2,005,083	1,376,937	628,146	14,285	0	14,285	43.97
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

* 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

2015

Employer	Employees	Percentage of Total City Employment
Corrections Corporation of America (CCA)	307	7.18 %
Conneaut Area City School District	288	6.73
General Aluminum	281	6.57
Continental Structural Plastics	216	5.05
University Heights Hospital System	207	4.84
Ashtabula County	131	3.06
Cascade Ohio	130	3.04
Lukjan Metal Products	128	2.99
Infinity Resources	113	2.64
City of Conneaut	102	2.38
Total	1,903	44.48 %
Total Employment within the City	4,278	

2006

Employer	Employees	Percentage of Total City Employment
Cascade Ohio	403	9.56 %
Conneaut Area City School District	386	9.16
Management Training Corporation	320	7.59
General Aluminum	273	6.48
University Heights Hospital System	225	5.34
Lukjan Metal Products	192	4.56
Millenium	188	4.46
Ashtabula County	153	3.63
City of Conneaut	122	2.89
Sunshine Health	114	2.70
Total	2,376	56.37 %
Total Employment within the City	4,215	

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>
2015	12,841	\$219,131,665	\$17,065	\$38,250	40
2014	12,841	219,131,665	17,065	38,250	40
2013	12,841	219,131,665	17,065	38,250	40
2012	12,841	219,131,665	17,065	38,250	40
2011	12,841	219,131,665	17,065	38,250	40
2010	12,841	219,131,665	17,065	38,250	40
2009	12,485	183,566,955	14,703	31,717	38
2008	12,485	183,566,955	14,703	31,717	38
2007	12,485	183,566,955	14,703	31,717	38
2006	12,485	183,566,955	14,703	31,717	38

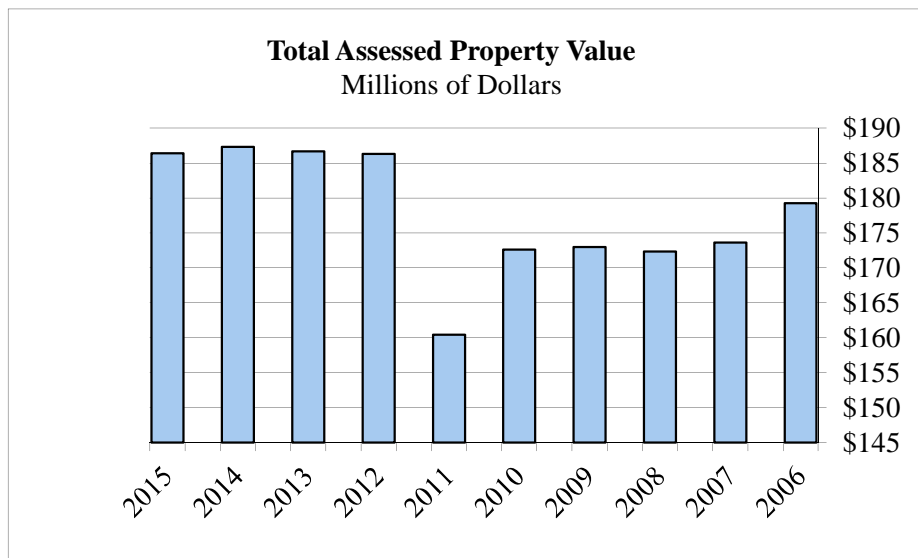
(1) 2015 - 2010 The U.S. Bureau of Census, 2010 Federal Census of Population

2006 - 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%	1,789	6.2%	\$87,400	\$186,385,450
11.2	1,785	5.9	84,000	187,290,380
11.2	1,797	9.0	80,000	186,664,810
11.2	1,838	9.0	76,000	186,327,820
11.2	2,054	11.9	52,750	160,449,260
11.2	2,269	11.9	51,661	172,598,510
9.9	2,242	14.2	54,542	172,996,045
9.9	2,316	10.4	70,800	172,326,090
9.9	2,332	6.4	75,442	173,627,630
9.9	2,462	6.6	67,929	179,267,950



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

Function/Program	2015	2014	2013	2012
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	6.00
Public Building	0.00	0.00	0.00	0.00
Security of Persons and Property				
Police	17.00	17.00	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	10.50	10.00	10.00
Ambulance	5.00	5.00	5.00	5.00
Public Health Services				
Health	3.00	3.00	3.00	3.50
Cemetery	1.00	1.00	1.00	1.00
Leisure Time Activities				
Recreation	1.00	1.00	1.00	1.50
Community Environment				
Litter Control/Recycling	0.00	0.00	0.00	0.00
Housing/Zoning	1.00	1.00	1.00	0.50
Transportation				
Street/Public Works	12.00	12.00	12.00	12.00
Basic Utility Services				
Water	15.00	15.00	15.00	15.00
Sewer	11.00	11.00	11.00	11.00
Totals:	<u>102.00</u>	<u>102.00</u>	<u>100.50</u>	<u>101.00</u>

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

Source: City Financial Records

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
7.00	7.00	7.00	7.00	7.00	7.00
1.00	1.00	1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	2.00	2.00
3.50	3.50	3.50	4.00	4.00	4.00
2.00	2.50	2.50	2.50	2.50	2.50
7.00	6.00	6.00	6.00	6.00	6.00
0.00	0.00	0.00	1.00	1.00	1.00
16.00	19.00	19.00	20.00	20.00	20.00
4.00	4.00	4.00	4.00	4.00	4.00
0.00	0.00	0.00	2.00	2.00	2.00
10.00	10.00	10.00	12.00	12.00	12.00
5.00	5.00	5.00	5.00	5.00	5.00
2.50	3.00	3.00	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
0.00	1.00	1.00	1.00	1.00	1.00
0.50	1.00	1.00	1.00	1.00	1.00
15.00	17.00	17.00	17.00	18.00	19.00
15.00	16.00	16.00	16.00	16.00	16.00
11.00	12.00	12.00	12.00	12.00	12.00
<u>104.00</u>	<u>112.50</u>	<u>112.50</u>	<u>120.00</u>	<u>121.00</u>	<u>122.00</u>

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

Function/Program	2015	2014	2013
General Government			
<i>Council and Clerk</i>			
Number of Ordinances Passed	116	100	119
Number of Resolutions Passed	6	7	7
<i>Finance Department</i>			
Number of checks/vouchers issued	3,347	3,122	3,356
Amount of checks written	\$13,893,413	\$14,399,049	\$13,965,336
Interest earnings for fiscal year (cash basis)	\$6,818	\$5,253	\$5,002
Number of Receipts issued	509	519	667
Number of Budget Adjustments issued	9	11	8
Agency Ratings - Moody's Financial Services	Aaa	Aaa	Aaa
Health Insurance Costs vs General Fund Expenditures %	12.40%	13.33%	11.85%
General Fund Receipts (cash basis)	\$4,902,538	\$4,111,116	\$4,149,116
General Fund Expenditures (cash basis)	\$4,741,073	\$4,077,850	\$3,974,476
General Fund Cash Balances	\$1,375,440	\$1,213,975	\$1,180,709
<i>Income Tax Department</i>			
Number of Individual Returns	4,430	4,534	4,456
Number of Business Returns	483	420	441
Number of business withholding accounts	537	524	467
Amount of Penalties and Interest Collected	\$34,291	\$41,369	\$37,900
Annual number of Corporate withholding forms processed	2,300	2,101	2,130
Annual number of balance due statements forms processed	982	952	1,128
Annual number of estimated payment forms processed	1,575	1,635	1,616
Annual number of reconciliations of withholdings processed	571	355	429
<i>Engineer Contracted Services</i>			
Dollar amount of Construction overseen by Engineer	\$2,282,649	\$719,793	\$1,312,011
<i>Municipal Court</i>			
Number of Civil Cases	257	251	220
Number of Criminal cases	885	1,084	965
<i>Vital Statistics</i>			
Certificates Filed			
Number of Births	2	2	1
Number of Deaths	96	85	106
Certificates Issued			
Number of Births	391	403	352
Number of Deaths	494	444	549
Burial Permits Issued	124	137	147
<i>Civil Service</i>			
Number of police entry tests administered	4	0	1
Number of fire entry tests administered	0	9	1
Number of police promotional tests administered	0	0	0
Number of fire promotional tests administered	5	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	0
Number of promotions from police certified lists	0	0	0
Number of promotions from fire certified lists	1	0	0

2012	2011	2010	2009	2008	2007	2006
106	112	107	123	109	137	119
7	8	11	19	11	11	11
3,248	3,321	3,230	3,530	4,185	4,151	4,180
\$13,598,713	\$15,117,766	\$13,879,192	\$13,559,134	\$13,537,185	\$13,307,015	\$13,826,892
\$3,716	\$2,935	\$3,828	\$6,005	\$39,844	\$137,706	\$147,999
545	541	458	492	557	601	625
12	6	11	6	10	8	199
Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa
12.12%	12.04%	11.28%	11.50%	14.47%	11.69%	12.09%
\$3,981,654	\$4,250,115	\$4,281,343	\$4,212,709	\$4,094,106	\$4,013,767	\$4,121,658
\$3,753,279	\$3,767,922	\$4,199,979	\$4,057,218	\$4,406,869	\$4,377,923	\$4,162,789
\$1,006,069	\$833,058	\$326,480	\$250,054	\$108,742	\$428,286	\$634,371
4,058	4,031	4,282	4,274	4,239	4,525	4,420
392	456	436	436	406	459	442
501	515	482	458	433	498	461
\$29,107	\$27,399	\$32,550	\$31,843	\$25,959	\$28,968	\$28,833
2,179	2,240	2,130	2,024	1,914	2,201	2,036
1,111	984	917	838	734	537	533
1,469	1,481	1,554	1,366	1,441	1,446	134
501	515	482	451	433	498	461
\$2,059,385	\$784,499	\$78,518	\$808,877	\$241,089	\$231,566	\$672,773
283	282	333	359	413	352	245
999	907	929	1,011	915	1,143	1,051
2	0	1	0	2	1	0
99	110	111	95	144	133	140
392	420	472	542	652	754	754
480	595	525	486	857	578	673
163	143	152	127	151	146	170
0	1	0	1	0	0	0
1	0	1	0	1	1	0
1	0	0	0	0	1	0
0	1	1	0	0	0	0
0	0	1	1	0	2	0
1	1	0	0	0	0	0
0	0	0	0	0	1	2
0	1	0	0	0	0	0

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

Function/Program	2015	2014	2013
<i>Building Department Indicators</i>			
Construction Permits			
Estimated Value of Construction	\$1,523,971	\$2,873,929	\$3,994,229
Number of permits issued	161	188	161
Amount of Revenue generated from permits	\$5,290	\$5,210	\$5,585
Security of Persons and Property			
<i>Police</i>			
Total Calls for Services	17,898	21,028	28,334
911 Calls Answered	5,533	5,779	5,478
Arrests/Citations	1,135	1,548	1,419
Community Policing Hours	850	8,412	8,642
DARE Graduates	0	0	0
Investigations	2,226	2,481	2,541
Jail Inmates	300	280	247
Vehicle Crashes	244	269	246
Prisoner costs	\$6,922	\$8,102	\$9,029
Gasoline costs of fleet	\$25,441	\$38,113	\$36,457
<i>Fire</i>			
EMS Calls	1,877	1,606	1,558
Fire Calls	346	221	203
Fires with Loss	49	60	82
Fires with Losses exceeding \$10K	6	7	10
Fire Losses	\$582,402	\$347,732	\$548,385
Fire Safety Inspections	132	132	99
Number of times Mutual Aid given to Fire and EMS	10	46	24
Number of times Mutual Aid received for Fire and EMS	18	17	23
Public Health Services			
Cemetery burials	53	39	57
Cemetery sale of lots	16	17	24
Cemetery receipts	\$29,170	\$22,890	\$32,900
Leisure Time Activities			
<i>Recreation</i>			
City Tax	\$27,827	\$25,201	\$24,817
Softball Fees	0	800	600
Facilities rentals	31,650	31,725	28,225
Total Recreation Department receipts	<u>\$59,477</u>	<u>\$57,726</u>	<u>\$53,642</u>

2012	2011	2010	2009	2008	2007	2006
\$944,196	\$748,499	\$2,198,791	\$1,605,848	\$1,470,693	\$541,353	\$4,786,353
147	148	131	121	126	171	222
\$4,682	\$4,652	\$4,172	\$4,504	\$4,523	\$8,074	\$10,395
23,110	21,912	25,026	25,400	25,976	26,233	28,480
5,277	4,429	6,706	6,982	7,093	5,784	4,700
1,808	2,199	2,049	908	2,058	223	2,539
8,924	8,847	9,455	9,258	7,100	5,950	6,042
0	0	0	0	0	0	0
2,689	2,813	2,969	2,895	3,332	3,284	3,384
271	273	256	241	337	331	339
238	230	288	322	345	329	415
\$11,234	\$6,709	\$11,332	\$9,850	\$14,191	\$13,591	\$14,314
\$37,498	\$29,989	\$31,757	\$25,690	\$50,417	\$38,313	\$34,977
1,463	1,575	1,701	1,429	1,728	1,744	1,504
204	89	95	85	78	89	130
90	80	40	36	36	33	34
8	3	3	3	3	11	9
\$301,600	\$363,650	\$162,950	\$505,200	\$613,695	\$613,695	\$338,450
120	79	34	69	35	170	190
20	27	25	54	18	32	16
22	42	12	7	12	30	30
55	54	47	50	56	69	59
8	9	12	18	14	24	16
\$30,137	\$24,565	\$27,390	\$38,115	\$31,531	\$38,278	\$29,180
\$24,325	\$21,876	\$24,300	\$24,300	\$24,282	\$25,665	\$25,375
1,650	7,850	9,475	7,000	8,010	7,200	6,538
29,375	29,075	31,000	33,450	9,985	33,525	32,600
<u>\$55,350</u>	<u>\$58,801</u>	<u>\$64,775</u>	<u>\$64,750</u>	<u>\$42,277</u>	<u>\$66,390</u>	<u>\$64,513</u>

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

Function/Program	2015	2014	2013
Transportation			
Street Improvements - asphalt overlay (linear feet)	17,935	7,320	0
Crackseal Coating Program (Miles)	5	7	8
Street Repair (Curbs, aprons, berms, asphalt) (hours)	771	1,454	578
Paint Striping (hours)	192	177	274
Street Sweeper (hours)	349	375	308
Cold Patch (hours)	404	501	380
Snow and Ice Removal regular hours	1,542	2,177	1,763
Snow and Ice Removal overtime hours	315	454	529
Storm Sewer Calls for Service - Sewer Jet Regular Hours	1,311	1,180	1,467
Storm Sewer Calls for Service - Sewer Jet Overtime Hours	45	48	24
Sewer Crew (hours)	446	431	774
Landscaping Stump-Chipper service (hours)	10	31	0
Leaf collection (hours)	0	0	0
Holiday lights setup (hours)	29	30	28
Street/Traffic Signs (Hours)	311	280	352
Equipment repair/body shop (hours)	2,010	1,200	2,281
Number of Trees Planted per year	0	0	0
Tons of snow melting salt purchased (Nov-Mar)	1,564	1,237	937
Cost of salt purchased	\$105,000	\$47,741	\$39,565
Water Department			
Water Rates per 1st 2,000 gallons of water	\$18.29	\$18.29	\$17.76
Avg. number of water accounts billed monthly (Cubic Feet)	4,850	4,800	4,800
Total Water Collections Annually (Including Principal and Interest)	\$2,266,166	\$2,256,350	\$2,168,960
Wastewater Department			
Wastewater Rates per 1st 300 Cubic feet of water used	\$19.70	\$19.70	\$19.30
Total flow of wastewater treatment plant (Billions of Gallons)	0.729	0.949	1.162
Average daily flow (Millions of gallons per day)	1.998	26.020	3.187
Tons of dry sludge removed	317.28	177.98	292.48

Source: City Financial Records and Departments

2012	2011	2010	2009	2008	2007	2006
14,347	8,092	8,580	7,985	13,800	23,800	23,940
6	31	4	0	6	5	18
2,879	2,198	784	2,441	1,032	1,780	1,360
172	231	104	145	350	400	400
553	390	360	303	156	640	520
361	482	248	651	554	1,100	880
1,656	1,743	1,824	1,616	7,960	8,950	8,320
285	492	391	239	737	732	705
1,397	1,280	432	203	2,080	2,080	2,080
53	6	0	0	0	0	0
784	1,114	400	415	707	1,700	1,500
0	0	0	0	100	150	120
0	0	0	652	96	3,200	3,400
54	16	16	16	16	16	16
547	646	510	464	394	240	240
2,218	5,760	6,240	6,240	6,240	6,240	6,240
0	0	0	0	0	0	450
918	899	776	773	1,100	1,450	1,475
\$39,253	\$40,522	\$43,921	\$48,842	\$43,115	\$48,560	\$54,058
\$17.00	\$17.24	\$17.24	\$17.24	\$16.29	\$15.84	\$14.94
4,900	4,900	4,900	4,900	4,900	4,900	4,880
\$2,228,733	\$2,103,537	\$2,068,133	\$2,215,799	\$1,947,755	\$1,904,311	\$1,831,609
\$18.90	\$19.76	\$19.76	\$17.18	\$16.74	\$15.82	\$15.22
0.972	1.212	0.694	0.846	0.992	0.876	0.918
2.657	3.316	1.902	2.324	2.713	2.402	2.516
270.54	186.06	268.91	281.39	299.30	197.46	295.78

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

Function/Program	2015	2014	2013	2012
General Government				
Square Footage Occupied	11,580	11,580	11,580	11,580
Inspection Vehicles	1	1	1	1
Police				
Stations	1	1	1	1
Square Footage Occupied	8,944	8,944	8,944	8,944
Vehicles	20	20	20	20
Fire				
Stations	2	2	2	2
Square Footage Occupied	12,880	12,880	12,880	12,880
Vehicles	10	10	10	10
Recreation				
Number of Parks	5	5	5	5
Number of Tennis Courts	2	2	2	2
Number of Skateboarding Areas	0	0	0	1
Number of Baseball Diamonds	2	2	2	2
Square Footage Occupied	1,790	1,790	1,790	1,790
Vehicles	2	2	2	2
Other Public Works				
Streets (lane miles)	565	565	565	565
Service Vehicles	22	22	22	22
Wastewater				
Sanitary Sewers (miles)	60	60	60	60
Storm Sewers (miles)	35	35	35	35
Water Department				
Water Lines (miles)	91	91	91	91
Vehicles	9	9	9	9

Source: City Financial Records

2011	2010	2009	2008	2007	2006
11,580	11,580	11,580	11,580	11,580	11,580
1	1	1	1	1	1
1	1	1	1	1	1
8,944	8,944	8,944	8,944	8,944	8,944
20	20	20	20	20	20
2	2	2	3	3	3
12,880	12,880	12,880	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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Dave Yost • Auditor of State

CITY OF CONNEAUT

ASHTABULA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 1, 2016**