



**CITY OF CONNEAUT  
ASHTABULA COUNTY**

**REGULAR AUDIT**

**FOR THE YEAR ENDED DECEMBER 31, 2016**





# Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of Conneaut, Ashtabula County, prepared by Canter & Associates, for the audit period January 1, 2016 through December 31, 2016. 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 cursive script that reads "Dave Yost".

Dave Yost  
Auditor of State

September 20, 2017

**This page intentionally left blank.**

**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

**This page intentionally left blank.**



6400 Olde Stone Crossing  
Poland, Ohio 44514  
Ph: 330.707.9035  
Fax: 888.516.1186

CERTIFIED PUBLIC ACCOUNTANTS

WWW.CANTERCPA.NET

**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, 2016, 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, 2017. 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.



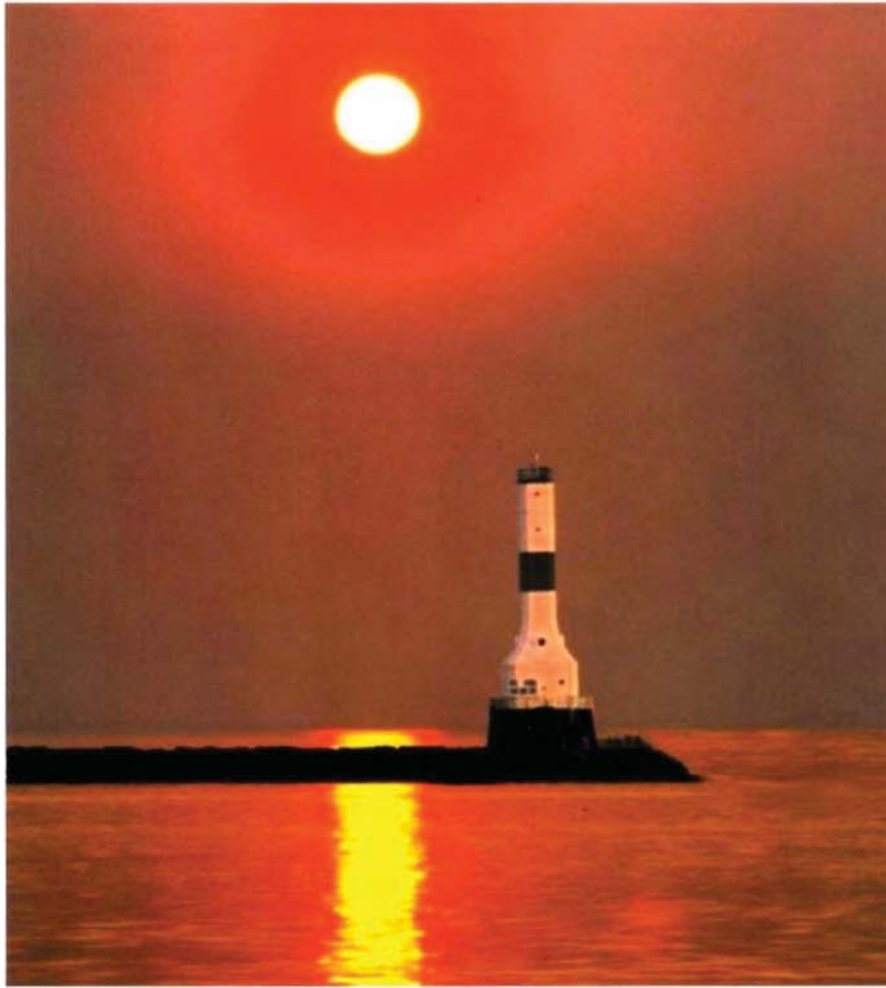
### **CANTER & ASSOCIATES**

Poland, Ohio

June 30, 2017



# CITY OF CONNEAUT, OHIO



Comprehensive Annual Financial Report  
For The Year Ended December 31, 2016

**This page intentionally left blank.**

---

# **INTRODUCTORY SECTION**

---

**This page intentionally left blank.**

**CITY OF CONNEAUT, OHIO**

**COMPREHENSIVE**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2016**

ISSUED BY THE DEPARTMENT OF FINANCE

John Williams, J.D., CPA,

FINANCE DIRECTOR

**This page intentionally left blank.**

**City of Conneaut, Ohio**  
*Comprehensive Annual Financial Report*  
*For the Year Ended December 31, 2016*  
*Table of Contents*

---

	<i>Page</i>
<b>I. Introductory Section</b>	
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
<b>II. Financial Section</b>	
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
Police Levy II Fund.....	26
Statement of Fund Net Position – Proprietary Funds .....	27
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds.....	28
Statement of Cash Flows – Proprietary Funds.....	29
Statement of Fiduciary Assets and Liabilities – Agency Fund.....	31

Notes to the Basic Financial Statements.....	32
--	----

Required Supplementary Information:

Schedule of the City’s Proportionate Share of the Net Pension Liability – OPERS – Traditional Plan – Last Three Years.....	79
Schedule of the City’s Proportionate Share of the Net Pension Liability – OPF – Last Three Years .....	80
Schedule of City Contributions – OPERS – Traditional Plan – Last Four Years.....	81
Schedule of City Contributions – OPF – Last Ten Years.....	82

Combining and Individual Fund Statements and Schedules:

Combining Statements – Nonmajor Governmental Funds:

Fund Descriptions.....	85
Combining Balance Sheet – Nonmajor Governmental Funds .....	88
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds .....	89
Combining Balance Sheet – Nonmajor Special Revenue Funds .....	90
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds .....	94
Combining Balance Sheet – Nonmajor Debt Service Funds .....	98
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Debt Service Funds .....	99
Combining Balance Sheet – Nonmajor Capital Projects Funds.....	100
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds.....	102

Combining Statements – Fiduciary Funds:

Fund Description.....	104
Statement of Changes in Assets and Liabilities – Agency Fund .....	105

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

Major Funds:

General Fund.....	107
Street Construction, Maintenance and Repair Fund.....	112
Police Levy II Fund.....	113
Water Fund.....	114
Sewer Fund.....	115



Nonmajor Funds:

Auto Permissive Tax Fund.....	116
State Highway Fund.....	117
Restaurant Vending Fund.....	118
Marina Fund.....	119
Enforcement and Education Fund.....	120
Indigent Drivers Fund.....	121
Cemetery Fund.....	122
Police Levy Fund.....	123
Fire Levy Fund.....	124
Indigent Monitoring Fund.....	125
Law Enforcement Trust Fund.....	126
Municipal Probation Services Fund.....	127
Moving Ohio Forward Fund.....	128
Street Lighting Fund.....	129
Tree Commission Fund.....	130
Community Housing Fund.....	131
Drug Task Force Fund.....	132
Ohio Department of Natural Resources Planning Fund.....	133
Grade Crossing Project Fund.....	134
Local Innovation Grant Fund.....	135
Recreation Fund.....	136
Police Pension Fund.....	137
Fire Pension Fund.....	138
General Obligation Bond Retirement Fund.....	139
Special Assessment Bond Retirement Fund.....	140
Street Improvement Fund.....	141
Office of Justice Grant Fund.....	142
Energy Improvement Fund.....	143
Municipal Court Improvement Fund.....	144
Capital Improvement Fund.....	145
Industrial Park Fund.....	146
Center Road Bridge Fund.....	147

**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 – 2016 and 2007.....	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., CPA**  
**Finance Director**

TELEPHONE: (440) 593-7416  
FAX: (440) 593-6767  
EMAIL: [connfinance@suite224.net](mailto:connfinance@suite224.net)

June 30, 2017

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, 2016. 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 went from 6.2 percent in 2015 to 5.3 percent in 2016, representing a 14.5 percent decrease, while the average home sold within the City increased from \$87,400 in 2015 to \$94,900 in 2016. While the recovery has been slower than anticipated, the effects of the recession have largely dissipated, as income tax collections have markedly improved over the last five years.

The value of new construction was \$2,210,590 for 2016, which represents a 45 percent increase from the prior year, and the number of zoning permits increased to 167, up from 161 in 2015. A new housing development at the former Conneaut Shores Golf course continues to progress, as new homes were added in 2016. Approximately 80 acres are being developed, with more than 100 homes expected to be built. Total assessed values decreased slightly from a record high of \$186,385,450 in 2015 to \$185,836,650 in 2016, which is an overall decrease of \$548,800 or (.29) percent. While the Agricultural/Residential and Public Utility property classes increased by \$521,540, a decrease of (\$1,037,310) was realized in the Commercial/Industrial class property. Some commercial and industrial property owners contested the assessed valuation of their properties, and the County Board of Revision granted some reductions in the values.

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

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

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

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

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

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

### **Relevant Financial Policies**

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

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

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

The City's largest revenue source is a 1.65 percent income tax. City council can allocate the one percent however they wish, but the .65 percent is allocated by City ordinance, as directed by the voters through specific ballot language. At 1.65 percent the City's income tax on a cash basis generated \$3,098,026 in 2016 and was allocated as follows: General Fund: 78.73 percent or \$2,439,311. Of this amount, 74.79 percent or \$2,317,237 is used to fund the fire, police, municipal court and administrative offices and 3.94 percent or \$122,074 is set aside as a budget reserve for financial support for various programs as determined by City council; Street Department: 17.80 percent or \$551,502, which is used to fund a wide variety of public works' projects, including paving, road maintenance, and storm water management; Capital Improvement: 1.58 percent or \$48,954, which is used for infrastructure repairs and the acquisition of capital assets; Street Lighting: 1.02 percent or \$31,603, which is used to pay for street lighting along State routes, the downtown district, and traffic lights throughout the city; and Recreation: .87 percent or \$26,956, 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 \$318,531, the police pension fund allocation was .90 mills or \$143,052 and the fire pension fund allocation was .73 mills or \$116,031. With regard to outside millage, a permanent 3 mill police levy generated \$516,727, a five-year 2.75 mill street improvement levy generated \$472,588, a permanent 2 mill police levy generated \$303,197, and a five-year 1.5 mill fire levy generated \$258,400. The City received final collections on the expired library bond levy in the amount of \$100,272 during 2016. Total millage levied by the City in 2016 was 12.88, generating total revenue of \$2,228,798. 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 2016, 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 planned and completed projects are:

**Orange Street Water Line Replacement:** This project will replace 1,050 linear feet of water line, fire hydrants, water valves and service connections, as well as repairs to curbs, asphalt, sidewalks, and driveway aprons. This project estimated to cost \$238,000 with funding of \$130,000 provided by the Ohio Public Works Commission, \$50,000 provided by CDBG funding, \$58,000 in cash contributions by the City's water fund.

**U.S. Route 20 Waterline Project:** This project will be the first phase to replace deteriorating transite water lines underneath Rt. 20. Total cost of this project is estimated to be \$360,000, with a \$130,000 grant from OPWC, a \$50,000, 0 percent loan from OPWC, and a cash match of \$180,000.

**Parrish Road Sewer Project:** This project will be a major improvement to the sanitary sewer lines along the northern half of Parrish Road. New sanitary lines and lift stations will be installed to help one of the City's largest employers, The Villa, as well as improve the sanitary system for future development. Total project cost is estimated to be \$1,056,600, with \$556,600 being funded through OWDA and Revolving Loan Fund grants, and \$500,000 through CDBG.

**Wastewater Treatment Plant Headworks Project:** Over \$200,000 has already been spent on design engineering for this project. When completed, this extensive improvement 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 seventeen streets and roads, totaling 16,075 linear feet of roadway. An outside contractor was hired to perform the work, with a total cost of \$421,809. 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, 2015. This was the eleventh year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR) that satisfied both generally accepted accounting principles and applicable legal requirements.

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

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

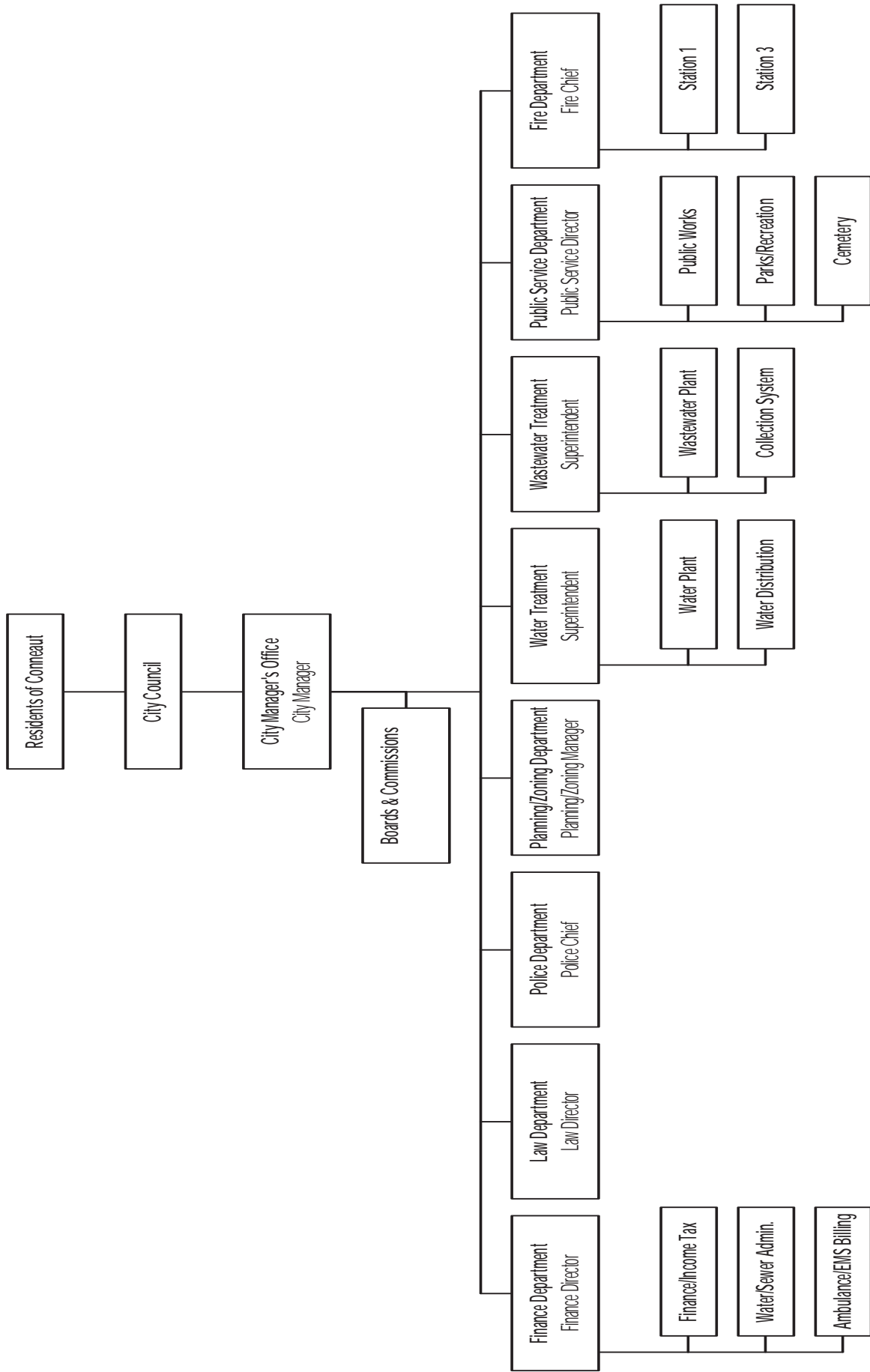
Respectfully submitted,



John Williams, J.D., CPA  
Finance Director



# CITY ORGANIZATIONAL CHART - ESTABLISHED BY CITY CHARTER



**This page intentionally left blank.**

**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

Michael Colby, 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  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Conneaut  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2015**

Executive Director/CEO

---

# **FINANCIAL SECTION**

---

**This page intentionally left blank.**



6400 OLDE STONE CROSSING  
POLAND, OHIO 44514  
PH: 330.707.9035  
FAX: 888.516.1186

CERTIFIED PUBLIC ACCOUNTANTS

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

---

## 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, 2016, 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, 2016, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General, Street Construction Maintenance and Repair, and Police Levy II funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

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

***Supplementary and Other Information***

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

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



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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2017, 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, 2017

*(This Page Intentionally Left Blank)*

**City of Conneaut, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2016*  
*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, 2016. 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 2016 are as follows:

- In governmental activities, total revenues decreased by \$1,076,616 or 13.12 percent, primarily due to a decrease in program revenue and income taxes.
- Total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources for 2016 by \$39,544,319, of which (\$1,874,329) was unrestricted. The net position decreased by \$1,089,450 from 2015.
- On a GAAP basis, the City's general fund had a balance of \$1,464,726, which is a decrease of \$564,351 from the prior year. The unassigned fund balance was \$551,341 or 37.64 percent of the total, which is a decrease of \$622,211 from the prior year.
- In governmental activities, long term liabilities of \$10,936,477 increased by \$1,508,784 from the prior year, while in business-type activities long term liabilities decreased by \$348,750 for a total of \$6,999,876.

### **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 2016 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, 2016*  
*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 five major funds, the general fund, the street construction, maintenance and repair special revenue fund, the policy levy II special revenue fund, the water enterprise fund and the sewer enterprise fund.

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

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

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

**The City of Conneaut as a Whole**

The Statement of Net Position provides an overall view of the City. Table 1 shows a summary of the City's net position for 2016 as compared to 2015.

**City of Conneaut, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2016*  
*Unaudited*

(Table 1)  
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
<b>Assets</b>						
Current and Other Assets	\$7,066,662	\$8,318,481	\$3,170,262	\$3,016,214	\$10,236,924	\$11,334,695
Capital Assets, Net	26,799,900	27,585,548	20,466,751	20,594,562	47,266,651	48,180,110
<i>Total Assets</i>	<u>33,866,562</u>	<u>35,904,029</u>	<u>23,637,013</u>	<u>23,610,776</u>	<u>57,503,575</u>	<u>59,514,805</u>
<b>Deferred Outflows of Resources</b>						
Pension	2,278,420	848,213	486,871	119,791	2,765,291	968,004
<b>Liabilities</b>						
Current and Other Liabilities	413,180	569,496	210,482	313,156	623,662	882,652
Long-Term Liabilities:						
Due Within One Year	748,325	697,927	605,738	881,576	1,354,063	1,579,503
Due in More than One Year:						
Net Pension Liability	7,741,277	5,854,630	1,094,146	659,917	8,835,423	6,514,547
Other Amounts Due in More than One Year	2,446,875	2,875,136	5,299,992	5,807,133	7,746,867	8,682,269
<i>Total Liabilities</i>	<u>11,349,657</u>	<u>9,997,189</u>	<u>7,210,358</u>	<u>7,661,782</u>	<u>18,560,015</u>	<u>17,658,971</u>
<b>Deferred Inflows of Resources</b>						
Property Taxes	2,068,897	2,145,501	0	0	2,068,897	2,145,501
Pension	74,516	32,997	21,141	11,593	95,657	44,590
<i>Total Deferred Inflows of Resources</i>	<u>2,143,413</u>	<u>2,178,498</u>	<u>21,141</u>	<u>11,593</u>	<u>2,164,554</u>	<u>2,190,091</u>
<b>Net Position</b>						
Net Investment in Capital Assets	25,201,005	26,060,414	14,833,885	14,125,413	40,034,890	40,185,827
Restricted:						
Capital Projects	148,285	0	0	0	148,285	0
Debt Service	9,204	0	0	0	9,204	0
Street Construction, Maintenance and Repair	494,648	605,531	0	0	494,648	605,531
Police and Fire Operations	520,364	218,313	0	0	520,364	218,313
Drug and Alcohol Enforcement	64,271	68,248	0	0	64,271	68,248
Cemetery Operations	52,507	59,495	0	0	52,507	59,495
Economic Development	46,956	23,647	0	0	46,956	23,647
Other Purposes	47,501	48,683	0	0	47,501	48,683
Unrestricted (Deficit)	(3,932,829)	(2,507,776)	2,058,500	1,931,779	(1,874,329)	(575,997)
<i>Total Net Position</i>	<u>\$22,651,912</u>	<u>\$24,576,555</u>	<u>\$16,892,385</u>	<u>\$16,057,192</u>	<u>\$39,544,297</u>	<u>\$40,633,747</u>

The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2016 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—An Amendment of GASB Statement 27." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

**City of Conneaut, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2016*  
*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.

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

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

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

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

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

As noted earlier, the net position may serve over time as a useful indicator of a government's financial position. The largest portion of the City's net position reflects investments in capital assets (e.g. land, construction in progress, buildings, improvements, machinery and equipment, vehicles, and infrastructure), less any related debt to purchase or construct those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these are assets that are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets

**City of Conneaut, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2016*  
*Unaudited*

themselves cannot be used to liquidate these liabilities. Debt service on the debt issued to acquire assets in the governmental activities is paid from income tax, property tax, gas tax, interest income, fees, licenses, permits and other various revenue sources. In the business-type activities, user fees are the primary revenue source for the repayment of debt.

Governmental activities saw a change in net position going from \$24,576,555 in 2015 to \$22,651,912 in 2016, which was a decrease of \$1,924,643. Business-type activities saw an increase in net position from \$16,057,192 in 2015 to \$16,892,385 in 2016, which is an increase of \$835,193. Assets in the business-type activities had an increase of \$26,237 when compared with 2015, primarily due to an increase in non-depreciable capital assets related to construction in progress. Operating revenues increased by \$5,955, less than one percent from 2015. Operating expenses decreased \$60,962 or 1.59 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	
	2016	2015	2016	2015	2016	2015
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for Services and Assessments	\$682,223	\$1,121,002	\$4,672,950	\$4,648,968	\$5,355,173	\$5,769,970
Operating Grants and Contributions	701,285	964,650	0	0	701,285	964,650
Capital Grants	10,071	459,971	76,997	37,632	87,068	497,603
<b>Total Program Revenues</b>	<b>1,393,579</b>	<b>2,545,623</b>	<b>4,749,947</b>	<b>4,686,600</b>	<b>6,143,526</b>	<b>7,232,223</b>
<b>General Revenues</b>						
Property Taxes	2,211,743	1,596,820	0	0	2,211,743	1,596,820
Municipal Income Taxes	2,696,136	3,288,977	0	0	2,696,136	3,288,977
Hotel Taxes	24,138	20,392	0	0	24,138	20,392
Grants and Entitlements not						
Restricted to Specific Programs	416,296	479,906	0	0	416,296	479,906
Franchise Taxes	164,729	133,313	0	0	164,729	133,313
Unrestricted Contributions	17,873	19,609	0	0	17,873	19,609
Investment Earnings	24,033	6,819	0	0	24,033	6,819
Gain on Sale of Capital Assets	0	18,582	0	0	0	18,582
Miscellaneous	180,212	95,314	13,040	31,067	193,252	126,381
<b>Total General Revenues</b>	<b>5,735,160</b>	<b>5,659,732</b>	<b>13,040</b>	<b>31,067</b>	<b>5,748,200</b>	<b>5,690,799</b>
<b>Total Revenues</b>	<b>\$7,128,739</b>	<b>\$8,205,355</b>	<b>\$4,762,987</b>	<b>\$4,717,667</b>	<b>\$11,891,726</b>	<b>\$12,923,022</b>

(continued)

**City of Conneaut, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2016*  
*Unaudited*

(Table 2)  
Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
<b>Program Expenses</b>						
General Government	\$1,574,431	\$1,586,680	\$0	\$0	(\$1,574,431)	(\$1,586,680)
Security of Persons and Property	4,386,740	3,634,530	0	0	(4,386,740)	(3,634,530)
Public Health Services	202,382	185,703	0	0	(202,382)	(185,703)
Leisure Time Activities	114,558	122,354	0	0	(114,558)	(122,354)
Community Development	139,890	156,956	0	0	(139,890)	(156,956)
Basic Utility Services	162,842	348,553	0	0	(162,842)	(348,553)
Transportation	2,391,079	2,455,888	0	0	(2,391,079)	(2,455,888)
Interest and Fiscal Charges	78,960	89,634	0	0	(78,960)	(89,634)
Water	0	0	2,009,333	2,149,651	(2,009,333)	(2,149,651)
Sewer	0	0	1,920,961	1,900,079	(1,920,961)	(1,900,079)
<i>Total Program Expenses</i>	<u>9,050,882</u>	<u>8,580,298</u>	<u>3,930,294</u>	<u>4,049,730</u>	<u>(12,981,176)</u>	<u>(12,630,028)</u>
<i>Increase (Decrease) in Net Position</i>	<u>(1,922,143)</u>	<u>(374,943)</u>	<u>832,693</u>	<u>667,937</u>	<u>(1,089,450)</u>	<u>292,994</u>
Transfers	(2,500)	(1,250)	2,500	1,250	0	0
<i>Change in Net Position</i>	<u>(1,924,643)</u>	<u>(376,193)</u>	<u>835,193</u>	<u>669,187</u>	<u>(1,089,450)</u>	<u>292,994</u>
<i>Net Position Beginning 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>
<i>Net Position End of Year</i>	<u><u>\$22,651,912</u></u>	<u><u>\$24,576,555</u></u>	<u><u>\$16,892,385</u></u>	<u><u>\$16,057,192</u></u>	<u><u>\$39,544,297</u></u>	<u><u>\$40,633,747</u></u>

**Governmental Activities**

The City's net position in governmental activities decreased by \$1,924,643 for a net position total of \$22,381,912 in 2016. Total revenues decreased by \$1,076,616 or 13.12 percent, with expenses increasing \$470,584 or 5.48 percent. Funding for governmental activities is derived from many sources, the largest of which is the City's municipal income tax, representing more than half of the general fund revenue budget. The City's income tax rate is 1.65 percent. Total income tax collections were \$2,696,136 for 2016, a decrease of \$592,841 from 2015. The revenue collected from the 1.65 percent income tax was recorded into the general fund, street construction maintenance and repair, capital improvement, street lighting and recreation funds. The next largest revenue source of the City is property taxes. Property tax collections increased \$614,923 or 38.51 percent due to the first full year of collections on the new 3 mill Police Levy and the new 1.5 mill Fire Levy.

The largest program function for the City is security of persons and property, which includes expenses of the police and fire departments. In 2016, the City spent \$4,386,740 on police and fire protection. The police department employs eighteen officers and four full-time dispatchers. The fire department has ten full-time positions and one permanent part-time position. There are two fire stations within the City, one staffed by the full-time and permanent part-time firefighters, while the other station is staffed by part-time or volunteer personnel. The City also operates its own ambulance service with full-time employees. During 2016, there was an increase in expenses of \$752,210 for the police and fire departments or a 20.7 percent increase from 2015. The increase was attributable to new staff positions and an increase in operating costs.

The City's Public Works Department (transportation) has 12 employees, including one mechanic, ten equipment operators, and one full-time administrative assistant. In 2016, they spent \$2,391,079 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.



**City of Conneaut, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2016*  
*Unaudited*

---

***Business-Type Activities***

The City operates two business-type activities: the water and sewer treatment facilities. Net position increased in business-type activities by \$835,193 to \$16,892,385. Total revenues increased by \$45,320 or 0.96 percent, and total program expenses decreased by \$119,436 or 2.95 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 CDBG. The water plant provides water to approximately 4,900 customers. Approximately thirty-nine million gallons of water and fifty-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 20. These funds are accounted for using the modified accrual method of accounting.

The City's major governmental funds are the general fund and the street construction, maintenance and repair and police levy II special revenue funds. All governmental funds had total revenues of \$7,884,793 and total expenditures of \$8,444,184, resulting in expenditures exceeding revenues by \$559,391. The most significant change in revenues was an increase in property tax revenue of \$611,687, while the most significant change in expenditures was a decrease of \$231,079 in security of persons and property. During 2016, there was a decrease in general fund revenues of \$226,354, with expenditures exceeding revenues by \$745,872. 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 police levy II fund had revenues that exceeded expenditures due to a significant increase in property tax revenues. 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 27. These funds are accounted for on an accrual basis.

Business type funds had GAAP operating revenues of \$4,685,990 and operating expenses of \$3,765,914, generating an operating income of \$920,076. Operating revenues increased by \$5,955 or .13 percent due to increases in charges for water and sewer services. Operating expenses decreased by \$60,962 due to decreases in materials and supplies 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.

**City of Conneaut, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2016*  
*Unaudited*

In 2016, the general fund's original revenue budget was at \$4,030,679 and the final revenue budget remained the same during 2016. Actual revenues were higher at \$4,319,129 or a \$288,450 positive variance. A large part of the difference was made from more than anticipated municipal income tax and intergovernmental revenues. The general fund's original appropriation budget was \$5,097,053, and the final appropriation budget was \$5,298,748. Actual expenditures were substantially less than final budgeted appropriations with a positive variance of \$334,872. 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 \$312,754, for an ending fund balance of \$1,156,690.

**Capital Assets and Debt Administration**

*Capital Assets*

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

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$554,972	\$554,972	\$6,880	\$6,880	\$561,852	\$561,852
Construction in Progress	0	285,077	225,335	93,969	225,335	379,046
Buildings and Improvements	238,871	288,736	493,962	494,552	732,833	783,288
Equipment	1,285,970	1,184,915	2,694,822	2,869,952	3,980,792	4,054,867
Vehicles	895,370	489,039	288,386	320,335	1,183,756	809,374
Infrastructure						
Traffic Signals	190,265	197,151	0	0	190,265	197,151
Roads	10,646,798	11,286,117	0	0	10,646,798	11,286,117
Bridges	11,442,973	11,713,944	0	0	11,442,973	11,713,944
Storm Sewers	1,544,681	1,585,597	0	0	1,544,681	1,585,597
Water and Sewer Lines	0	0	16,757,366	16,808,874	16,757,366	16,808,874
<b>Total</b>	<b>\$26,799,900</b>	<b>\$27,585,548</b>	<b>\$20,466,751</b>	<b>\$20,594,562</b>	<b>\$47,266,651</b>	<b>\$48,180,110</b>

The largest increase in governmental capital assets was due to the City's purchasing vehicles, but for all other asset classes, depreciation outpaced additions in 2016. The fire department purchased a new custom pumper fire engine at a cost of \$448,928, the police department purchased three new cruisers at a cost of \$99,321, computer hardware and software upgrades costing \$126,479, and new cameras for the cruisers costing \$32,949.

The largest increase in business-type capital assets was the replacement of old sewer lines on Russel and Sandusky Streets, for a total cost of \$349,584. A steam boiler was installed at the sewer plant at a cost of \$36,825, while the water department purchased a new truck for \$27,954 and water meter equipment for \$24,151.

For additional information regarding the City's capital assets, see Note 11 to the basic financial statements.

**City of Conneaut, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2016*  
*Unaudited*

***Long-term Obligations***

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

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

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
General Obligation Bonds	\$1,239,337	\$1,462,186	\$218,995	\$298,825	\$1,458,332	\$1,761,011
OWDA Loans	196,523	295,554	4,796,560	5,172,255	4,993,083	5,467,809
Loans Payable	512,959	652,960	116,289	376,228	629,248	1,029,188
OPWC Loans	25,192	27,485	501,022	549,341	526,214	576,826
Notes Payable	120,000	150,000	0	0	120,000	150,000
Capital Leases	215,222	101,264	0	0	215,222	101,264
Compensated Absences	885,967	883,614	272,864	292,060	1,158,831	1,175,674
Net Pension Liability	7,741,277	5,854,630	1,094,146	659,917	8,835,423	6,514,547
<b>Total</b>	<b>\$10,936,477</b>	<b>\$9,427,693</b>	<b>\$6,999,876</b>	<b>\$7,348,626</b>	<b>\$17,936,353</b>	<b>\$16,776,319</b>

Total debt in governmental activities increased by \$1,508,784, and business-type activities saw a decrease of \$348,750. Debt service began on several new debt issues for police vehicle leases, a Kubota tractor lease and Center Road bridge improvements. All of the debt service for these new issues are being paid with income and property tax revenues. 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 17 to the basic financial statements.

**City of Conneaut, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2016*  
*Unaudited*

---

## **Current Financial Issues**

In 2016, the general fund ended the year with a fund balance of \$1,464,726 on a GAAP basis and of this amount, \$554,341 was unassigned. Overall, this represents a decrease in the general fund balance of \$564,351 or a 27.81 percent decrease from 2015. This decrease was due in part to a reduction in income tax collections of \$323,337 on a cash basis. 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.

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 9.90 percent over the prior year, and approximately 16.60 percent over a two year period. This increase, although high, is fairly comparable with prior years' increases, yet it is below nationwide averages. The City was able to negotiate a 2-year rate guarantee, so there was a 9.90 percent increase in 2016 but there will be no increase in 2017. Cost variability can also occur when existing employees move from a single plan to the much more expensive family plan. A single health care plan costs \$8,189 annually versus a family health care plan which costs \$25,453 annually, thus the family plan costs \$17,264 more than the single plan on an annual basis. The total cost of the City's health insurance plan for the seventy full-time employees who utilize the health insurance plan is approximately \$1,361,500 per year. About fifteen of the City's full-time employees who are eligible for health insurance choose to take the health insurance stipend or buyout of \$400 per month, costing about \$72,000 annually. All four of the City's unions have agreed that each of their members will pay 10 percent of the health insurance premium to help offset the increased cost to the City. Health care contributions by employees total approximately \$125,000 annually.

One of the most critical financial issues for the City remains the reduction of the local government funds provided by the State of Ohio. These funds have accounted for 15 percent of the City's general fund revenues, generating between \$600,000- \$760,000 annually in years 2000 through 2011. As a result, the City experienced a decrease in local government revenue of \$377,590 annually from years 2008 to 2016. After all of the reductions were implemented, the City's local government revenue was reduced from a high of \$760,973 in 2001 to \$330,112 in 2016, resulting in an annual reduction of \$430,861 from the peak collection year. This figure does not factor in any inflation. Although the City collected \$14,414 in inheritance taxes in 2016 from open cases before the new law took effect, 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 \$520,000 per year in comparison with peak collection years. As a result, the City has had to ask the taxpayers of Conneaut to approve additional police, fire, and street improvement levies to help offset the cuts in State revenue sharing.

Income tax is the largest revenue source in the general fund and is a critical funding source for many departments, including the City's safety forces. Delinquent income tax accounts represent a very large source of potential revenue that needs to be collected in order to adequately fund critical operations. Although the City continues to be very aggressive in pursuing delinquent income taxpayers, there is a substantial amount of delinquent income tax due to the City for various tax years. As of December 31, 2016, there were over 809 delinquent income tax accounts, and 548 accounts were in collection. This represents \$821,824 in delinquent income tax outstanding, including interest and penalties, and due to the City. The income tax

**City of Conneaut, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2016*  
*Unaudited*

---

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 548 in 2016, an increase of 349. Due to more intensive collection efforts, the City was able to collect \$80,299 in delinquent income tax, including \$50,216 in penalties and interest.

**Contacting the City's Finance Department**

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

---

## Basic Financial Statements

---

**City of Conneaut, Ohio**  
*Statement of Net Position*  
*December 31, 2016*

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Conneaut Port Authority
<b>Assets</b>				
Equity in Pooled Cash and				
Cash Equivalents	\$2,617,458	\$2,266,593	\$4,884,051	\$56,216
Accounts Receivable	246,755	622,082	868,837	0
Internal Balances	(72,907)	72,907	0	0
Intergovernmental Receivable	560,343	0	560,343	0
Prepaid Items	0	0	0	9,821
Materials and Supplies Inventory	65,131	184,461	249,592	5,274
Property Taxes Receivable	2,336,413	0	2,336,413	0
Municipal Income Taxes Receivable	714,538	0	714,538	0
Special Assessments Receivable	448,931	24,219	473,150	0
Loans Receivable from Component Unit	150,000	0	150,000	0
Nondepreciable Capital Assets	554,972	232,215	787,187	165,746
Depreciable Capital Assets, Net	26,244,928	20,234,536	46,479,464	1,158,657
<i>Total Assets</i>	<u>33,866,562</u>	<u>23,637,013</u>	<u>57,503,575</u>	<u>1,395,714</u>
<b>Deferred Outflows of Resources</b>				
Pension	2,278,420	486,871	2,765,291	84,976
<b>Liabilities</b>				
Accounts Payable	65,974	38,838	104,812	2,654
Contracts Payable	9,524	42,028	51,552	0
Accrued Wages	73,110	29,831	102,941	7,257
Intergovernmental Payable	70,440	25,642	96,082	0
Accrued Interest Payable	14,132	74,143	88,275	352
Notes Payable	180,000	0	180,000	0
Due to Primary Government	0	0	0	150,000
Unearned Revenue	0	0	0	108,675
Deposits on Future Revenue	0	0	0	3,835
Long-Term Liabilities:				
Due Within One Year	748,325	605,738	1,354,063	0
Due In More Than One Year:				
Net Pension Liability	7,741,277	1,094,146	8,835,423	185,898
Other Amounts Due In More Than One Year	2,446,875	5,299,992	7,746,867	0
<i>Total Liabilities</i>	<u>11,349,657</u>	<u>7,210,358</u>	<u>18,560,015</u>	<u>458,671</u>
<b>Deferred Inflows of Resources</b>				
Property Taxes	2,068,897	0	2,068,897	0
Pension	74,516	21,141	95,657	3,903
<i>Total Deferred Inflows of Resources</i>	<u>2,143,413</u>	<u>21,141</u>	<u>2,164,554</u>	<u>3,903</u>
<b>Net Position</b>				
Net Investment in Capital Assets	25,201,005	14,833,885	40,034,890	1,174,403
Restricted for:				
Capital Projects	148,285	0	148,285	0
Debt Service	9,204	0	9,204	0
Street Construction, Maintenance and Repair	494,648	0	494,648	0
Police and Fire Operations	520,364	0	520,364	0
Drug and Alcohol Enforcement	64,271	0	64,271	0
Cemetery Operations	52,507	0	52,507	0
Economic Development	46,956	0	46,956	0
Other Purposes	47,501	0	47,501	0
Unrestricted (Deficit)	(3,932,829)	2,058,500	(1,874,329)	(156,287)
<i>Total Net Position</i>	<u>\$22,651,912</u>	<u>\$16,892,385</u>	<u>\$39,544,297</u>	<u>\$1,018,116</u>

See accompanying notes to the basic financial statements

**City of Conneaut, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2016

	Program Revenues			
	Expenses	Charges for Services and Assessments	Operating Grants and Contributions	Capital Grants
<b>Governmental Activities:</b>				
General Government	\$1,574,431	\$150,111	\$15,252	\$0
Security of Persons and Property	4,386,740	191,510	109,401	10,071
Public Health Services	202,382	15,264	0	0
Leisure Time Activities	114,558	51,692	31,052	0
Community Development	139,890	50,346	14,414	0
Basic Utility Services	162,842	129,363	0	0
Transportation	2,391,079	93,937	531,166	0
Interest and Fiscal Charges	78,960	0	0	0
<i>Total Governmental Activities</i>	<u>9,050,882</u>	<u>682,223</u>	<u>701,285</u>	<u>10,071</u>
<b>Business-Type Activities:</b>				
Water	2,009,333	2,274,899	0	50,233
Sewer	1,920,961	2,398,051	0	26,764
<i>Total Business-Type Activities</i>	<u>3,930,294</u>	<u>4,672,950</u>	<u>0</u>	<u>76,997</u>
<i>Total - Primary Government</i>	<u>\$12,981,176</u>	<u>\$5,355,173</u>	<u>\$701,285</u>	<u>\$87,068</u>
<b>Component Unit</b>				
Conneaut Port Authority	<u>\$523,739</u>	<u>\$441,971</u>	<u>\$43,650</u>	<u>\$0</u>
<b>General Revenues</b>				
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				
<i>Total General Revenues</i>				
Transfers				
<i>Total General Revenues and Transfers</i>				
Change in Net Position				
<i>Net Position Beginning of Year</i>				
<i>Net Position End of Year</i>				

See accompanying notes to the basic financial statements



Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Unit
(\$1,409,068)	\$0	(\$1,409,068)	\$0
(4,075,758)	0	(4,075,758)	0
(187,118)	0	(187,118)	0
(31,814)	0	(31,814)	0
(75,130)	0	(75,130)	0
(33,479)	0	(33,479)	0
(1,765,976)	0	(1,765,976)	0
(78,960)	0	(78,960)	0
(7,657,303)	0	(7,657,303)	0
0	315,799	315,799	0
0	503,854	503,854	0
0	819,653	819,653	0
(7,657,303)	819,653	(6,837,650)	0
0	0	0	(38,118)
311,464	0	311,464	0
85,082	0	85,082	0
444,849	0	444,849	0
1,370,348	0	1,370,348	0
2,122,639	0	2,122,639	0
42,617	0	42,617	0
479,927	0	479,927	0
50,953	0	50,953	0
24,138	0	24,138	0
416,296	0	416,296	0
164,729	0	164,729	0
17,873	0	17,873	0
24,033	0	24,033	0
0	0	0	1,716
180,212	13,040	193,252	500
5,735,160	13,040	5,748,200	2,216
(2,500)	2,500	0	0
5,732,660	15,540	5,748,200	2,216
(1,924,643)	835,193	(1,089,450)	(35,902)
24,576,555	16,057,192	40,633,747	1,054,018
\$22,651,912	\$16,892,385	\$39,544,297	\$1,018,116

**City of Conneaut, Ohio**

*Balance Sheet*

*Governmental Funds*

*December 31, 2016*

	General	Street Construction, Maintenance and Repair	Police Levy II	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$1,198,954	\$137,579	\$289,731	\$979,706	\$2,605,970
Materials and Supplies Inventory	15,652	49,479	0	0	65,131
Accounts Receivable	224,937	0	0	21,818	246,755
Intergovernmental Receivable	185,842	212,638	14,149	147,714	560,343
Municipal Income Taxes Receivable	562,606	127,162	0	24,770	714,538
Property Taxes Receivable	357,477	0	564,114	1,414,822	2,336,413
Loans Receivable from Component Unit	0	0	0	150,000	150,000
Special Assessments Receivable	66,768	91,720	0	290,443	448,931
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	11,488	0	0	0	11,488
<b>Total Assets</b>	<b>\$2,623,724</b>	<b>\$618,578</b>	<b>\$867,994</b>	<b>\$3,029,273</b>	<b>\$7,139,569</b>
<b>Liabilities</b>					
Accounts Payable	\$26,787	\$16,919	\$0	\$22,268	\$65,974
Contracts Payable	6,986	0	0	2,538	9,524
Accrued Wages	57,502	10,749	4,027	832	73,110
Intergovernmental Payable	23,434	7,858	4,388	34,760	70,440
Interfund Payable	0	0	0	72,907	72,907
Accrued Interest Payable	0	0	0	359	359
Notes Payable	30,000	0	0	150,000	180,000
<b>Total Liabilities</b>	<b>144,709</b>	<b>35,526</b>	<b>8,415</b>	<b>283,664</b>	<b>472,314</b>
<b>Deferred Inflows of Resources</b>					
Property Taxes	307,224	0	502,093	1,259,580	2,068,897
Unavailable Revenue	707,065	296,158	76,170	579,678	1,659,071
<b>Total Deferred Inflows of Resources</b>	<b>1,014,289</b>	<b>296,158</b>	<b>578,263</b>	<b>1,839,258</b>	<b>3,727,968</b>
<b>Fund Balances</b>					
Nonspendable	27,140	49,479	0	0	76,619
Restricted	0	237,415	281,316	891,908	1,410,639
Committed	0	0	0	120,361	120,361
Assigned	886,245	0	0	0	886,245
Unassigned (Deficit)	551,341	0	0	(105,918)	445,423
<b>Total Fund Balances</b>	<b>1,464,726</b>	<b>286,894</b>	<b>281,316</b>	<b>906,351</b>	<b>2,939,287</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$2,623,724</b>	<b>\$618,578</b>	<b>\$867,994</b>	<b>\$3,029,273</b>	<b>\$7,139,569</b>

See accompanying notes to the basic financial statements

**City of Conneaut, Ohio**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Position of Governmental Activities  
 December 31, 2016*

<b>Total Governmental Funds Balances</b>	\$2,939,287
 <i>Amounts reported for governmental activities in the statement of net position are different because</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	26,799,900
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	267,516
Municipal Income Taxes	342,621
Intergovernmental	408,961
Special Assessments	448,931
Charges for Services	153,816
Franchise Tax	37,226
Total	1,659,071
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(13,773)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
General Obligation Bonds	(1,239,337)
OWDA Loans Payable	(196,523)
Loans Payable	(512,959)
OPWC Loans Payable	(25,192)
Long-term Notes Payable	(120,000)
Capital Leases Payable	(215,222)
Compensated Absences	(885,967)
Total	(3,195,200)
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	2,278,420
Net Pension Liability	(7,741,277)
Deferred Inflows - Pension	(74,516)
Total	(5,537,373)
<i>Net Position of Governmental Activities</i>	<b>\$22,651,912</b>

See accompanying notes to the basic financial statements

**City of Conneaut, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2016*

	General	Street Construction, Maintenance and Repair	Police Levy II	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Property Taxes	\$318,531	\$0	\$516,727	\$1,393,540	\$2,228,798
Municipal Income Taxes	2,235,729	505,488	0	98,549	2,839,766
Hotel Taxes	24,138	0	0	0	24,138
Special Assessments	0	2,901	0	101,141	104,042
Intergovernmental	435,890	356,042	28,138	336,546	1,156,616
Fees, Licenses and Permits	129,024	120,173	0	172,409	421,606
Fines and Forfeitures	176,582	0	0	95,083	271,665
Rentals	21,356	0	0	45,875	67,231
Charges for Services	414,225	0	0	3,600	417,825
Contributions and Donations	17,873	0	0	3,485	21,358
Interest	22,962	102	0	969	24,033
Franchise Taxes	127,503	0	0	0	127,503
Other	138,430	37,299	1,784	2,699	180,212
<i>Total Revenues</i>	<u>4,062,243</u>	<u>1,022,005</u>	<u>546,649</u>	<u>2,253,896</u>	<u>7,884,793</u>
<b>Expenditures</b>					
Current:					
General Government	1,481,461	0	0	4,977	1,486,438
Security of Persons and Property	2,689,173	0	234,625	941,889	3,865,687
Public Health Services	184,504	0	0	0	184,504
Leisure Time Activities	49,648	0	0	40,440	90,088
Community Development	72,310	0	0	59,462	131,772
Basic Utility Services	0	0	0	162,842	162,842
Transportation	0	981,165	0	167,922	1,149,087
Capital Outlay	0	0	0	615,544	615,544
Debt Service:					
Principal Retirement	293,123	118,933	22,013	241,923	675,992
Interest and Fiscal Charges	37,896	16,918	2,021	25,395	82,230
<i>Total Expenditures</i>	<u>4,808,115</u>	<u>1,117,016</u>	<u>258,659</u>	<u>2,260,394</u>	<u>8,444,184</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(745,872)</u>	<u>(95,011)</u>	<u>287,990</u>	<u>(6,498)</u>	<u>(559,391)</u>
<b>Other Financing Sources (Uses)</b>					
General Obligation Notes Issued	120,000	0	0	0	120,000
Capital Lease Issued	132,271	43,505	0	0	175,776
Transfers In	0	10,000	0	60,750	70,750
Transfers Out	(70,750)	(2,500)	0	0	(73,250)
<i>Total Other Financing Sources (Uses)</i>	<u>181,521</u>	<u>51,005</u>	<u>0</u>	<u>60,750</u>	<u>293,276</u>
<i>Net Change in Fund Balances</i>	<u>(564,351)</u>	<u>(44,006)</u>	<u>287,990</u>	<u>54,252</u>	<u>(266,115)</u>
<i>Fund Balances Beginning of Year</i>	<u>2,029,077</u>	<u>330,900</u>	<u>(6,674)</u>	<u>852,099</u>	<u>3,205,402</u>
<i>Fund Balance End of Year</i>	<u>\$1,464,726</u>	<u>\$286,894</u>	<u>\$281,316</u>	<u>\$906,351</u>	<u>\$2,939,287</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, 2016*

---

**Net Change in Fund Balances - Total Governmental Funds** (\$266,115)

*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	952,927	
Depreciation	(1,738,575)	
Total		(785,648)

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

Delinquent Property Taxes	(17,055)	
Municipal Income Taxes	(143,630)	
Intergovernmental	(32,449)	
Special Assessments	(600,146)	
Franchise Taxes	37,226	
Total		(756,054)

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	222,849	
OWDA Loans Payable	99,031	
Loans Payable	140,001	
OPWC Loans Payable	2,293	
Notes Payable	150,000	
Capital Leases Payable	61,818	
Total		675,992

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. 3,270

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. (2,353)

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 Notes Issued	(120,000)	
Capital Lease Issued	(175,776)	
Total		(295,776)

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 586,558

Except for amounts reported as deferred inflows/outflows, changes in net pension liability are reported as pension expense in the statement of activities. (1,084,517)

*Change in Net Position of Governmental Activities* (\$1,924,643)

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, 2016*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$319,800	\$319,800	\$318,531	(\$1,269)
Municipal Income Taxes	2,358,185	2,358,185	2,439,311	81,126
Hotel Taxes	18,000	18,000	24,138	6,138
Intergovernmental	407,602	407,602	465,707	58,105
Fees, Licenses and Permits	95,322	95,322	129,024	33,702
Fines and Forfeitures	204,150	204,150	154,107	(50,043)
Rentals	28,000	28,000	21,356	(6,644)
Charges for Services	405,000	405,000	422,619	17,619
Contributions and Donations	17,600	17,600	17,873	273
Interest	4,500	4,500	22,962	18,462
Franchise Taxes	140,000	140,000	165,071	25,071
Other	32,520	32,520	138,430	105,910
<i>Total Revenues</i>	4,030,679	4,030,679	4,319,129	288,450
<b>Expenditures</b>				
Current:				
General Government	1,586,448	1,656,368	1,519,362	137,006
Security of Persons and Property	2,854,494	2,912,784	2,763,002	149,782
Public Health Services	197,729	221,501	188,665	32,836
Leisure Time Activities	60,354	60,354	57,446	2,908
Community Development	89,561	85,561	74,074	11,487
Debt Service:				
Principal Retirement	280,131	323,131	323,123	8
Interest and Fiscal Charges	28,336	39,049	38,204	845
<i>Total Expenditures</i>	5,097,053	5,298,748	4,963,876	334,872
<i>Excess of Revenues Under Expenditures</i>	(1,066,374)	(1,268,069)	(644,747)	623,322
<b>Other Financing Sources (Uses)</b>				
General Obligation Notes Issued	0	150,000	150,000	0
Capital Lease Issued	105,000	105,000	132,271	27,271
Advances In	120,472	120,472	120,472	0
Transfers Out	0	(215,750)	(70,750)	145,000
<i>Total Other Financing Sources (Uses)</i>	225,472	159,722	331,993	172,271
<i>Net Change in Fund Balance</i>	(840,902)	(1,108,347)	(312,754)	795,593
<i>Fund Balance Beginning of Year</i>	1,182,829	1,182,829	1,182,829	0
Prior Year Encumbrances Appropriated	286,615	286,615	286,615	0
<i>Fund Balances End of Year</i>	\$628,542	\$361,097	\$1,156,690	\$795,593

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, 2016*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Municipal Income Taxes	\$533,001	\$533,001	\$551,502	\$18,501
Special Assessments	8,500	8,500	2,901	(5,599)
Intergovernmental	360,000	360,000	353,636	(6,364)
Fees, Licenses and Permits	95,000	95,000	120,173	25,173
Interest	100	100	102	2
Other	30,000	30,000	37,299	7,299
<i>Total Revenues</i>	1,026,601	1,026,601	1,065,613	39,012
<b>Expenditures</b>				
Current:				
Transportation	1,132,018	1,167,938	1,009,202	158,736
Debt Service:				
Principal Retirement	127,346	128,938	128,933	5
Interest and Fiscal Charges	11,000	17,038	16,995	43
<i>Total Expenditures</i>	1,270,364	1,313,914	1,155,130	158,784
<i>Excess of Revenues Under Expenditures</i>	(243,763)	(287,313)	(89,517)	197,796
<b>Other Financing Sources</b>				
Capital Lease Issued	0	0	43,505	43,505
Transfers In	135,000	135,000	10,000	(125,000)
<i>Total Other Financing Sources</i>	135,000	135,000	53,505	(81,495)
<i>Net Change in Fund Balance</i>	(108,763)	(152,313)	(36,012)	116,301
<i>Fund Balance Beginning of Year</i>	106,448	106,448	106,448	0
Prior Year Encumbrances Appropriated	45,928	45,928	45,928	0
<i>Fund Balance End of Year</i>	\$43,613	\$63	\$116,364	\$116,301

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  
Police Levy II Fund  
For the Year Ended December 31, 2016*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$478,199	\$478,199	\$516,727	\$38,528
Intergovernmental	53,000	53,000	28,138	(24,862)
Other	0	0	1,784	1,784
<i>Total Revenues</i>	531,199	531,199	546,649	15,450
<b>Expenditures</b>				
Current:				
Security of Persons and Property	483,500	483,500	232,884	250,616
Debt Service:				
Principal Retirement	34,000	34,000	22,013	11,987
Interest and Fiscal Charges	3,000	3,000	2,021	979
<i>Total Expenditures</i>	520,500	520,500	256,918	263,582
<i>Net Change in Fund Balance</i>	10,699	10,699	289,731	279,032
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$10,699	\$10,699	\$289,731	\$279,032

See accompanying notes to the basic financial statements



**City of Conneaut, Ohio**  
*Statement of Fund Net Position*  
*Proprietary Funds*  
*December 31, 2016*

	Business-Type Activities		
	Water	Sewer	Total
<b>Assets</b>			
<i>Current Assets:</i>			
Equity in Pooled Cash and Cash Equivalents	\$701,508	\$1,565,085	\$2,266,593
Materials and Supplies Inventory	130,775	53,686	184,461
Receivables:			
Accounts	305,360	316,722	622,082
Special Assessments	1,255	419	1,674
Interfund Receivable	0	72,907	72,907
<i>Total Current Assets</i>	<u>1,138,898</u>	<u>2,008,819</u>	<u>3,147,717</u>
<i>Noncurrent Assets:</i>			
Special Assessment Receivable	15,033	7,512	22,545
Capital Assets:			
Nondepreciable Capital Assets	34,739	197,476	232,215
Depreciable Capital Assets, Net	9,264,553	10,969,983	20,234,536
<i>Total Noncurrent Assets</i>	<u>9,314,325</u>	<u>11,174,971</u>	<u>20,489,296</u>
<i>Total Assets</i>	<u>10,453,223</u>	<u>13,183,790</u>	<u>23,637,013</u>
<b>Deferred Outflows of Resources</b>			
Pension	225,844	261,027	486,871
<b>Liabilities</b>			
<i>Current Liabilities:</i>			
Accounts Payable	17,483	21,355	38,838
Contracts Payable	12,514	29,514	42,028
Accrued Wages	14,174	15,657	29,831
Intergovernmental Payable	14,497	11,145	25,642
Compensated Absences Payable	26,346	52,482	78,828
Accrued Interest Payable	30,624	43,519	74,143
General Obligation Bonds Payable	73,560	8,488	82,048
OPWC Loans Payable	37,024	11,295	48,319
OWDA Loans Payable	107,429	234,156	341,585
Loans Payable	39,624	15,334	54,958
<i>Total Current Liabilities</i>	<u>373,275</u>	<u>442,945</u>	<u>816,220</u>
<i>Long-Term Liabilities (net of current portion):</i>			
Compensated Absences Payable	117,973	76,063	194,036
General Obligation Bonds Payable	92,475	44,472	136,947
OPWC Loans Payable	290,245	162,458	452,703
OWDA Loans Payable	1,712,692	2,742,283	4,454,975
Loans Payable	30,664	30,667	61,331
Net Pension Liability	565,937	528,209	1,094,146
<i>Total Long-Term Liabilities</i>	<u>2,809,986</u>	<u>3,584,152</u>	<u>6,394,138</u>
<i>Total Liabilities</i>	<u>3,183,261</u>	<u>4,027,097</u>	<u>7,210,358</u>
<b>Deferred Inflows of Resources</b>			
Pension	10,935	10,206	21,141
<b>Net Position</b>			
Net Investment in Capital Assets	6,915,579	7,918,306	14,833,885
Unrestricted	569,292	1,489,208	2,058,500
<i>Total Net Position</i>	<u>\$7,484,871</u>	<u>\$9,407,514</u>	<u>\$16,892,385</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, 2016*

	Business-Type Activities		
	Water	Sewer	Total
<b>Operating Revenues</b>			
Charges for Services	\$2,262,565	\$2,394,034	\$4,656,599
Tap-In Fees	8,184	4,017	12,201
Rentals	4,150	0	4,150
Other	3,230	9,810	13,040
<i>Total Operating Revenues</i>	<u>2,278,129</u>	<u>2,407,861</u>	<u>4,685,990</u>
<b>Operating Expenses</b>			
Personal Services	1,106,632	892,331	1,998,963
Purchased Services	225,453	351,832	577,285
Contractual Services	55,610	73,441	129,051
Materials and Supplies	152,710	95,660	248,370
Depreciation	391,341	415,573	806,914
Other	1,526	3,805	5,331
<i>Total Operating Expenses</i>	<u>1,933,272</u>	<u>1,832,642</u>	<u>3,765,914</u>
<i>Operating Income</i>	344,857	575,219	920,076
<b>Non-Operating Expenses</b>			
Interest and Fiscal Charges	(76,061)	(88,319)	(164,380)
<i>Income before Capital Contributions and Transfers</i>	268,796	486,900	755,696
Capital Contributions	50,233	26,764	76,997
Transfers In	0	2,500	2,500
<i>Change in Net Position</i>	319,029	516,164	835,193
<i>Net Position Beginning of Year</i>	<u>7,165,842</u>	<u>8,891,350</u>	<u>16,057,192</u>
<i>Net Position End of Year</i>	<u><u>\$7,484,871</u></u>	<u><u>\$9,407,514</u></u>	<u><u>\$16,892,385</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, 2016

	Business-Type Activities		
	Water	Sewer	Total
<b>Increase (Decrease) in Cash and Cash Equivalents</b>			
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$2,261,204	\$2,392,342	\$4,653,546
Cash Received from Tap-In Fees	8,184	4,017	12,201
Cash Received from Rentals	4,150	0	4,150
Other Cash Receipts	3,230	9,810	13,040
Cash Payments to Employees for Services	(1,119,304)	(856,491)	(1,975,795)
Cash Payments for Goods and Services	(427,388)	(516,607)	(943,995)
Other Cash Payments	(1,526)	(3,805)	(5,331)
<i>Net Cash Provided by Operating Activities</i>	<u>728,550</u>	<u>1,029,266</u>	<u>1,757,816</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Advances Out	0	(9,043)	(9,043)
Transfers In	0	2,500	2,500
<i>Net Cash Used in Noncapital Financing Activities</i>	<u>0</u>	<u>(6,543)</u>	<u>(6,543)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Capital Contributions	64,501	26,764	91,265
Principal Paid on OWDA Loans	(125,510)	(250,185)	(375,695)
Interest Paid on OWDA Loans	(60,161)	(85,425)	(145,586)
Principal Paid on OPWC Loans	(37,024)	(11,295)	(48,319)
Principal Paid on General Obligation Bond	(71,472)	(8,358)	(79,830)
Interest Paid on General Obligation Bond	(7,153)	(1,901)	(9,054)
Principal Paid on Loans	(244,605)	(15,334)	(259,939)
Interest Paid on Loans	(11,171)	(2,389)	(13,560)
Principal Paid on Short-term Notes	0	(72,500)	(72,500)
Interest Paid on Short-term Notes	0	(3,306)	(3,306)
Payments for Capital Acquisitions	(135,845)	(543,258)	(679,103)
<i>Net Cash Used in Capital and Related Financing Activities</i>	<u>(628,440)</u>	<u>(967,187)</u>	<u>(1,595,627)</u>
<i>Net Increase in Cash and Cash Equivalents</i>	100,110	55,536	155,646
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>601,398</u>	<u>1,509,549</u>	<u>2,110,947</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$701,508</u>	<u>\$1,565,085</u>	<u>\$2,266,593</u>

(continued)

**City of Conneaut, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds (continued)*  
For the Year Ended December 31, 2016

	Business-Type Activities		
	Water	Sewer	Total
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>			
Operating Income	\$344,857	\$575,219	\$920,076
Adjustments:			
Depreciation	391,341	415,573	806,914
(Increase) Decrease in Assets:			
Accounts Receivable	(16,164)	(11,147)	(27,311)
Special Assessments Receivable	14,803	9,455	24,258
Materials and Supplies Inventory	(4,023)	3,449	(574)
Increase in Deferred Outflows of Resources - Pension	45,078	55,494	100,572
Increase (Decrease) in Liabilities:			
Accounts Payable	6,060	9,096	15,156
Contracts Payable	(852)	(3,019)	(3,871)
Accrued Wages	3,092	7,420	10,512
Compensated Absences Payable	(21,771)	2,575	(19,196)
Intergovernmental Payable	(21,522)	(23,323)	(44,845)
Net Pension Liability	(5,830)	(5,441)	(11,271)
Increase in Deferred Inflows of Resources - Pension	(6,519)	(6,085)	(12,604)
<i>Total Adjustments</i>	383,693	454,047	837,740
<i>Net Cash Provided by Operating Activities</i>	<u>\$728,550</u>	<u>\$1,029,266</u>	<u>\$1,757,816</u>

See accompanying notes to the basic financial statements

**City Of Conneaut, Ohio**  
*Statement of Fiduciary Assets and Liabilities*  
*Agency Fund*  
*December 31, 2016*

---

---

<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$90,663
Cash and Cash Equivalents in Segregated Accounts	<u>19,268</u>
<i>Total Assets</i>	<u><u>\$109,931</u></u>
 <b>Liabilities</b>	
Deposits Held and Due to Others	<u><u>\$109,931</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, 2016*

---

---

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

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

***Reporting Entity***

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

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

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

***Conneaut Port Authority*** The Conneaut Port Authority is a legally separate organization, statutorily created under Section 4582.02 of the Ohio Revised Code, served by a seven-member board of directors appointed by the City Manager. Charged with the responsibility of industrial development and the improvement of Conneaut’s waterways, the Port Authority is empowered with the ability to carry out the actions they consider necessary to achieve these responsibilities. The voting majority of the Board of the Port Authority is appointed by the City. The Port Authority has the potential to impose a financial burden on the City in that the City issued debt on behalf of the Port Authority and is therefore presented as a component unit of the City. The Conneaut Port Authority operates on a year ending December 31. Information for the component unit is identified in Note 26. Statements for the Port Authority can be obtained from the Conneaut Port Authority, 1205 Broad Street, Conneaut, Ohio 44030.

The City is associated with the Ohio Municipal League Workers’ Compensation Group Retrospective Rating Program, an insurance purchasing pool, the Conneaut Public Library, a related organization and the Northeast Ohio Public Energy Council (NOPEC), a jointly governed organization. These organizations are presented in Notes 13, 14 and 21 to the basic financial statements.

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

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2016*

---

---

**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, 2016*

---

---

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.

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

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.,



**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2016*

---

revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

***Basis of Accounting***

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

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

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

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

***Deferred Outflows/Inflows of Resources*** In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for pension. The deferred outflows of resources related to pension are explained in Note 19.

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2016*

---

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, 2016, but which were levied to finance year 2017 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represent receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, municipal income taxes, special assessments, intergovernmental grants, franchise taxes and ambulance charges. These amounts are deferred and recognized as an inflow of resources in the period the amounts became available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund 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 19).

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

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

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

***Cash and Cash Equivalents***

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

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

During 2016, the City invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, “Certain External Investment Pools and Pool Participants.” The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2016, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2016*

---

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 2016 amounted to \$22,962 which includes \$16,811 assigned from other City funds.

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

***Inventory***

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

***Restricted Assets***

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

***Capital Assets***

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

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

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

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

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2016*

---

---

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

***Compensated Absences***

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

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

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

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

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

***Fund Balance***

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as 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, 2016*

---

---

**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 2017'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, 2016*

---

---

***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, 2016*

---

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

**Note 3 – Changes in Accounting Principles**

For 2016, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 72, “Fair Value Measurement and Application,” GASB Statement No 73, “Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68,” GASB Statement No. 76, “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments,” GASB Statement No. 77, “Tax Abatement Disclosures,” GASB Statement No. 79, “Certain External Investment Pools and Pool Participants,” and GASB Statement No. 82, “Pension Issues an Amendment of GASB Statements No. 67, No. 68 and No. 73.”

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes for applying fair value to certain investments and disclosures related to all fair value measurements. These changes were incorporated in the City’s 2016 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 73 establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, Accounting and Financial Reporting for Pensions, as well as for the assets accumulated for purposes of providing those pensions. It also amends certain provisions of Statement No. 67, Financial Reporting for Pension Plans, and Statement 68. The implementation of this GASB pronouncement did not result in any changes to the City’s financial statements.

GASB Statement No. 76 identifies-in the context of the current governmental financial reporting environment-the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with generally accepted accounting principles (GAAP) and the framework for selecting those principles. The implementation of this GASB pronouncement did not result in any changes to the City’s financial statements.

GASB Statement No. 77 requires disclosure of information about the nature and magnitude of tax abatements. These changes were incorporated in the City’s 2016 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 79 establishes accounting and financial reporting standards for qualifying external investment pools that elect to measure for financial reporting purposes all of their investments at amortized cost. This Statement provides accounting and financial reporting guidance also establishes additional note disclosure requirements for governments that participate in those pools. The City participates in STAR Ohio which implemented GASB Statement No. 79 for 2016. The City incorporated the corresponding GASB 79 guidance into their 2016 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 82 improves consistency in the application of pension accounting. These changes were incorporated in the City’s 2016 financial statements; however, there was no effect on beginning net position/fund balance.

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2016*

**Note 4 - Budgetary Basis of Accounting**

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

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Unreported cash represents amounts received but not included as revenue on the budgetary statements, but reported on the operating statements prepared using GAAP.
4. Advances In are operating transactions (budget) as opposed to balance sheet transactions (GAAP).
5. Proceeds from and principal payment on short-term note obligations are reported on the operating statement (budget) rather than on the balance sheet (GAAP).
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	Police Levy II
GAAP Basis	(\$564,351)	(\$44,006)	\$287,990
Net Adjustment for Revenue Accruals	253,302	43,608	0
Net Adjustment for Expenditures Accruals	(76,345)	(6,899)	1,741
Beginning Unrecorded Cash	7,920	0	0
Ending Unrecorded Cash	(4,336)	0	0
Advances In	120,472	0	0
Proceeds of Notes	30,000	0	0
Principal Retirement	(30,000)	(7,500)	0
Encumbrances	(49,416)	(21,215)	0
Budget Basis	<u>(\$312,754)</u>	<u>(\$36,012)</u>	<u>\$289,731</u>



**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
For The Year Ended December 31, 2016

**Note 5 - Fund Balances**

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

Fund Balances	General	Street Construction, Maintenance and Repair	Police Levy II	Other Governmental Funds	Total
<b><i>Nonspendable</i></b>					
Unclaimed Monies	\$11,488	\$0	\$0	\$0	\$11,488
Inventory	15,652	49,479	0	0	65,131
<b><i>Total Nonspendable</i></b>	<b>27,140</b>	<b>49,479</b>	<b>0</b>	<b>0</b>	<b>76,619</b>
<b><i>Restricted for</i></b>					
Road Improvements	0	237,415	0	86,165	323,580
Drug and Alcohol					
Alcohol Enforcement	0	0	0	85,957	85,957
Police and Fire					
Departments	0	0	281,316	46,088	327,404
Municipal Probation					
Services	0	0	0	3,495	3,495
Economic Development	0	0	0	32,358	32,358
Restaurant Inspection	0	0	0	6,453	6,453
Marina Improvements	0	0	0	8,145	8,145
Cemetery	0	0	0	52,507	52,507
Debt Service Payments	0	0	0	200,058	200,058
Municipal Court					
Improvements	0	0	0	369,931	369,931
Industrial Park Improvements	0	0	0	751	751
<b><i>Total Restricted</i></b>	<b>0</b>	<b>237,415</b>	<b>281,316</b>	<b>891,908</b>	<b>1,410,639</b>
<b><i>Committed to</i></b>					
Recreation	0	0	0	95,402	95,402
Capital Improvements	0	0	0	24,959	24,959
<b><i>Total Committed</i></b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>120,361</b>	<b>120,361</b>
<b><i>Assigned to</i></b>					
Purchases on Order:					
Supplies	18,547	0	0	0	18,547
Purchased/Contractual Services	14,443	0	0	0	14,443
Year 2017 Appropriations	853,255	0	0	0	853,255
<b><i>Total Assigned</i></b>	<b>886,245</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>886,245</b>
<b><i>Unassigned (Deficit)</i></b>	<b>551,341</b>	<b>0</b>	<b>0</b>	<b>(105,918)</b>	<b>445,423</b>
<b><i>Total Fund Balances</i></b>	<b>\$1,464,726</b>	<b>\$286,894</b>	<b>\$281,316</b>	<b>\$906,351</b>	<b>\$2,939,287</b>

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2016*

---

---

**Note 6 - Fund Deficits**

Fund balance at December 31, 2016, included the following individual fund deficits:

Fund	Amount
<i>Nonmajor Funds:</i>	
Street Lighting Fund	\$11,233
Local Innovation Grant Fund	2,538
Police Pension Fund	14,467
Fire Pension Fund	4,773
Special Assessment Bond Retirement Fund	72,907

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

**Note 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;

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2016*

---

3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and with certain limitations bonds and other obligations of political subdivisions of the State of Ohio;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
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, \$708,601 of the City's bank balance of \$4,993,982 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.

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2016*

---

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

**Investments**

At December 31, 2016, the City had \$4,176,936 invested in STAR Ohio with an average maturity of 51.6 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, 2016, 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 \$202,083 in the special assessment bond retirement fund, \$15,033 in the water enterprise fund and \$7,512 in the sewer enterprise fund. At December 31, 2016, the amount of delinquent special assessments was \$224,628.

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, 2016, the City has a loan receivable in the amount of \$150,000 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 2016 for real and public utility property taxes represents collections of 2015 taxes.

2016 real property taxes are levied after October 1, 2016 on the assessed value as of January 1, 2016 the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2016 real property taxes are collected in and intended to finance 2017.

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 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. 2016 public utility property taxes which became a lien December 31, 2015, are levied after October 1, 2016, and are collected in 2017 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2016, was \$12.88 per \$1,000 of assessed value. The assessed values of real property and public utility property upon which 2016 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Estate	
Residential/Agricultural	\$123,731,870
Other Real Estate	54,135,860
Public Utility Property	<u>7,968,920</u>
Total Assessed Values	<u><u>\$185,836,650</u></u>

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which are measurable as of December 31, 2016 and for which there is an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2016 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.

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2016*

---

---

***Intergovernmental Receivables***

A summary of intergovernmental receivables follows:

<u>Governmental Activities</u>	<u>Amounts</u>
Gasoline Tax	\$186,851
Local Government	154,635
Homestead and Rollback	106,607
Permissive Tax	69,222
Auto License Tax	<u>43,028</u>
Total	<u><u>\$560,343</u></u>

**Note 9 – Tax Abatements**

As of December 31, 2016, the City provides tax abatements through a Community Reinvestment Area (CRA) Tax Abatement.

Pursuant to Ohio Revised Code Chapter 5709, the City established a Community Reinvestment Area to provide property tax abatements to encourage revitalization of existing buildings and the construction of new structures. Abatements are obtained through application by the property owner, including proof that the improvements have been made, and equal 35 percent of the additional property tax resulting from the increase in assessed value as a result of the improvement. The amount of the abatement is deducted from the recipient’s tax bill. The value of the taxes being abated amounted to \$5,864 at December 31, 2016.

**Note 10 – Interfund Transactions**

***Internal Balances***

The sewer fund made advances to the special assessment bond retirement fund during 2013, 2014, 2015 and 2016 amounting \$72,907 to cover debt requirements pending the receipt of delinquent special assessments. These loans are expected to be repaid in one year. At December 31, 2016, the special assessment bond retirement fund is not able to repay these advances.

***Interfund Transfers***

The general fund transferred \$10,000 to the street construction, maintenance and repair special revenue fund and \$60,750 to other governmental funds to provide additional resources for current operations. The street construction, maintenance and repair special revenue fund transferred \$2,500 to the sewer enterprise fund for debt payments.

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
For The Year Ended December 31, 2016

**Note 11 - Capital Assets**

Capital asset activity for the year ended December 31, 2016, was as follows:

	Balance		Balance
	12/31/2015	Additions	12/31/2016
<b>Governmental Activities</b>			
<i>Capital Assets not being Depreciated:</i>			
Land	\$554,972	\$0	\$554,972
Construction in Progress	285,077	279,929	0
<i>Total Capital Assets not being Depreciated</i>	840,049	279,929	554,972
<i>Capital Assets being Depreciated:</i>			
Buildings and Improvements	1,904,312	12,178	1,916,490
Furniture, Fixtures and Equipment	3,100,229	272,159	3,297,271
Vehicles	3,764,789	548,249	4,274,038
Infrastructure:			
Traffic Lights	293,738	0	293,738
Roads	24,226,296	405,418	24,631,714
Bridges	13,548,533	0	13,548,533
Storm Sewers	2,765,823	0	2,765,823
<i>Total Capital Assets being Depreciated</i>	49,603,720	1,238,004	50,727,607
<i>Less Accumulated Depreciation:</i>			
Buildings and Improvements	(1,615,576)	(62,043)	(1,677,619)
Furniture, Fixtures and Equipment	(1,915,314)	(171,104)	(2,011,301)
Vehicles	(3,275,750)	(141,918)	(3,378,668)
Infrastructure:			
Traffic Lights	(96,587)	(6,886)	(103,473)
Roads	(12,940,179)	(1,044,737)	(13,984,916)
Bridges	(1,834,589)	(270,971)	(2,105,560)
Storm Sewers	(1,180,226)	(40,916)	(1,221,142)
<i>Total Accumulated Depreciation</i>	(22,858,221)	(1,738,575) *	(24,482,679)
Total Capital Assets being Depreciated, Net	26,745,499	(500,571)	26,244,928
Governmental Activities Capital Assets, Net	\$27,585,548	(\$220,642)	\$26,799,900

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

General Government	\$88,028
Security of Persons and Property	158,344
Leisure Time Activities	30,166
Transportation	1,462,037
Total Depreciation Expense	\$1,738,575

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
For The Year Ended December 31, 2016

	Balance 12/31/2015	Additions	Deductions	Balance 12/31/2016
<b>Business-Type Activities:</b>				
<i>Capital Assets not being Depreciated:</i>				
Land	\$6,880	\$0	\$0	\$6,880
Construction in Progress	93,969	131,366	0	225,335
<i>Total Capital Assets not being Depreciated</i>	<u>100,849</u>	<u>131,366</u>	<u>0</u>	<u>232,215</u>
<i>Capital Assets being Depreciated:</i>				
Buildings and Improvements	1,176,112	26,246	0	1,202,358
Equipment	6,653,797	130,764	0	6,784,561
Vehicles	889,066	27,959	(3,825)	913,200
Infrastructure:				
Water and Sewer Lines	23,279,161	362,768	0	23,641,929
<i>Total Capital Assets being Depreciated</i>	<u>31,998,136</u>	<u>547,737</u>	<u>(3,825)</u>	<u>32,542,048</u>
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(681,560)	(26,836)	0	(708,396)
Equipment	(3,783,845)	(305,894)	0	(4,089,739)
Vehicles	(568,731)	(59,908)	3,825	(624,814)
Infrastructure:				
Water and Sewer Lines	(6,470,287)	(414,276)	0	(6,884,563)
<i>Total Accumulated Depreciation</i>	<u>(11,504,423)</u>	<u>(806,914)</u>	<u>3,825</u>	<u>(12,307,512)</u>
Total Capital Assets being Depreciated, Net	<u>20,493,713</u>	<u>(259,177)</u>	<u>0</u>	<u>20,234,536</u>
Business-Type Activities Capital Assets, Net	<u>\$20,594,562</u>	<u>(\$127,811)</u>	<u>\$0</u>	<u>\$20,466,751</u>

**Note 12 - Compensated Absences**

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

**Note 13 – Insurance Purchasing Pool**

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



**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2016*

---

---

**Note 14 – Related Organization**

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

**Note 15 - Risk Management**

***Property and Liability***

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2016, the City contracted with USI Insurance Services for various types of insurance as follows:

<u>Type of Coverage</u>	<u>Coverage</u>
Property/Boilers and Machinery	\$25,506,733
Inland Marine	1,565,091
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	1,360,464

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 2016, the City participated in the Ohio Municipal League Workers’ Compensation Group Rating Retrospective Plan (GRP), an insurance purchasing pool (Note 13). The intent of the GRP is to achieve the benefit of a reduced premium for the City by virtue of its grouping and representation with other participants in the GRP. The workers’ compensation experience of the participating city is calculated as one experience and a common premium rate is applied to all cities in the GRP. Each participant pays its worker’s compensation premium to the State based on the rate for the GRP rather than its individual rate.

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

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
For The Year Ended December 31, 2016

**Note 16 - Notes Payable**

Changes in the City's note activity for the year ended December 31, 2016, were as follows:

	Outstanding 12/31/2015	Additions	Reductions	Outstanding 12/31/2016
<i>General Fund:</i>				
Prison Land, 1.85%	\$10,000	\$0	(\$10,000)	\$0
Madison Street Storm Sewer, 1.85%	20,000	0	(20,000)	0
Center Road Bridge 1.92 %	0	30,000	0	30,000
<i>Total General Fund</i>	<u>30,000</u>	<u>30,000</u>	<u>(30,000)</u>	<u>30,000</u>
<i>Special Revenue Fund:</i>				
Street Equipment, 1.85%	7,500	0	(7,500)	0
Port Authority 1.58%	180,000	150,000	(180,000)	150,000
<i>Total Special Revenue Fund</i>	<u>187,500</u>	<u>150,000</u>	<u>(187,500)</u>	<u>150,000</u>
<i>Total Governmental Activities</i>	<u>\$217,500</u>	<u>\$180,000</u>	<u>(\$217,500)</u>	<u>\$180,000</u>
<i>Enterprise Funds:</i>				
<i>Sewer:</i>				
Waste Water Improvement, 1.85%	\$20,000	\$0	(\$20,000)	\$0
Sewer Jet, 1.85%	52,500	0	(52,500)	0
<i>Total Enterprise Funds</i>	<u>\$72,500</u>	<u>\$0</u>	<u>(\$72,500)</u>	<u>\$0</u>

In 2016, the City issued \$30,000 in bond anticipation notes to help finance the Center Road bridge improvement project with an interest rate of 1.92 percent. At December 31, 2016, the project has been completed and the notes mature on June 15, 2017.

In 2016, the City issued a \$150,000 marina improvement note, on behalf of the Port Authority, for the purpose of acquiring, constructing, reconstructing, and improving boat docks and slips with an interest rate of 1.58 percent maturing on November 17, 2017. As of December 31, 2016 all proceeds had been disbursed.

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

**Note 17 - Long-Term Obligations**

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

Debt Issue	Original Issue Date	Interest Rate	Original Issue Amount	Year of Maturity
<b>Governmental Activities</b>				
<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

(continued)

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2016*

Debt Issue	Original Issue Date	Interest Rate	Original Issue Amount	Year of Maturity
<b>Governmental Activities</b> (continued)				
<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	3.00	574,435	2018
<i>Ohio Public Works Commission Loan:</i>				
Under Ridge Road Culvert	2004	0.00	31,626	2025
Roadway Safety	2012	0.00	14,240	2033
<i>Note:</i>				
Center Road Bridge	2016	1.92	120,000	2017
<b>Business-Type Activities</b>				
<i>Special Assessment Loans:</i>				
East Conneaut Sewer Phase II	1996	4.16	215,671	2016
I-90 Sewer	1998	3.98	94,123	2020
East Conneaut Sewer Phase III	1999	3.50	132,997	2020
<i>Ohio Water Development Authority:</i>				
Water III	1995	4.35	543,845	2017
Dechlorination Project	1997	4.12	89,144	2017
Wastewater Improvement Loan	2006	3.25	3,258,282	2026
Industrial Park	2011	3.00	199,183	2022
Wastewater Aeration Repairs	2012	2.80	130,587	2032
Lake Erie Street Sanitary Sewer	2012	3.32	240,548	2032
Aerial Sewer Repairs	2013	0.00	339,372	N/A
Creek Road Elevated Storage Tank	2013	3.24	1,640,127	2034
Harbor Street	2015	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	2033
Wastewater Aeration Improvement	2012	0.00	18,130	2033
Creek Road Water Tank	2013	0.00	150,000	2034
Aerial Sewer	2013	0.00	50,000	2034
Harbor Street Infrastructure	2014	0.00	50,000	2035
Water Treatment Plant Improvements	2014	0.00	35,123	2034
<i>General Obligation Bonds:</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

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
For The Year Ended December 31, 2016

A schedule of changes in bonds and other long-term obligations of the City during 2016 follows:

	Outstanding 12/31/2015	Additions	Reductions	Outstanding 12/31/2016	Amount Due In one Year
<b>Governmental Activities:</b>					
<i>General Obligation Bonds</i>					
Library Refunding	\$292,836	\$0	\$94,742	\$198,094	\$97,584
Energy Conservation	389,794	0	53,135	336,659	53,965
Vehicle Acquisition	50,130	0	5,000	45,130	5,134
Various Purpose Improvements	279,426	0	26,972	252,454	27,910
Fire Truck Acquisition	450,000	0	43,000	407,000	43,000
<b>Total General Obligation Bonds</b>	<b>1,462,186</b>	<b>0</b>	<b>222,849</b>	<b>1,239,337</b>	<b>227,593</b>
<i>Special Assessment OWDA Loans</i>					
<i>with Governmental Commitment:</i>					
East Conneaut Sewer Phase II	48,385	0	48,385	0	0
I-90 Sewer	34,214	0	10,958	23,256	11,399
East Conneaut Sewer Phase III	212,955	0	39,688	173,267	41,089
<b>Total Special Assessment OWDA Loans</b>	<b>295,554</b>	<b>0</b>	<b>99,031</b>	<b>196,523</b>	<b>52,488</b>
<i>Loans:</i>					
Industrial Park	392,522	0	46,801	345,721	48,224
Road Equipment Acquisition	61,335	0	15,333	46,002	15,333
State Infrastructure Loan - Parrish Road	199,103	0	77,867	121,236	80,221
<b>Total Loans:</b>	<b>652,960</b>	<b>0</b>	<b>140,001</b>	<b>512,959</b>	<b>143,778</b>
<i>OPWC Loan:</i>					
Under Ridge Road Culvert	15,025	0	1,581	13,444	1,581
Roadway Safety	12,460	0	712	11,748	712
<b>Total OPWC Loans</b>	<b>27,485</b>	<b>0</b>	<b>2,293</b>	<b>25,192</b>	<b>2,293</b>
<i>Long - Term Notes Payable:</i>					
Center Road Bridge	150,000	120,000	150,000	120,000	0
<i>Other Long-Term Liabilities:</i>					
Capital Leases	101,264	175,776	61,818	215,222	88,266
Compensated Absences	883,614	203,289	200,936	885,967	233,907
<b>Total Other Long-Term Liabilities</b>	<b>984,878</b>	<b>379,065</b>	<b>262,754</b>	<b>1,101,189</b>	<b>322,173</b>
<i>Net Pension Liability:</i>					
OPERS	1,878,225	800,547	0	2,678,772	0
OPF	3,976,405	1,086,100	0	5,062,505	0
<b>Total Net Pension Liability</b>	<b>5,854,630</b>	<b>1,886,647</b>	<b>0</b>	<b>7,741,277</b>	<b>0</b>
<b>Total Governmental Activities</b>					
<b>Long-Term Obligations</b>	<b>\$9,427,693</b>	<b>\$2,385,712</b>	<b>\$876,928</b>	<b>\$10,936,477</b>	<b>\$748,325</b>
<b>Business-Type Activities:</b>					
<i>Special Assessment OWDA Loans</i>					
<i>with Governmental Commitment:</i>					
East Conneaut Sewer Phase II	\$16,126	\$0	\$16,126	\$0	\$0
I-90 Sewer	19,246	0	6,164	13,082	6,412
East Conneaut Sewer Phase III	46,747	0	8,712	38,035	9,020
<b>Total Special Assessment OWDA Loans</b>	<b>\$82,119</b>	<b>\$0</b>	<b>\$31,002</b>	<b>\$51,117</b>	<b>\$15,432</b>

(continued)

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
For The Year Ended December 31, 2016

	Outstanding 12/31/2015	Additions	Reductions	Outstanding 12/31/2016	Amount Due In one Year
<b>Business-Type Activities (continued):</b>					
<i>OWDA Loans</i>					
Water III	\$58,343	\$0	\$38,476	\$19,867	\$19,867
Dechlorination Project	9,036	0	5,961	3,075	3,075
Wastewater Improvement Loan	2,086,839	0	160,633	1,926,206	165,896
Industrial Park	201,947	0	28,582	173,365	29,446
Wastewater Aeration Repairs	213,247	0	6,513	206,734	11,709
Lake Erie Street Sanitary Sewer	218,403	0	9,381	209,022	9,696
Aerial Sewer Repairs	181,917	0	8,484	173,433	0
Creek Road Elevated Storage Tank	1,563,589	0	63,463	1,500,126	63,756
Harbor Street Infrastructure	556,815	0	23,200	533,615	22,708
<i>Total OWDA Loans</i>	<u>5,090,136</u>	<u>0</u>	<u>344,693</u>	<u>4,745,443</u>	<u>326,153</u>
<i>Total OWDA Obligations</i>	<u>5,172,255</u>	<u>0</u>	<u>375,695</u>	<u>4,796,560</u>	<u>341,585</u>
<i>OPWC Loans:</i>					
South Conneaut Water Tank	105,875	0	19,250	86,625	19,250
Liberty Water Line	47,395	0	5,924	41,471	5,924
Madison Sanitary Sewer	17,021	0	1,892	15,129	1,892
Finished Water and Booster Pump	30,655	0	2,044	28,611	2,044
Water and Booster Pump Station	8,251	0	550	7,701	550
Sandusky Sanitary Sewer	21,133	0	1,409	19,724	1,409
Sanitary Sewer Repairs	8,291	0	503	7,788	503
Roadway Safety	27,738	0	1,585	26,153	1,585
Wastewater Aeration Improvement	15,865	0	906	14,959	906
Creek Road Water Tank	138,750	0	7,500	131,250	7,500
Aerial Sewer	46,250	0	2,500	43,750	2,500
Harbor Street Infrastructure	48,750	0	2,500	46,250	2,500
Water Treatment Plant Improvements	33,367	0	1,756	31,611	1,756
<i>Total OPWC Loans</i>	<u>549,341</u>	<u>0</u>	<u>48,319</u>	<u>501,022</u>	<u>48,319</u>
<i>General Obligation Bonds:</i>					
Water Refunding	208,844	0	67,568	141,276	69,595
Energy Conservation	89,981	0	12,262	77,719	12,453
<i>Total Bonds</i>	<u>298,825</u>	<u>0</u>	<u>79,830</u>	<u>218,995</u>	<u>82,048</u>
<i>Loans:</i>					
Road Equipment Acquisition	122,665	0	30,667	91,998	30,667
Water Meters	253,563	0	229,272	24,291	24,291
<i>Total Loans</i>	<u>376,228</u>	<u>0</u>	<u>259,939</u>	<u>116,289</u>	<u>54,958</u>
<i>Other Long-Term Liabilities:</i>					
Compensated Absences	292,060	80,831	100,027	272,864	78,828
<i>Net Pension Liability:</i>					
OPERS	659,917	434,229	0	1,094,146	0
<i>Total Business-Type Activities</i>					
<i>Long-Term Obligations</i>	<u>\$7,348,626</u>	<u>\$515,060</u>	<u>\$863,810</u>	<u>\$6,999,876</u>	<u>\$605,738</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

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2016*

---

owners as well as user charges from the appropriate enterprise fund. The OPWC loans in the enterprise funds will be paid with user charges. The loans will be paid from the general fund, street construction, maintenance and repair special revenue fund and capital improvements funds and the water and sewer enterprise funds. The long-term governmental notes will be paid from the general fund. Compensated absences will be paid from the general fund, street construction, maintenance and repair special revenue fund and the water and sewer enterprise funds. Capital leases will be paid from police levy II, police levy and street construction, maintenance and repair special revenue funds. There is no repayment schedule for the net pension liability. However, employer pension contributions are made from the following funds: general, street construction, maintenance and repair, cemetery, police levy II, recreation, police pension and fire pension special revenue funds and the sewer and water enterprise funds. For additional information related to the net pension liability see Note 19.

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

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

A line of credit has been established with the Ohio Water Development Authority in the amount of \$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, 2016 is \$173,433.

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 30.25 percent of net revenues. The total principal and interest remaining to be paid on the debt is \$2,733,337. Principal and interest paid for the current year and total net revenues were \$222,695 and \$736,198 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 35.01 percent of net revenues. The total principal and interest remaining to be paid on the debt is \$3,809,265. Principal and interest paid for the current year and total net revenues were \$346,905 and \$990,792 respectively.

The City's overall legal debt margin was \$17,325,326 with an unvoted debt margin of \$8,033,494 at December 31, 2016. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2016, are as follows:

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
For The Year Ended December 31, 2016

<i>Governmental Activities</i>							
	General Obligation Bonds		Special Assessment Loans		Loans Payable		OPWC Loans
	Principal	Interest	Principal	Interest	Principal	Interest	Principal
2016	\$227,593	\$37,218	\$52,488	\$6,521	\$143,778	\$14,515	\$2,293
2017	233,468	30,283	54,397	4,612	106,039	9,982	2,293
2018	134,960	23,183	44,042	2,755	66,539	7,215	2,293
2019	138,014	19,015	45,596	1,201	52,760	5,177	2,294
2020	140,120	14,762	0	0	54,365	3,572	2,294
2021-2025	365,182	20,347	0	0	89,478	2,253	9,097
2026-2030	0	0	0	0	0	0	3,560
2031-2034	0	0	0	0	0	0	1,068
<b>Total</b>	<b>\$1,239,337</b>	<b>\$144,808</b>	<b>\$196,523</b>	<b>\$15,089</b>	<b>\$512,959</b>	<b>\$42,714</b>	<b>\$25,192</b>

<i>Business-Type Activities</i>							
	Special Assessment OWDA Loans		OWDA Loans		OPWC Loans	General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Principal	Interest
2017	\$15,432	\$1,711	\$326,153	\$141,887	\$48,319	\$82,048	\$6,647
2018	16,008	1,134	312,995	132,026	48,319	84,330	4,172
2019	9,668	605	323,098	122,355	48,319	12,846	1,630
2020	10,009	263	333,527	112,372	48,319	13,046	1,232
2021	0	0	344,293	102,068	38,695	13,259	828
2022-2026	0	0	1,730,971	354,358	123,783	13,466	417
2027-2031	0	0	780,514	151,191	102,257	0	0
2032-2035	0	0	420,459	27,370	43,011	0	0
<b>Total</b>	<b>\$51,117</b>	<b>\$3,713</b>	<b>\$4,572,010</b>	<b>\$1,143,627</b>	<b>\$501,022</b>	<b>\$218,995</b>	<b>\$14,926</b>

<i>Business-Type Activities</i>		
Loans Payable		
	Principal	Interest
2017	\$54,958	\$12,945
2018	30,666	3,526
2019	30,665	2,244
2020	0	0
<b>Total</b>	<b>\$116,289</b>	<b>\$18,715</b>

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2016*

**Note 18 – Capital Lease**

During 2016, the City entered into a capitalized lease for police vehicles and a Kubota tractor. This lease meets the criteria for a capital lease and has been recorded on the governmental-wide statements. The original amount capitalized for the capital lease and the book value as of December 31, 2016 for governmental activities follows:

	Governmental Activities
Asset:	
Kubota Tractor	\$ 43,505
Police Vehicles	233,535
Less: Accumulated depreciation	(75,661)
Current Book Value	\$201,379

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
2017	\$93,989
2018	98,762
2019	31,663
Total	224,414
Less: Amount Representing Interest	(9,192)
Present Value of Net Minimum Lease Payments	\$215,222

**Note 19 - Defined Benefit Pension Plans**

***Net Pension Liability***

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

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



**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2016*

---

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

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

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

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

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

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

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
For The Year Ended December 31, 2016

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

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

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

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

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

	State and Local
<b>2016 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee	10.0 %
<b>2016 Actual Contribution Rates</b>	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	2.0
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$337,899 for 2016. Of this amount, \$37,403 is reported as an intergovernmental payable.

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2016*

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

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

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

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 OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three per-cent 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:

	<u>Police</u>	<u>Firefighters</u>
<b>2016 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
<b>2016 Actual Contribution Rates</b>		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50</u>	<u>0.50</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	12.25 %	12.25 %

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2016*

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$346,650 for 2016. Of this amount \$36,623 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, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2015, and was determined by rolling forward the total pension liability as of January 1, 2015, to December 31, 2015. 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>OP&amp;F</u>	
Proportion of the Net Pension Liability:			
Current Measurement Date	0.02178200%	0.07869500%	
Prior Measurement Date	<u>0.02104400%</u>	<u>0.07675840%</u>	
Change in Proportionate Share	<u>0.00073800%</u>	<u>0.00193660%</u>	
			<u>Total</u>
Proportionate Share of the Net Pension Liability	\$3,772,918	\$5,062,505	\$8,835,423
Pension Expense	\$556,091	\$703,114	\$1,259,205

At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Net difference between projected and actual earnings on pension plan investments	\$1,109,002	\$823,981	\$1,932,983
Changes in proportion and differences between City contributions and proportionate share of contributions	67,270	80,489	147,759
City contributions subsequent to the measurement date	<u>337,899</u>	<u>346,650</u>	<u>684,549</u>
Total Deferred Outflows of Resources	<u>\$1,514,171</u>	<u>\$1,251,120</u>	<u>\$2,765,291</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$72,900	\$14,215	\$87,115
Net difference between projected and actual earnings on pension plan investments	<u>8,542</u>	<u>0</u>	<u>8,542</u>
Total Deferred Inflows of Resources	<u>\$81,442</u>	<u>\$14,215</u>	<u>\$95,657</u>

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2016*

\$684,549 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:

Year Ending December 31:	OPERS	OP&F	Total
2017	\$269,649	\$229,747	\$499,396
2018	287,382	229,747	517,129
2019	286,836	229,747	516,583
2020	250,963	182,561	433,524
2021	0	15,509	15,509
Thereafter	0	2,944	2,944
Total	\$1,094,830	\$890,255	\$1,985,085

***Actuarial Assumptions – OPERS***

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2015, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuations are presented below.

Wage Inflation	3.75 percent
Future Salary Increases, including inflation COLA or Ad Hoc COLA:	4.25 to 10.05 percent including wage inflation
Pre-January 7, 2013 Retirees	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.8 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.

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2016*

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 0.4 percent for 2015.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2015 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	23.00 %	2.31 %
Domestic Equities	20.70	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	18.30	7.40
Other investments	18.00	4.59
Total	<u>100.00 %</u>	<u>5.27 %</u>

**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 contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** The following table presents the City's proportionate share of the net pension liability calculated using the current period discount rate assumption of 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:

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2016*

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$6,011,179	\$3,772,918	\$1,885,014

***Changes between Measurement Date and Report Date***

In October 2016, the OPERS Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of December 31, 2016. The most significant change is a reduction in the discount rate from 8.0 percent to 7.5 percent. Although the exact amount of these changes is not known, the impact to the City's net pension liability is expected to be significant.

***Actuarial Assumptions – OPF***

OP&F's total pension liability as of December 31, 2015, is based on the results of an actuarial valuation date of January 1, 2015, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2015, are presented below:

Valuation Date	January 1, 2015
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, simple

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2015, are summarized below:

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
For The Year Ended December 31, 2016

Asset Class	Target Allocation	10 Year Expected Real Rate of Return**	30 Year Expected Real Rate of Return**
Cash and Cash Equivalents	- %	0.00 %	0.00 %
Domestic Equity	16.00	6.50	7.80
Non-US Equity	16.00	6.70	8.00
Core Fixed Income *	20.00	3.50	5.35
Global Inflation Protected Securities*	20.00	3.50	4.73
High Yield	15.00	6.35	7.21
Real Estate	12.00	5.80	7.43
Private Markets	8.00	9.50	10.73
Timber	5.00	6.55	7.35
Master Limited Partnerships	8.00	9.65	10.75
Total	<u>120.00 %</u>		

Note: Assumptions are geometric.

\* levered 2x

\*\* Numbers are net of expected inflation

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

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

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

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$6,676,765	\$5,062,505	\$3,695,067



## **Note 20 - Postemployment Benefits**

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

Plan Description – The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional 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.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2016, state and local employers contributed at a rate of 14 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.

At the beginning of 2016, OPERS maintained three health care trusts. The two cost-sharing, multiple employer trusts, the 401(h) Health Care Trust (401(h) Trust), and the 115 Health Care Trust (115 Trust), worked together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. Each year, the OPERS Board of Trustees determines the portion of the employer contributions rate that will be set aside to fund health care plans. 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 the Traditional Pension and Combined 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 third trust is a Voluntary Employee's Beneficiary Association (VEBA) Trust that provides funding for a Retiree Medical Account (RMA) for Member-Directed Plan members. The employer contribution as a percentage of covered payroll deposited to the RMAs for 2016 was 4.0 percent.

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2016*

---

In March 2016, OPERS received two favorable rulings from the IRS allowing OPERS to consolidate all health care assets into the 115 Trust. Transition to the new health care trust structure occurred during 2016. OPERS Combining Statements of Changes in Fiduciary Net Position for the year ended December 31, 2016, will reflect a partial year of activity in the 401(h) Trust and VEBA Trust prior to the termination of these trusts as of end of business day June 30, 2016, and the assets and liabilities, or net position, of these trusts being consolidated into the 115 Trust on July 1, 2016.

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, 2016, 2015, and 2014 was \$56,316, \$54,218, and \$45,993, respectively. For 2016, 88.93 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2015 and 2014.

***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](http://www.opf.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OPF defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units. Active members do not make contributions to the OPEB Plan.

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 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 2016, the portion of employer contributions allocated to health care was .5 percent of covered payroll. The amount of employer contributions allocated to 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).

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2016*

---

The OPF Board of Trustees is also authorized to established 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 contribution to OPF for the years ended December 31, 2016, 2015, and 2014 for police and firefighters were \$212,377 and \$142,692, \$196,025 and \$147,974, and \$184,009 and \$137,220, respectively, of which \$5,446 and \$2,973, \$5,026 and \$3,083, and \$4,830 and \$2,926, respectively, was allocated to the healthcare plan. For 2016, 89.28 percent for police and 89.67 percent for firefighters has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2015 and 2014.

### **Note 21 – Jointly Governed Organization**

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

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

NOPEC is governed by General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight-member NOPEC Board of Directors. The Board has total control over budgeting, personnel and all other financial matters. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The City of Conneaut did not contribute to NOPEC during 2016. Financial information can be obtained by contacting Ronald McVoy, Chairman, 31320 Solon Road, Suite 20, Solon, Ohio 11120.

### **Note 22 – Related Party Transactions**

The Conneaut Port Authority, a component unit of the City of Conneaut, owes the City \$150,000 as of December 31, 2016 for a marina improvement note issued by the City. During 2016, The Port Authority paid the City \$183,632, the amount of the principal and interest on the note. The financial statements reflect \$150,000 in 'Loans Receivable from Component Unit'.

### **Note 23 - Contingencies**

#### ***Grants***

The City receives financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2016.

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2016*

---

***Litigation***

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

**Note 24 – Encumbrances**

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

Governmental Funds		Proprietary Funds	
General	\$49,416	Water	\$111,695
Street Construction, Maintenance and Repair	21,215	Sewer	290,974
Other Governmental Funds	15,401	Total Proprietary Funds	\$402,669
Total	\$86,032		

**Note 25 – Subsequent Events**

On June 15, 2017, the City retired \$150,000 in general obligation bond anticipation notes and issued \$120,000 in new notes. The new notes have a maturity date of June 15, 2018 and an interest rate of 1.92 percent.

**Note 26 – Conneaut Port Authority**

***Description of Reporting Entity***

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

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

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2016*

---

---

***Summary of Significant Accounting Policies***

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

***Basis of Presentation***

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

***Measurement Focus***

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

***Basis of Accounting***

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

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

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

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

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

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

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2016*

---

---

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 2016, the Port Authority maintained no investment accounts.

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

***Inventory***

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

***Capital Assets***

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

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

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

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

***Net Position***

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

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2016*

---

---

***Operating Revenues***

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

***Estimates***

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

***Change in Accounting Principles***

For 2016, the Port Authority implemented Governmental Accounting Standards Board (GASB) Statement No. 72, "Fair Value Measurement and Application", GASB Statement No. 73, "Accounting and Financial Reporting for Pensions and Related Assets that are not within the scope of GASB 68, and Amendments to Certain Provisions of GASB Statements 67 and 68," GASB Statement No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments", GASB Statement No. 77, "Tax Abatement Disclosures", and GASB Statement No. 82, "Pension Issues an Amendment of GASB Statements No. 67, No. 68 and No. 73".

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurements. The Statement provides guidance for determining a fair value measurement for financial reporting purposes for applying fair value to certain investments and disclosures related to all fair value measurements. The implementation of this GASB pronouncement did not result in any changes to the Port Authority's financial statements.

GASB Statement No. 73 establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, Accounting and Financial Reporting for Pensions, as well as for the assets accumulated for purposes of providing those pensions. It also amends certain provisions of Statement No. 67, Financial Reporting for Pension Plans, and Statement 68. The implementation of this GASB pronouncement did not result in any changes to the Port Authority's financial statements.

GASB Statement No. 76 reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The Statement supersedes Statement No. 55, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments". The implementation of this GASB pronouncement did not result in any changes to the Port Authority's financial statements.

GASB Statement No. 77 gives users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature of tax abatements will make these transactions more transparent to financial statement users. The implementation of this GASB pronouncement did not result in any changes to the Port Authority's financial statements.

GASB Statement No. 82 improves consistency in the application of pension accounting. These changes were incorporated in the Port Authority's fiscal year 2016 financial statements; however, there was no effect on beginning net position.

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
For The Year Ended December 31, 2016

***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 \$64,277 was covered by federal depository insurance.

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

***Capital Assets***

Capital asset activity for the fiscal year ended December 31, 2016 was as follows:

	Balance 12/31/2015	Additions	Deductions	Balance 12/31/2016
<b><i>Capital Assets not being Depreciated:</i></b>				
Land	\$38,496	\$36,217	\$0	\$74,713
Land Improvements	31,021	0	0	31,021
Construction in Progress	80,012	5,000	(25,000)	60,012
<b><i>Capital Assets not being Depreciated</i></b>	<b>149,529</b>	<b>41,217</b>	<b>(25,000)</b>	<b>165,746</b>
<b><i>Capital Assets being Depreciated:</i></b>				
Buildings and Improvements	2,524,430	61,241	(1,200)	2,584,471
Dock Improvements	1,157,085	74,019	0	1,231,104
Vehicles	16,823	0	0	16,823
Machinery and Equipment	142,607	0	(5,246)	137,361
<b><i>Total Capital Assets being Depreciated</i></b>	<b>3,840,945</b>	<b>135,260</b>	<b>(6,446)</b>	<b>3,969,759</b>
<b><i>Less Accumulated Depreciation:</i></b>				
Buildings and Improvements	(2,297,862)	(21,332)	0	(2,319,194)
Dock Improvements	(300,894)	(52,615)	0	(353,509)
Vehicles	(13,657)	(2,000)	0	(15,657)
Machinery and Equipment	(120,736)	(8,452)	6,446	(122,742)
<b><i>Total Accumulated Depreciation</i></b>	<b>(2,733,149)</b>	<b>(84,399)</b>	<b>6,446</b>	<b>(2,811,102)</b>
<b>Total Capital Assets being Depreciated, Net</b>	<b>1,107,796</b>	<b>50,861</b>	<b>0</b>	<b>1,158,657</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$1,257,325</b>	<b>\$92,078</b>	<b>(\$25,000)</b>	<b>\$1,324,403</b>

***Leases***

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

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



**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2016*

---

***Long-Term Obligations***

The Port Authority is liable for a note payable to the City of Conneaut. A \$150,000 note was issued on November 18, 2016 with an interest rate of 1.99 percent.

***Line of Credit***

The Port Authority also has a line of credit established with Conneaut Savings Bank in the amount of \$350,000, with a variable interest rate; currently 3 percent. At December 31, 2016, there is no balance due on this line of credit.

***Net Pension Liability***

The Conneaut Port Authority participates in the Ohio Public Employee Retirement System (OPERS). See Note 19. The Conneaut Port Authority required contributions to OPERS in the amount of \$19,252 for 2016. Of this amount, \$660 is reported as an intergovernmental payable.

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

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

	OPERS
Proportionate Share of the Net Pension Liability	\$185,898
Proportion of the Net Pension Liability	0.00241700%
Pension Expense	\$26,556

At December 31, 2016, the Port Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS
<b>Deferred Outflows of Resources</b>	
Net difference between projected and actual earnings on pension plan investments	\$55,116
Changes in proportion and differences between Port Authority contributions and proportionate share of contributions	10,608
Port Authority contributions subsequent to the measurement date	19,252
Total Deferred Outflows of Resources	\$84,976
<b>Deferred Inflows of Resources</b>	
Differences between expected and actual experience	\$3,903

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2016*

\$19,252 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
2017	\$11,975
2018	11,975
2019	11,975
2020	12,922
2021	12,974
Total	\$61,821

***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	\$297,206	\$185,898	\$92,038

***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, 2016, 2015 and 2014 were \$3,243, \$2,835 and \$2,428, respectively. The full amount has been contributed for 2015 and 2014, 97 percent has been contributed for 2016 with the remainder being reported as an intergovernmental payable.

***Risk Management***

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

The Port Authority insures against injuries to employees through the Ohio Bureau of Worker’s Compensation.

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

**City of Conneaut, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2016*

---

---

**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, 2016, PEP retained \$350,000 for casualty claims and \$100,000 for property claims.

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

**Financial Position** PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2016 and 2015.

	<u>2016</u>	<u>2015</u>
Assets	\$42,182,281	\$38,307,677
Liabilities	<u>(13,396,700)</u>	<u>(12,759,127)</u>
Net Position	<u>\$28,785,581</u>	<u>\$25,548,550</u>

At December 31, 2016 and 2015, respectively, the liabilities above include approximately \$12.0 million and \$11.5 million of estimated incurred claims payable. The assets above also include approximately \$11.5 million and \$11.0 million of unpaid claims to be billed to approximately 520 and 499 member governments in the future, as of December 31, 2016 and 2015, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2016, the Port Authority's share of these unpaid claims collectible in future years is approximately \$11,000.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed 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 2016, 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.

**Grants**

Amounts grantor agencies pay to the Port Authority are subject to audit and adjustment by the grantor, principally the Federal government. Grantors may require refunding any disallowed cost or excess reserve balances. Management cannot presently determine amounts grantors may disallow or recapture. However, based on prior experience, management believes any such disallowed claims or recapture amounts would not have a material adverse effect on the overall financial position at December 31, 2016.

**Litigation and Claims**

In the normal course of operations, the Port Authority may be subject to litigation and claims. At December 31, 2016, the Port Authority was not aware of any such matters that would have a material effect on the financial statements.

## **Required Supplementary Information**

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

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

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

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

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

	2016	2015	2014
City's Proportion of the Net Pension Liability	0.07869500%	0.07675840%	0.07675840%
City's Proportionate Share of the Net Pension Liability	\$5,062,505	\$3,976,405	\$3,738,375
City's Covered Payroll	\$1,621,815	\$1,552,383	\$1,524,286
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	312.15%	256.15%	245.25%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.20%	72.20%	73.00%

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

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

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

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

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

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$346,650	\$335,890	\$321,229	\$267,948
Contributions in Relation to the Contractually Required Contribution	<u>(346,650)</u>	<u>(335,890)</u>	<u>(321,229)</u>	<u>(267,948)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$1,683,660	\$1,621,815	\$1,552,383	\$1,524,286
Contributions as a Percentage of Covered Payroll:	20.59%	20.71%	20.69%	17.58%



<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$208,758	\$200,873	\$210,141	\$207,441	\$214,083	\$224,183
<u>(208,758)</u>	<u>(200,873)</u>	<u>(210,141)</u>	<u>(207,441)</u>	<u>(214,083)</u>	<u>(224,183)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,440,692	\$1,394,499	\$1,467,373	\$1,431,072	\$1,464,770	\$1,535,137
14.49%	14.40%	14.32%	14.50%	14.62%	14.60%

---

## 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.

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

(continued)

## Fund Descriptions – Nonmajor Governmental Funds (continued)

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

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

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

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

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

***Grade Crossing Project Fund*** The Grade Crossing Project fund accounts for and reports restricted grant monies received for street warning signs and pavement markings.

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

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

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

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

### *Nonmajor Debt Service Funds*

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

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

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

(continued)

## Fund Descriptions – Nonmajor Governmental Funds (continued)

### *Nonmajor Capital Projects Funds*

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

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

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

***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.

***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.

***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, 2016*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and				
Cash Equivalents	\$351,483	\$200,058	\$428,165	\$979,706
Accounts Receivable	1,526	0	20,292	21,818
Intergovernmental Receivable	134,793	0	12,921	147,714
Municipal Income Taxes Receivable	13,510	0	11,260	24,770
Property Taxes Receivable	898,318	0	516,504	1,414,822
Loans Receivable from Component Unit	150,000	0	0	150,000
Special Assessments Receivable	0	290,443	0	290,443
<i>Total Assets</i>	<u>\$1,549,630</u>	<u>\$490,501</u>	<u>\$989,142</u>	<u>\$3,029,273</u>
<b>Liabilities</b>				
Accounts Payable	\$17,284	\$0	\$4,984	\$22,268
Contracts Payable	2,538	0	0	2,538
Accrued Wages	832	0	0	832
Intergovernmental Payable	34,760	0	0	34,760
Interfund Payable	0	72,907	0	72,907
Accrued Interest Payable	359	0	0	359
Notes Payable	150,000	0	0	150,000
<i>Total Liabilities</i>	<u>205,773</u>	<u>72,907</u>	<u>4,984</u>	<u>283,664</u>
<b>Deferred Inflows of Resources</b>				
Property Taxes	799,786	0	459,794	1,259,580
Unavailable Revenue	214,205	290,443	75,030	579,678
<i>Total Deferred Inflows of Resources</i>	<u>1,013,991</u>	<u>290,443</u>	<u>534,824</u>	<u>1,839,258</u>
<b>Fund Balances</b>				
Restricted	267,475	200,058	424,375	891,908
Committed	95,402	0	24,959	120,361
Unassigned (Deficit)	(33,011)	(72,907)	0	(105,918)
<i>Total Fund Balances</i>	<u>329,866</u>	<u>127,151</u>	<u>449,334</u>	<u>906,351</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$1,549,630</u>	<u>\$490,501</u>	<u>\$989,142</u>	<u>\$3,029,273</u>

**City of Conneaut, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Year Ended December 31, 2016*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Property Taxes	\$820,680	\$100,272	\$472,588	\$1,393,540
Municipal Income Taxes	53,669	0	44,880	98,549
Special Assessments	0	101,141	0	101,141
Intergovernmental	285,854	14,927	35,765	336,546
Fees, Licenses and Permits	172,409	0	0	172,409
Fines and Forfeitures	9,623	0	85,460	95,083
Rentals	45,875	0	0	45,875
Charges for Services	3,600	0	0	3,600
Contributions and Donations	3,485	0	0	3,485
Interest	969	0	0	969
Other	2,699	0	0	2,699
<i>Total Revenues</i>	<u>1,398,863</u>	<u>216,340</u>	<u>638,693</u>	<u>2,253,896</u>
<b>Expenditures</b>				
Current:				
General Government	0	4,977	0	4,977
Security of Persons and Property	941,889	0	0	941,889
Leisure Time Activities	40,440	0	0	40,440
Community Development	59,462	0	0	59,462
Basic Utility Services	162,842	0	0	162,842
Transportation	167,922	0	0	167,922
Capital Outlay	0	0	615,544	615,544
Debt Service:				
Principal Retirement	32,817	193,773	15,333	241,923
Interest and Fiscal Charges	6,206	16,868	2,321	25,395
<i>Total Expenditures</i>	<u>1,411,578</u>	<u>215,618</u>	<u>633,198</u>	<u>2,260,394</u>
<i>Excess of Revenues Under Expenditures</i>	(12,715)	722	5,495	(6,498)
<b>Other Financing Sources</b>				
Transfers In	60,750	0	0	60,750
<i>Net Change in Fund Balances</i>	48,035	722	5,495	54,252
<i>Fund Balances Beginning of Year</i>	<u>281,831</u>	<u>126,429</u>	<u>443,839</u>	<u>852,099</u>
<i>Fund Balances End of Year</i>	<u><u>\$329,866</u></u>	<u><u>\$127,151</u></u>	<u><u>\$449,334</u></u>	<u><u>\$906,351</u></u>

**City of Conneaut, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2016*

	Auto Permissive Tax	State Highway	Restaurant Vending	Marina	Enforcement and Education
<b>Assets</b>					
Equity in Pooled Cash and					
Cash Equivalents	\$5,944	\$930	\$6,453	\$8,504	\$9,935
Accounts Receivable	0	0	0	0	150
Intergovernmental Receivable	69,222	17,241	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	150,000	0
<i>Total Assets</i>	<u>\$75,166</u>	<u>\$18,171</u>	<u>\$6,453</u>	<u>\$158,504</u>	<u>\$10,085</u>
<b>Liabilities</b>					
Accounts Payable	\$0	\$0	\$0	\$0	\$0
Contracts Payable	0	0	0	0	0
Accrued Wages	0	0	0	0	0
Intergovernmental Payable	0	0	0	0	0
Accrued Interest Payable	0	0	0	359	0
Notes Payable	0	0	0	150,000	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>150,359</u>	<u>0</u>
<b>Deferred Inflows of Resources</b>					
Property Taxes	0	0	0	0	0
Unavailable Revenue	49,233	11,632	0	0	0
<i>Total Deferred Inflows of Resources</i>	<u>49,233</u>	<u>11,632</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>					
Restricted	25,933	6,539	6,453	8,145	10,085
Committed	0	0	0	0	0
Unassigned (Deficit)	0	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>25,933</u>	<u>6,539</u>	<u>6,453</u>	<u>8,145</u>	<u>10,085</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$75,166</u>	<u>\$18,171</u>	<u>\$6,453</u>	<u>\$158,504</u>	<u>\$10,085</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>
\$53,629	\$54,187	\$15,728	\$19,528	\$21,611	\$10,832	\$2,751
557	0	0	0	75	0	744
0	0	21,914	7,075	0	0	0
0	0	0	0	0	0	0
0	0	267,695	349,092	0	0	0
0	0	0	0	0	0	0
<u>\$54,186</u>	<u>\$54,187</u>	<u>\$305,337</u>	<u>\$375,695</u>	<u>\$21,686</u>	<u>\$10,832</u>	<u>\$3,495</u>
\$0	\$202	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0
0	832	0	0	0	0	0
0	646	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>0</u>	<u>1,680</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	231,318	318,081	0	0	0
0	0	58,291	38,086	0	0	0
<u>0</u>	<u>0</u>	<u>289,609</u>	<u>356,167</u>	<u>0</u>	<u>0</u>	<u>0</u>
54,186	52,507	15,728	19,528	21,686	10,832	3,495
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>54,186</u>	<u>52,507</u>	<u>15,728</u>	<u>19,528</u>	<u>21,686</u>	<u>10,832</u>	<u>3,495</u>
<u>\$54,186</u>	<u>\$54,187</u>	<u>\$305,337</u>	<u>\$375,695</u>	<u>\$21,686</u>	<u>\$10,832</u>	<u>\$3,495</u>

(continued)

**City of Conneaut, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (continued)*  
*December 31, 2016*

	<u>Street Lighting</u>	<u>Community Housing</u>	<u>Local Innovation Grant</u>	<u>Recreation</u>
<b>Assets</b>				
Equity in Pooled Cash and				
Cash Equivalents	\$0	\$32,358	\$0	\$94,247
Accounts Receivable	0	0	0	0
Intergovernmental Receivable	0	0	0	0
Municipal Income Taxes Receivable	7,318	0	0	6,192
Property Taxes Receivable	0	0	0	0
Loans Receivable from Component Unit	0	0	0	0
<i>Total Assets</i>	<u>\$7,318</u>	<u>\$32,358</u>	<u>\$0</u>	<u>\$100,439</u>
<b>Liabilities</b>				
Accounts Payable	\$15,042	\$0	\$0	\$2,040
Contracts Payable	0	0	2,538	0
Accrued Wages	0	0	0	0
Intergovernmental Payable	0	0	0	28
Accrued Interest Payable	0	0	0	0
Notes Payable	0	0	0	0
<i>Total Liabilities</i>	<u>15,042</u>	<u>0</u>	<u>2,538</u>	<u>2,068</u>
<b>Deferred Inflows of Resources</b>				
Property Taxes	0	0	0	0
Unavailable Revenue	3,509	0	0	2,969
<i>Total Deferred Inflows of Resources</i>	<u>3,509</u>	<u>0</u>	<u>0</u>	<u>2,969</u>
<b>Fund Balances</b>				
Restricted	0	32,358	0	0
Committed	0	0	0	95,402
Unassigned (Deficit)	(11,233)	0	(2,538)	0
<i>Total Fund Balances (Deficit)</i>	<u>(11,233)</u>	<u>32,358</u>	<u>(2,538)</u>	<u>95,402</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$7,318</u>	<u>\$32,358</u>	<u>\$0</u>	<u>\$100,439</u>

Police Pension	Fire Pension	Total Nonmajor Special Revenue Funds
\$4,879	\$9,967	\$351,483
0	0	1,526
10,679	8,662	134,793
0	0	13,510
155,446	126,085	898,318
0	0	150,000
<u>\$171,004</u>	<u>\$144,714</u>	<u>\$1,549,630</u>
\$0	\$0	\$17,284
0	0	2,538
0	0	832
19,346	14,740	34,760
0	0	359
0	0	150,000
<u>19,346</u>	<u>14,740</u>	<u>205,773</u>
138,250	112,137	799,786
27,875	22,610	214,205
<u>166,125</u>	<u>134,747</u>	<u>1,013,991</u>
0	0	267,475
0	0	95,402
(14,467)	(4,773)	(33,011)
<u>(14,467)</u>	<u>(4,773)</u>	<u>329,866</u>
<u>\$171,004</u>	<u>\$144,714</u>	<u>\$1,549,630</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, 2016*

	Auto Permissive Tax	State Highway	Restaurant Vending	Marina	Enforcement and Education
<b>Revenues</b>					
Property Taxes	\$0	\$0	\$0	\$0	\$0
Municipal Income Taxes	0	0	0	0	0
Intergovernmental	134,075	34,723	0	3,552	0
Fees, Licenses and Permits	0	0	23,746	480	0
Fines and Forfeitures	0	0	0	0	1,067
Rentals	0	0	0	0	0
Charges for Services	0	0	0	0	0
Contributions and Donations	0	0	0	0	0
Interest	17	5	0	0	0
Other	0	0	0	0	0
<i>Total Revenues</i>	<u>134,092</u>	<u>34,728</u>	<u>23,746</u>	<u>4,032</u>	<u>1,067</u>
<b>Expenditures</b>					
Current:					
Security of Persons and Property	0	0	0	0	0
Leisure Time Activities	0	0	0	0	0
Community Development	0	0	24,754	0	0
Basic Utility Services	0	0	0	0	0
Transportation	130,786	33,691	0	0	0
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	3,589	0
<i>Total Expenditures</i>	<u>130,786</u>	<u>33,691</u>	<u>24,754</u>	<u>3,589</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	3,306	1,037	(1,008)	443	1,067
<b>Other Financing Sources</b>					
Transfers In	0	0	0	0	0
<i>Net Change in Fund Balances</i>	3,306	1,037	(1,008)	443	1,067
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>22,627</u>	<u>5,502</u>	<u>7,461</u>	<u>7,702</u>	<u>9,018</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$25,933</u></u>	<u><u>\$6,539</u></u>	<u><u>\$6,453</u></u>	<u><u>\$8,145</u></u>	<u><u>\$10,085</u></u>

Indigent Drivers	Cemetery	Police Levy	Fire Levy	Indigent Monitoring	Law Enforcement Trust	Municipal Probation Services
\$0	\$0	\$303,197	\$258,400	\$0	\$0	\$0
0	0	0	0	0	0	0
0	0	43,579	14,069	0	0	0
0	16,920	0	0	0	0	0
1,448	0	0	0	573	4,340	2,195
0	0	0	0	0	0	0
0	3,600	0	0	0	0	0
0	0	0	0	0	0	0
0	907	0	0	0	0	0
0	262	0	0	593	0	0
<u>1,448</u>	<u>21,689</u>	<u>346,776</u>	<u>272,469</u>	<u>1,166</u>	<u>4,340</u>	<u>2,195</u>
0	0	314,651	275,587	0	0	0
0	0	0	0	0	0	0
0	25,677	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	32,817	0	0	0	0
0	0	2,617	0	0	0	0
<u>0</u>	<u>25,677</u>	<u>350,085</u>	<u>275,587</u>	<u>0</u>	<u>0</u>	<u>0</u>
1,448	(3,988)	(3,309)	(3,118)	1,166	4,340	2,195
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
1,448	(3,988)	(3,309)	(3,118)	1,166	4,340	2,195
<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>\$54,186</u>	<u>\$52,507</u>	<u>\$15,728</u>	<u>\$19,528</u>	<u>\$21,686</u>	<u>\$10,832</u>	<u>\$3,495</u>

(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, 2016*

	Moving Ohio Forward	Street Lighting	Tree Commission	Community Housing	Grade Crossing Project
<b>Revenues</b>					
Property Taxes	\$0	\$0	\$0	\$0	\$0
Municipal Income Taxes	0	28,954	0	0	0
Intergovernmental	0	0	0	13,429	3,445
Fees, Licenses and Permits	0	129,363	0	0	0
Fines and Forfeitures	0	0	0	0	0
Rentals	0	0	0	0	0
Charges for Services	0	0	0	0	0
Contributions and Donations	0	0	985	0	0
Interest	0	0	0	40	0
Other	0	1,714	0	0	0
<i>Total Revenues</i>	<u>0</u>	<u>160,031</u>	<u>985</u>	<u>13,469</u>	<u>3,445</u>
<b>Expenditures</b>					
Current:					
Security of Persons and Property	0	0	0	0	0
Leisure Time Activities	0	0	0	0	0
Community Development	4,758	0	1,735	0	0
Basic Utility Services	0	162,842	0	0	0
Transportation	0	0	0	0	3,445
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0
<i>Total Expenditures</i>	<u>4,758</u>	<u>162,842</u>	<u>1,735</u>	<u>0</u>	<u>3,445</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(4,758)	(2,811)	(750)	13,469	0
<b>Other Financing Sources</b>					
Transfers In	0	0	750	0	0
<i>Net Change in Fund Balances</i>	(4,758)	(2,811)	0	13,469	0
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>4,758</u>	<u>(8,422)</u>	<u>0</u>	<u>18,889</u>	<u>0</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$0</u></u>	<u><u>(\$11,233)</u></u>	<u><u>\$0</u></u>	<u><u>\$32,358</u></u>	<u><u>\$0</u></u>

Local Innovation Grant	Recreation	Police Pension	Fire Pension	Total Nonmajor Special Revenue Funds
\$0	\$0	\$143,052	\$116,031	\$820,680
0	24,715	0	0	53,669
0	0	21,524	17,458	285,854
0	1,900	0	0	172,409
0	0	0	0	9,623
0	45,875	0	0	45,875
0	0	0	0	3,600
0	2,500	0	0	3,485
0	0	0	0	969
0	130	0	0	2,699
0	75,120	164,576	133,489	1,398,863
0	0	203,297	148,354	941,889
0	40,440	0	0	40,440
2,538	0	0	0	59,462
0	0	0	0	162,842
0	0	0	0	167,922
0	0	0	0	32,817
0	0	0	0	6,206
2,538	40,440	203,297	148,354	1,411,578
(2,538)	34,680	(38,721)	(14,865)	(12,715)
0	0	40,000	20,000	60,750
(2,538)	34,680	1,279	5,135	48,035
0	60,722	(15,746)	(9,908)	281,831
(\$2,538)	\$95,402	(\$14,467)	(\$4,773)	\$329,866

**City of Conneaut, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Debt Service Funds*  
*December 31, 2016*

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$200,058	\$0	\$200,058
Special Assessments Receivable	0	290,443	290,443
<i>Total Assets</i>	<u>\$200,058</u>	<u>\$290,443</u>	<u>\$490,501</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Interfund Payable	\$0	\$72,907	\$72,907
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue	0	290,443	290,443
<b>Fund Balances</b>			
Restricted	200,058	0	200,058
Unassigned (Deficit)	0	(72,907)	(72,907)
<i>Total Fund Balances (Deficit)</i>	<u>200,058</u>	<u>(72,907)</u>	<u>127,151</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$200,058</u>	<u>\$290,443</u>	<u>\$490,501</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, 2016*

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
<b>Revenues</b>			
Property Taxes	\$100,272	\$0	\$100,272
Special Assessments	0	101,141	101,141
Intergovernmental	14,927	0	14,927
<i>Total Revenues</i>	<u>115,199</u>	<u>101,141</u>	<u>216,340</u>
<b>Expenditures</b>			
Current:			
General Government	1,953	3,024	4,977
Debt Service:			
Principal Retirement	94,742	99,031	193,773
Interest and Fiscal Charges	8,739	8,129	16,868
<i>Total Expenditures</i>	<u>105,434</u>	<u>110,184</u>	<u>215,618</u>
<i>Net Change in Fund Balances</i>	9,765	(9,043)	722
<i>Fund Balances (Deficit)</i>			
<i>Beginning of Year</i>	<u>190,293</u>	<u>(63,864)</u>	<u>126,429</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$200,058</u></u>	<u><u>(\$72,907)</u></u>	<u><u>\$127,151</u></u>

**City of Conneaut, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*December 31, 2016*

	Street Improvement	Municipal Court Improvement	Capital Improvement
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$55,356	\$352,960	\$19,098
Accounts Receivable	0	20,292	0
Intergovernmental Receivable	12,921	0	0
Municipal Income Taxes Receivable	0	0	11,260
Property Taxes Receivable	516,504	0	0
<i>Total Assets</i>	<u>\$584,781</u>	<u>\$373,252</u>	<u>\$30,358</u>
<b>Liabilities</b>			
Accounts Payable	\$1,663	\$3,321	\$0
<b>Deferred Inflows of Resources</b>			
Property Taxes	459,794	0	0
Unavailable Revenue	69,631	0	5,399
<i>Total Deferred Inflows of Resources</i>	<u>529,425</u>	<u>0</u>	<u>5,399</u>
<b>Fund Balances</b>			
Restricted	53,693	369,931	0
Committed	0	0	24,959
<i>Total Fund Balances</i>	<u>53,693</u>	<u>369,931</u>	<u>24,959</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$584,781</u>	<u>\$373,252</u>	<u>\$30,358</u>

Industrial Park	Total Nonmajor Capital Projects Funds
\$751	\$428,165
0	20,292
0	12,921
0	11,260
0	516,504
<u>\$751</u>	<u>\$989,142</u>
<u>\$0</u>	<u>\$4,984</u>
0	459,794
0	75,030
0	534,824
751	424,375
0	24,959
751	449,334
<u>\$751</u>	<u>\$989,142</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, 2016*

	Street Improvement	Office of Justice Grant	Energy Improvement	Municipal Court Improvement
<b>Revenues</b>				
Property Taxes	\$472,588	\$0	\$0	\$0
Municipal Income Taxes	0	0	0	0
Intergovernmental	25,694	10,071	0	0
Fines and Forfeitures	0	0	0	85,460
<i>Total Revenues</i>	<u>498,282</u>	<u>10,071</u>	<u>0</u>	<u>85,460</u>
<b>Expenditures</b>				
Capital Outlay	480,221	10,071	1	83,342
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>480,221</u>	<u>10,071</u>	<u>1</u>	<u>83,342</u>
<i>Net Change in Fund Balances</i>	18,061	0	(1)	2,118
<i>Fund Balances Beginning of Year</i>	<u>35,632</u>	<u>0</u>	<u>1</u>	<u>367,813</u>
<i>Fund Balance End of Year</i>	<u><u>\$53,693</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$369,931</u></u>

Capital Improvement	Industrial Park	Center Road Bridge	Total Nonmajor Capital Projects Funds
\$0	\$0	\$0	\$472,588
44,880	0	0	44,880
0	0	0	35,765
0	0	0	85,460
44,880	0	0	638,693
19,409	0	22,500	615,544
15,333	0	0	15,333
2,321	0	0	2,321
37,063	0	22,500	633,198
7,817	0	(22,500)	5,495
17,142	751	22,500	443,839
\$24,959	\$751	\$0	\$449,334

## **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, 2016*

	Beginning Balance 12/31/15	Additions	Deductions	Ending Balance 12/31/16
<b><i>Deposits Fund</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$137,513	\$112,471	\$159,321	\$90,663
Cash and Cash Equivalents In Segregated Accounts	15,588	595,791	592,111	19,268
<b><i>Total Assets</i></b>	<b><u>\$153,101</u></b>	<b><u>\$708,262</u></b>	<b><u>\$751,432</u></b>	<b><u>\$109,931</u></b>
<b>Liabilities</b>				
Deposits Held and Due to Others	\$153,101	\$708,262	\$751,432	\$109,931

**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, 2016*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$319,800	\$319,800	\$318,531	(\$1,269)
Municipal Income Taxes	2,358,185	2,358,185	2,439,311	81,126
Hotel Taxes	18,000	18,000	24,138	6,138
Intergovernmental	407,602	407,602	465,707	58,105
Fees, Licenses and Permits	95,322	95,322	129,024	33,702
Fines and Forfeitures	204,150	204,150	154,107	(50,043)
Rentals	28,000	28,000	21,356	(6,644)
Charges for Services	405,000	405,000	422,619	17,619
Contributions and Donations	17,600	17,600	17,873	273
Investment Income	4,500	4,500	22,962	18,462
Franchise Taxes	140,000	140,000	165,071	25,071
Other	32,520	32,520	138,430	105,910
<i>Total Revenues</i>	4,030,679	4,030,679	4,319,129	288,450
<b>Expenditures</b>				
Current:				
General Government:				
Council				
Personal Services	51,800	51,800	51,205	595
Materials and Supplies	700	700	411	289
Contractual Services	5,200	6,200	4,911	1,289
Total Council	57,700	58,700	56,527	2,173
Clerk of Council				
Personal Services	8,046	8,096	7,703	393
City Manager				
Personal Services	120,360	120,360	114,553	5,807
Materials and Supplies	2,750	2,750	2,378	372
Contractual Services	3,400	3,400	3,400	0
Capital Outlay	4,032	4,782	2,375	2,407
Total City Manager	130,542	131,292	122,706	8,586
Finance Office				
Personal Services	251,480	253,568	251,031	2,537
Materials and Supplies	24,206	25,406	21,139	4,267
Contractual Services	3,505	3,505	3,294	211
Capital Outlay	2,000	2,000	862	1,138
Total Finance Office	\$281,191	\$284,479	\$276,326	\$8,153

(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, 2016*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Law Director				
Personal Services	\$156,730	\$185,811	\$181,403	\$4,408
Materials and Supplies	2,850	3,800	2,990	810
Contractual Services	5,585	7,385	4,545	2,840
Capital Outlay	5,000	6,630	6,431	199
Total Law Director	170,165	203,626	195,369	8,257
Civil Service				
Personal Services	5,470	5,470	5,366	104
Materials and Supplies	2,500	2,500	2,137	363
Contractual Services	1,885	1,885	1,724	161
Total Civil Service	9,855	9,855	9,227	628
Court				
Personal Services	351,040	361,740	339,995	21,745
Materials and Supplies	18,838	18,838	15,634	3,204
Contractual Services	23,541	30,541	18,076	12,465
Purchased Services	1,100	1,100	1,057	43
Capital Outlay	2,000	2,000	1,797	203
Total Court	396,519	414,219	376,559	37,660
City Hall				
Personal Services	5,520	7,020	6,560	460
Materials and Supplies	26,620	26,620	20,352	6,268
Contractual Services	8,000	8,000	8,000	0
Purchased Services	7,308	7,308	890	6,418
Capital Outlay	5,000	5,000	0	5,000
Total City Hall	52,448	53,948	35,802	18,146
Planning Commission				
Personal Services	5,200	5,200	2,540	2,660
Materials and Supplies	900	900	209	691
Total Planning Commission	6,100	6,100	2,749	3,351
Demolition				
Purchased Services	255	255	0	255
Reserve Fund				
Contractual Services	40,925	40,925	34,067	6,858
Purchased Services	69,197	72,197	67,185	5,012
Capital Outlay	60,000	72,000	63,784	8,216
Total Reserve Fund	\$170,122	\$185,122	\$165,036	\$20,086

(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, 2016*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Unclaimed Funds				
Other	\$3,000	\$3,000	\$0	\$3,000
General Services				
Materials and Supplies	0	2,000	0	2,000
Contractual Services	101,344	126,844	109,893	16,951
Capital Outlay	51,878	67,323	66,062	1,261
Other	147,283	101,509	95,403	6,106
Total General Services	300,505	297,676	271,358	26,318
Total General Government	1,586,448	1,656,368	1,519,362	137,006
Security of Persons and Property				
Police Department				
Personal Services	1,344,800	1,347,900	1,334,900	13,000
Materials and Supplies	88,126	88,126	61,132	26,994
Contractual Services	36,766	36,766	29,059	7,707
Purchased Services	31,971	31,971	18,512	13,459
Capital Outlay	144,469	193,659	192,712	947
Other	4,555	6,055	3,210	2,845
Total Police Department	1,650,687	1,704,477	1,639,525	64,952
Jail				
Materials and Supplies	3,000	3,500	2,994	506
Purchased Services	11,611	11,611	3,638	7,973
Capital Outlay	3,500	3,500	598	2,902
Other	6,100	7,100	3,209	3,891
Total Jail	24,211	25,711	10,439	15,272
Fire Department				
Personal Services	766,300	770,300	722,614	47,686
Materials and Supplies	56,502	55,902	49,699	6,203
Contractual Services	36,360	32,960	29,934	3,026
Purchased Services	62,731	63,731	54,461	9,270
Capital Outlay	256,003	258,003	256,330	1,673
Total Fire Department	1,177,896	1,180,896	1,113,038	67,858
Ambulance Fund				
Capital Outlay	1,700	1,700	0	1,700
Total Security of Persons and Property	\$2,854,494	\$2,912,784	\$2,763,002	\$149,782

(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, 2016*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Public Health Services:				
Health Department				
Personal Services	\$153,796	\$158,153	\$144,741	\$13,412
Materials and Supplies	4,558	4,558	3,878	680
Contractual Services	27,775	35,075	23,681	11,394
Purchased Services	11,600	11,600	10,566	1,034
Capital Outlay	0	1,500	1,488	12
Total Health Department	197,729	210,886	184,354	26,532
Street Lighting				
Purchased Services	0	10,615	4,311	6,304
Total Public Health Services	197,729	221,501	188,665	32,836
Leisure Time Activities:				
Museum Railroad				
Purchased Service	4,000	4,000	2,619	1,381
Bureau of Tourism				
Materials and Supplies	6,200	6,200	6,200	0
Contractual Services	2,000	2,000	2,000	0
Purchased Services	10,801	10,801	10,364	437
Total Bureau of Tourism	19,001	19,001	18,564	437
Cable Advisory Board				
Personal Services	23,067	23,067	22,500	567
Materials and Supplies	500	500	300	200
Contractual Services	350	350	59	291
Capital Outlay	13,436	13,436	13,404	32
Total Cable Advisory Board	37,353	37,353	36,263	1,090
Total Leisure Time Activities	60,354	60,354	57,446	2,908
Community Development:				
Housing and Zoning:				
Personal Services	58,745	66,745	60,359	6,386
Materials and Supplies	3,766	3,766	1,783	1,983
Contractual Services	1,000	1,000	1,000	0
Purchased Services	26,050	14,050	10,932	3,118
Total Community Development	\$89,561	\$85,561	\$74,074	\$11,487

(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, 2016*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Debt Service				
Principal Retirement	\$280,131	\$323,131	\$323,123	\$8
Interest and Fiscal Charges	28,336	39,049	38,204	845
Total Debt Service	308,467	362,180	361,327	853
<i>Total Expenditures</i>	5,097,053	5,298,748	4,963,876	334,872
<i>Excess of Revenues Under Expenditures</i>	(1,066,374)	(1,268,069)	(644,747)	623,322
<b>Other Financing Sources (Uses)</b>				
General Obligation Notes Issued	0	150,000	150,000	0
Capital Lease Issued	105,000	105,000	132,271	27,271
Advances In	120,472	120,472	120,472	0
Transfers Out	0	(215,750)	(70,750)	145,000
<i>Total Other Financing Sources (Uses)</i>	225,472	159,722	331,993	172,271
<i>Net Change in Fund Balance</i>	(840,902)	(1,108,347)	(312,754)	795,593
<i>Fund Balance Beginning of Year</i>	1,182,829	1,182,829	1,182,829	0
Prior Year Encumbrances Appropriated	286,615	286,615	286,615	0
<i>Fund Balance End of Year</i>	\$628,542	\$361,097	\$1,156,690	\$795,593

**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, 2016*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Municipal Income Taxes	\$533,001	\$533,001	\$551,502	\$18,501
Special Assessments	8,500	8,500	2,901	(5,599)
Intergovernmental	360,000	360,000	353,636	(6,364)
Fees, Licenses and Permits	95,000	95,000	120,173	25,173
Investment Income	100	100	102	2
Other	30,000	30,000	37,299	7,299
<i>Total Revenues</i>	1,026,601	1,026,601	1,065,613	39,012
<b>Expenditures</b>				
Current:				
Transportation:				
Street Department				
Personal Services	736,340	732,890	685,872	47,018
Materials and Supplies	232,829	228,649	173,747	54,902
Contractual Services	24,452	24,452	9,057	15,395
Purchased Services	110,343	110,343	80,257	30,086
Capital Outlay	26,054	69,604	60,037	9,567
Other	2,000	2,000	232	1,768
Total Transportation	1,132,018	1,167,938	1,009,202	158,736
Debt Service:				
Principal Retirement	127,346	128,938	128,933	5
Interest and Fiscal Charges	11,000	17,038	16,995	43
Total Debt Service	138,346	145,976	145,928	48
<i>Total Expenditures</i>	1,270,364	1,313,914	1,155,130	158,784
<i>Excess of Revenues Under Expenditures</i>	(243,763)	(287,313)	(89,517)	197,796
<b>Other Financing Sources</b>				
Capital Lease Issued	0	0	43,505	43,505
Transfers In	135,000	135,000	10,000	(125,000)
<i>Total Other Financing Sources</i>	135,000	135,000	53,505	(81,495)
<i>Net Change in Fund Balance</i>	(108,763)	(152,313)	(36,012)	116,301
<i>Fund Balance Beginning of Year</i>	106,448	106,448	106,448	0
Prior Year Encumbrances Appropriated	45,928	45,928	45,928	0
<i>Fund Balance End of Year</i>	\$43,613	\$63	\$116,364	\$116,301

**City of Conneaut, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Police Levy II*  
*For the Year Ended December 31, 2016*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$478,199	\$478,199	\$516,727	\$38,528
Intergovernmental	53,000	53,000	28,138	(24,862)
Other	0	0	1,784	1,784
<i>Total Revenues</i>	<u>531,199</u>	<u>531,199</u>	<u>546,649</u>	<u>15,450</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property				
Police Levy				
Personal Services	474,000	474,000	223,488	250,512
Other	9,500	9,500	9,396	104
Total Security of Persons and Property	<u>483,500</u>	<u>483,500</u>	<u>232,884</u>	<u>250,616</u>
Debt Service:				
Principal Retirement	34,000	34,000	22,013	11,987
Interest and Fiscal Charges	3,000	3,000	2,021	979
Total Debt Service	<u>37,000</u>	<u>37,000</u>	<u>24,034</u>	<u>12,966</u>
<i>Total Expenditures</i>	<u>520,500</u>	<u>520,500</u>	<u>256,918</u>	<u>263,582</u>
<i>Net Change in Fund Balance</i>	10,699	10,699	289,731	279,032
<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>\$10,699</u>	<u>\$10,699</u>	<u>\$289,731</u>	<u>\$279,032</u>

**City of Conneaut, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*in Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Water Fund*  
*For the Year Ended December 31, 2016*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$2,262,000	\$2,262,000	\$2,253,388	(\$8,612)
Tap-In Fees	12,000	12,000	8,184	(3,816)
Special Assessments	4,000	4,000	7,816	3,816
Intergovernmental	112,818	112,818	64,501	(48,317)
Rentals	3,000	3,000	4,150	1,150
Other	10,500	10,500	3,230	(7,270)
OPWC Loans Issued	55,000	55,000	0	(55,000)
<i>Total Revenues</i>	<u>2,459,318</u>	<u>2,459,318</u>	<u>2,341,269</u>	<u>(118,049)</u>
<b>Expenses</b>				
Personal Services	1,223,430	1,258,430	1,119,304	139,126
Purchased Services	299,295	304,295	236,658	67,637
Contractual Services	254,677	254,677	163,478	91,199
Materials and Supplies	201,470	210,470	167,818	42,652
Capital Outlay	203,273	203,273	106,689	96,584
Other	132,800	132,800	1,526	131,274
Debt Service:				
Principal Retirement	478,623	478,623	478,611	12
Interest and Fiscal Charges	74,537	80,177	78,485	1,692
<i>Total Expenses</i>	<u>2,868,105</u>	<u>2,922,745</u>	<u>2,352,569</u>	<u>570,176</u>
<i>Net Change in Fund Equity</i>	(408,787)	(463,427)	(11,300)	452,127
<i>Fund Equity Beginning of Year</i>	574,111	574,111	574,111	0
Prior Year Encumbrances Appropriated	<u>27,715</u>	<u>27,715</u>	<u>27,715</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$193,039</u>	<u>\$138,399</u>	<u>\$590,526</u>	<u>\$452,127</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, 2016*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$2,362,000	\$2,362,000	\$2,387,562	\$25,562
Tap-In Fees	5,000	5,000	4,017	(983)
Special Assessments	2,500	2,500	4,780	2,280
Intergovernmental	347,125	347,125	26,764	(320,361)
Other	6,300	6,300	9,810	3,510
General Obligation Notes Issued	25,000	25,000	0	(25,000)
OPWC Loans Issued	150,000	150,000	0	(150,000)
OWDA Loans Issued	2,000,000	2,000,000	0	(2,000,000)
<i>Total Revenues</i>	<u>4,897,925</u>	<u>4,897,925</u>	<u>2,432,933</u>	<u>(2,464,992)</u>
<b>Expenses</b>				
Personal Services	987,230	990,730	856,491	134,239
Purchased Services	427,986	960,207	380,469	579,738
Contractual Services	364,183	364,184	251,406	112,778
Materials and Supplies	162,470	167,470	135,720	31,750
Capital Outlay	2,276,250	2,276,250	582,959	1,693,291
Other	493,472	6,250	3,805	2,445
Debt Service:				
Principal Retirement	371,407	371,407	355,172	16,235
Interest and Fiscal Charges	101,968	101,968	93,021	8,947
<i>Total Expenses</i>	<u>5,184,966</u>	<u>5,238,466</u>	<u>2,659,043</u>	<u>2,579,423</u>
<i>Excess of Revenues Over Expenses before Advances</i>	(287,041)	(340,541)	(226,110)	114,431
Advances Out	(20,000)	(20,000)	(9,043)	10,957
<i>Net Change in Fund Equity</i>	(307,041)	(360,541)	(235,153)	125,388
<i>Fund Equity Beginning of Year</i>	1,487,036	1,487,036	1,487,036	0
Prior Year Encumbrances Appropriated	22,941	22,941	22,941	0
<i>Fund Equity End of Year</i>	<u>\$1,202,936</u>	<u>\$1,149,436</u>	<u>\$1,274,824</u>	<u>\$125,388</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, 2016*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$132,000	\$132,000	\$133,225	\$1,225
Interest	100	100	17	(83)
<i>Total Revenues</i>	132,100	132,100	133,242	1,142
<b>Expenditures</b>				
Current:				
Transportation:				
Auto Permissive				
Personal Services	119,000	116,000	115,786	214
Materials and Supplies	15,000	18,000	15,000	3,000
<i>Total Expenditures</i>	134,000	134,000	130,786	3,214
<i>Net Change in Fund Balance</i>	(1,900)	(1,900)	2,456	4,356
<i>Fund Balance Beginning of Year</i>	3,488	3,488	3,488	0
<i>Fund Balance End of Year</i>	\$1,588	\$1,588	\$5,944	\$4,356

**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, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$36,300	\$36,300	\$34,527	(\$1,773)
Interest	100	100	5	(95)
<i>Total Revenues</i>	36,400	36,400	34,532	(1,868)
<b>Expenditures</b>				
Current:				
Transportation:				
State Highway				
Personal Services	35,000	35,000	33,691	1,309
<i>Net Change in Fund Balance</i>	1,400	1,400	841	(559)
<i>Fund Balance Beginning of Year</i>	89	89	89	0
<i>Fund Balance End of Year</i>	<u>\$1,489</u>	<u>\$1,489</u>	<u>\$930</u>	<u>(\$559)</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, 2016*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fees, Licenses and Permits	\$20,310	\$20,310	\$23,746	\$3,436
<b>Expenditures</b>				
Current:				
Community Development:				
Restaurant Vending				
Personal Services	16,990	22,990	22,990	0
Materials and Supplies	200	200	109	91
Contractual Services	3,200	3,200	2,262	938
Purchased Services	150	150	0	150
<i>Total Expenditures</i>	20,540	26,540	25,361	1,179
<i>Net Change in Fund Balance</i>	(230)	(6,230)	(1,615)	4,615
<i>Fund Balance Beginning of Year</i>	8,068	8,068	8,068	0
<i>Fund Balance End of Year</i>	\$7,838	\$1,838	\$6,453	\$4,615

**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, 2016*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$33,300	\$33,650	\$33,552	(\$98)
Fees, Licenses and Permits	585	585	480	(105)
<i>Total Revenues</i>	33,885	34,235	34,032	(203)
<b>Expenditures</b>				
Current:				
Leisure Time Activities:				
Marina				
Contractual Services	500	500	0	500
Debt Service:				
Principal Retirement	180,000	180,000	180,000	0
Interest and Fiscal Charges	3,300	3,650	3,632	18
<i>Total Debt Service</i>	183,300	183,650	183,632	18
<i>Total Expenditures</i>	183,800	184,150	183,632	518
<i>Excess of Revenues Under Expenditures</i>	(149,915)	(149,915)	(149,600)	315
<b>Other Financing Sources</b>				
General Obligation Notes Issued	150,000	150,000	150,000	0
<i>Net Change in Fund Balance</i>	85	85	400	315
<i>Fund Balance Beginning of Year</i>	8,104	8,104	8,104	0
<i>Fund Balance End of Year</i>	\$8,189	\$8,189	\$8,504	\$315

**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, 2016*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines and Forfeitures	\$1,100	\$1,100	\$962	(\$138)
<b>Expenditures</b>				
Current:				
Community Development:				
Enforcement and Education				
Contractual Services	1,000	1,000	0	1,000
<i>Net Change in Fund Balance</i>	100	100	962	862
<i>Fund Balance Beginning of Year</i>	8,973	8,973	8,973	0
<i>Fund Balance End of Year</i>	<u>\$9,073</u>	<u>\$9,073</u>	<u>\$9,935</u>	<u>\$862</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, 2016*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines and Forfeitures	\$2,100	\$2,100	\$1,082	(\$1,018)
Other	1,000	1,000	0	(1,000)
<i>Total Revenues</i>	3,100	3,100	1,082	(2,018)
<b>Expenditures</b>				
Current:				
Public Health Services:				
Indigent Drivers				
Contractual Services	1,000	1,000	0	1,000
<i>Net Change in Fund Balance</i>	2,100	2,100	1,082	(1,018)
<i>Fund Balance Beginning of Year</i>	52,547	52,547	52,547	0
<i>Fund Balance End of Year</i>	<u>\$54,647</u>	<u>\$54,647</u>	<u>\$53,629</u>	<u>(\$1,018)</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, 2016*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$5,000	\$5,000	\$3,600	(\$1,400)
Fees, Licenses and Permits	20,100	20,100	16,920	(3,180)
Interest	80	80	907	827
Other	1,000	1,000	262	(738)
<i>Total Revenues</i>	26,180	26,180	21,689	(4,491)
<b>Expenditures</b>				
Current:				
Community Development:				
Cemetery				
Personal Services	20,565	20,565	19,013	1,552
Materials and Supplies	4,308	4,308	762	3,546
Contractual Services	2,000	4,000	3,685	315
Purchased Services	4,265	4,265	2,734	1,531
<i>Total Expenditures</i>	31,138	33,138	26,194	6,944
<i>Net Change in Fund Balance</i>	(4,958)	(6,958)	(4,505)	2,453
<i>Fund Balance at Beginning of Year</i>	57,225	57,225	57,225	0
Prior Year Encumbrances Appropriated	1,573	1,573	1,573	0
<i>Fund Balance End of Year</i>	\$53,840	\$51,840	\$54,293	\$2,453



**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, 2016*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$294,464	\$294,464	\$303,197	\$8,733
Intergovernmental	41,643	41,643	43,579	1,936
<i>Total Revenues</i>	336,107	336,107	346,776	10,669
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police Levy				
Personal Services	308,800	308,800	308,800	0
Other	6,500	6,500	5,851	649
Total Security of Persons and Property	315,300	315,300	314,651	649
Debt Service:				
Principal Retirement	32,825	32,825	32,817	8
Interest and Fiscal Charges	2,620	2,620	2,617	3
Total Debt Service	35,445	35,445	35,434	11
<i>Total Expenditures</i>	350,745	350,745	350,085	660
<i>Net Change in Fund Balance</i>	(14,638)	(14,638)	(3,309)	11,329
<i>Fund Balance Beginning of Year</i>	19,037	19,037	19,037	0
<i>Fund Balance End of Year</i>	\$4,399	\$4,399	\$15,728	\$11,329

**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, 2016*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$253,589	\$253,589	\$258,400	\$4,811
Intergovernmental	12,010	12,010	14,069	2,059
<i>Total Revenues</i>	265,599	265,599	272,469	6,870
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Fire Levy				
Personal Services	260,889	270,889	270,889	0
Other	6,000	6,000	4,698	1,302
<i>Total Expenditures</i>	266,889	276,889	275,587	1,302
<i>Net Change in Fund Balance</i>	(1,290)	(11,290)	(3,118)	8,172
<i>Fund Balance Beginning of Year</i>	22,646	22,646	22,646	0
<i>Fund Balance End of Year</i>	\$21,356	\$11,356	\$19,528	\$8,172

**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, 2016*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines and Forfeitures	\$2,000	\$2,000	\$548	(\$1,452)
Other	1,400	1,400	593	(807)
<i>Total Revenues</i>	3,400	3,400	1,141	(2,259)
<b>Expenditures</b>	0	0	0	0
<i>Net Change in Fund Balance</i>	3,400	3,400	1,141	(2,259)
<i>Fund Balance Beginning of Year</i>	20,470	20,470	20,470	0
<i>Fund Balance End of Year</i>	<u>\$23,870</u>	<u>\$23,870</u>	<u>\$21,611</u>	<u>(\$2,259)</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, 2016*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines and Forfeitures	\$3,000	\$3,000	\$4,340	\$1,340
<b>Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	3,000	3,000	4,340	1,340
<i>Fund Balance Beginning of Year</i>	<u>6,492</u>	<u>6,492</u>	<u>6,492</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$9,492</u></u>	<u><u>\$9,492</u></u>	<u><u>\$10,832</u></u>	<u><u>\$1,340</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, 2016*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines and Forfeitures	\$100	\$100	\$1,551	\$1,451
<b>Expenditures</b>	0	0	0	0
<i>Net Change in Fund Balance</i>	100	100	1,551	1,451
<i>Fund Balance Beginning of Year</i>	1,200	1,200	1,200	0
<i>Fund Balance End of Year</i>	<u>\$1,300</u>	<u>\$1,300</u>	<u>\$2,751</u>	<u>\$1,451</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, 2016*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
Community Development:				
Moving Ohio Forward				
Purchased Services	16,687	16,687	16,687	0
<i>Net Change in Fund Balance</i>	(16,687)	(16,687)	(16,687)	0
<i>Fund Balance Beginning of Year</i>	16,687	16,687	16,687	0
Prior Year Encumbrances Appropriated	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*  
*Street Lighting Fund*  
*For the Year Ended December 31, 2016*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Municipal Income Taxes	\$30,676	\$30,676	\$31,603	\$927
Fees, Licenses and Permits	124,000	132,000	129,363	(2,637)
Other	1,700	1,700	1,714	14
<i>Total Revenues</i>	156,376	164,376	162,680	(1,696)
<b>Expenditures</b>				
Current:				
Basic Utility Services:				
Street Lighting				
Purchased Services	151,000	171,140	169,444	1,696
<i>Net Change in Fund Balance</i>	5,376	(6,764)	(6,764)	0
<i>Fund Balance Beginning of Year</i>	6,764	6,764	6,764	0
<i>Fund Balance End of Year</i>	\$12,140	\$0	\$0	\$0

**City of Conneaut, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Tree Commission Fund*  
*For the Year Ended December 31, 2016*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Contributions and Donations	\$1,500	\$1,500	\$985	(\$515)
<b>Expenditures</b>				
Current:				
Community Development:				
Tree Commission				
Materials and Supplies	900	900	781	119
Capital Outlay	1,350	1,350	954	396
<i>Total Expenditures</i>	2,250	2,250	1,735	515
<i>Excess of Revenues Under Expenditures</i>	(750)	(750)	(750)	0
<b>Other Financing Sources</b>				
Transfers In	750	750	750	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*  
*Community Housing Fund*  
*For the Year Ended December 31, 2016*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$3,000	\$3,000	\$13,429	\$10,429
Interest	40	40	40	0
<i>Total Revenues</i>	3,040	3,040	13,469	10,429
<b>Expenditures</b>				
Current:				
Community Development:				
Community Housing				
Capital Outlay	7,000	7,000	0	7,000
<i>Net Change in Fund Balance</i>	(3,960)	(3,960)	13,469	17,429
<i>Fund Balance Beginning of Year</i>	18,889	18,889	18,889	0
<i>Fund Balance End of Year</i>	<u>\$14,929</u>	<u>\$14,929</u>	<u>\$32,358</u>	<u>\$17,429</u>

**City of Conneaut, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Drug Task Force Fund*  
*For the Year Ended December 31, 2016*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$17,500	\$17,500	\$0	\$0
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Drug Task Force				
Personal Services	17,500	17,500	0	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

**City of Conneaut, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Ohio Department of Natural Resources Planning Fund*  
*For the Year Ended December 31, 2016*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$70,000	\$70,000	\$0	(\$70,000)
<b>Expenditures</b>				
Current:				
Community Development:				
ODNR Planning				
Contractual Services	70,000	70,000	0	70,000
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

**City of Conneaut, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Grade Crossing Project Fund*  
*For the Year Ended December 31, 2016*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$3,445	\$3,445	\$3,445	\$0
<b>Expenditures</b>				
Current:				
Transportation:				
Grade Crossing Project				
Purchased Services	3,445	3,445	3,445	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*  
*Local Innovation Grant Fund*  
*For the Year Ended December 31, 2016*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$26,000	\$26,000	\$0	(\$26,000)
<b>Expenditures</b>				
Current:				
Community Development:				
Local Innovation Grant				
Contractual Services	26,000	26,000	0	26,000
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

**City of Conneaut, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Recreation Fund*  
*For the Year Ended December 31, 2016*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Municipal Income Taxes	\$25,957	\$25,957	\$26,956	\$999
Fees, Licenses and Permits	4,200	4,200	1,900	(2,300)
Rentals	28,650	28,650	45,875	17,225
Charges for Services	150	150	0	(150)
Contributions and Donations	1,000	1,000	2,500	1,500
Other	50	50	130	80
<i>Total Revenues</i>	60,007	60,007	77,361	17,354
<b>Expenditures</b>				
Current:				
Leisure Time Activities:				
Recreation				
Personal Services	16,635	16,635	15,175	1,460
Materials and Supplies	11,300	11,300	9,398	1,902
Contractual Services	270	270	185	85
Purchased Services	3,500	3,500	1,785	1,715
Other	3,500	3,500	3,388	112
<i>Total Recreation</i>	35,205	35,205	29,931	5,274
Parks				
Personal Services	17,050	17,050	533	16,517
Materials and Supplies	5,218	5,218	2,752	2,466
Contractual Services	900	900	0	900
Purchased Services	11,396	11,396	7,515	3,881
Capital Outlay	1,000	1,000	0	1,000
Other	0	1,000	1,000	0
<i>Total Parks</i>	35,564	36,564	11,800	24,764
<i>Total Expenditures</i>	70,769	71,769	41,731	30,038
<i>Net Change in Fund Balance</i>	(10,762)	(11,762)	35,630	47,392
<i>Fund Balance Beginning of Year</i>	55,282	55,282	55,282	0
Prior Year Encumbrances Appropriated	514	514	514	0
<i>Fund Balance End of Year</i>	\$45,034	\$44,034	\$91,426	\$47,392

**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, 2016*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$140,116	\$140,116	\$143,052	\$2,936
Intergovernmental	32,304	32,304	21,524	(10,780)
<i>Total Revenues</i>	172,420	172,420	164,576	(7,844)
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police Pension				
Personal Services	221,500	221,500	200,820	20,680
Other	3,500	3,500	2,791	709
<i>Total Expenditures</i>	225,000	225,000	203,611	21,389
<i>Excess of Revenues Under Expenditures</i>	(52,580)	(52,580)	(39,035)	13,545
<b>Other Financing Sources</b>				
Transfers In	50,000	50,000	40,000	(10,000)
<i>Net Change in Fund Balance</i>	(2,580)	(2,580)	965	3,545
<i>Fund Balance Beginning of Year</i>	3,914	3,914	3,914	0
<i>Fund Balance End of Year</i>	\$1,334	\$1,334	\$4,879	\$3,545

**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, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property Taxes	\$113,650	\$113,650	\$116,031	\$2,381
Intergovernmental	21,458	21,458	17,458	(4,000)
<i>Total Revenues</i>	<u>135,108</u>	<u>135,108</u>	<u>133,489</u>	<u>(1,619)</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Fire Pension				
Personal Services	165,000	165,000	145,127	19,873
Other	2,200	2,400	2,264	136
<i>Total Expenditures</i>	<u>167,200</u>	<u>167,400</u>	<u>147,391</u>	<u>20,009</u>
<i>Excess of Revenues Under Expenditures</i>	(32,092)	(32,292)	(13,902)	18,390
<b>Other Financing Sources</b>				
Transfers In	30,000	30,000	20,000	(10,000)
<i>Net Change in Fund Balance</i>	(2,092)	(2,292)	6,098	8,390
<i>Fund Balance Beginning of Year</i>	<u>3,869</u>	<u>3,869</u>	<u>3,869</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,777</u></u>	<u><u>\$1,577</u></u>	<u><u>\$9,967</u></u>	<u><u>\$8,390</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, 2016*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$97,541	\$97,541	\$100,272	\$2,731
Intergovernmental	14,011	14,011	14,927	916
<i>Total Revenues</i>	111,552	111,552	115,199	3,647
<b>Expenditures</b>				
Current:				
General Government:				
General Obligation Bond Retirement				
Contractual Services	4,120	4,120	0	4,120
Other	3,500	3,500	1,953	1,547
Total General Government	7,620	7,620	1,953	5,667
Debt Service:				
Principal Retirement	94,745	94,745	94,742	3
Interest and Fiscal Charges	8,790	8,790	8,739	51
Total Debt Service	103,535	103,535	103,481	54
<i>Total Expenditures</i>	111,155	111,155	105,434	5,721
<i>Net Change in Fund Balance</i>	397	397	9,765	9,368
<i>Fund Balance Beginning of Year</i>	190,293	190,293	190,293	0
<i>Fund Balance End of Year</i>	\$190,690	\$190,690	\$200,058	\$9,368

**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, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Special Assessments	\$106,000	\$106,000	\$101,141	(\$4,859)
<b>Expenditures</b>				
Current:				
General Government:				
Special Assessment Bond Retirement				
Other	4,000	4,000	3,024	976
Debt Service:				
Principal Retirement	99,035	99,035	99,031	4
Interest and Fiscal Charges	9,881	9,881	8,129	1,752
Total Debt Service	108,916	108,916	107,160	1,756
<i>Total Expenditures</i>	112,916	112,916	110,184	2,732
<i>Excess of Revenues Under Expenditures</i>	(6,916)	(6,916)	(9,043)	(2,127)
<b>Other Financing Sources</b>				
Advances In	25,000	25,000	9,043	(15,957)
<i>Net Change in Fund Balance</i>	18,084	18,084	0	(18,084)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$18,084	\$18,084	\$0	(\$18,084)

**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, 2016*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$459,696	\$459,696	\$472,588	\$12,892
Intergovernmental	26,000	26,000	25,694	(306)
<i>Total Revenues</i>	485,696	485,696	498,282	12,586
<b>Expenditures</b>				
Current:				
Capital Outlay:				
Street Improvement				
Capital Outlay	489,468	537,368	503,559	33,809
<i>Net Change in Fund Balance</i>	(3,772)	(51,672)	(5,277)	46,395
<i>Fund Balance Beginning of Year</i>	43,403	43,403	43,403	0
Prior Year Encumbrances Appropriated	8,281	8,281	8,281	0
<i>Fund Balance End of Year</i>	\$47,912	\$12	\$46,407	\$46,395

**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, 2016*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$10,071	\$10,071	\$10,071	\$0
<b>Expenditures</b>				
Capital Outlay:				
OCJS Technology Replacement Grant				
Capital Outlay	10,071	10,071	10,071	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, 2016*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Capital Outlay:				
Energy System Improvements				
Capital Outlay	393	393	393	0
<i>Net Change in Fund Balance</i>	(393)	(393)	(393)	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	393	393	393	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, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Fines and Forfeitures	\$101,300	\$101,300	\$72,272	(\$29,028)
<b>Expenditures</b>				
Capital Outlay:				
Municipal Court Improvement				
Capital Outlay	144,841	144,841	83,652	61,189
<i>Net Change in Fund Balance</i>	(43,541)	(43,541)	(11,380)	32,161
<i>Fund Balance Beginning of Year</i>	350,868	350,868	350,868	0
Prior Year Encumbrances Appropriated	9,841	9,841	9,841	0
<i>Fund Balance End of Year</i>	<u>\$317,168</u>	<u>\$317,168</u>	<u>\$349,329</u>	<u>\$32,161</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, 2016*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Municipal Income Taxes	\$47,194	\$47,194	\$48,954	\$1,760
<b>Expenditures</b>				
Capital Outlay:				
Capital Improvement				
Capital Outlay	20,724	20,724	20,133	591
Debt Service:				
Principal Retirement	15,333	15,333	15,333	0
Interest and Fiscal Charges	2,405	2,405	2,321	84
Total Debt Service	17,738	17,738	17,654	84
<i>Total Expenditures</i>	38,462	38,462	37,787	675
<i>Net Change in Fund Balance</i>	8,732	8,732	11,167	2,435
<i>Fund Balance Beginning of Year</i>	7,207	7,207	7,207	0
Prior Year Encumbrances Appropriated	724	724	724	0
<i>Fund Balance End of Year</i>	\$16,663	\$16,663	\$19,098	\$2,435

**City of Conneaut, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Industrial Park Fund*  
*For the Year Ended December 31, 2016*

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



**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, 2016*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$142,972	\$142,972	\$142,972	\$0
<b>Expenditures</b>				
Capital Outlay:				
Center Road Bridge				
Capital Outlay	22,500	22,500	22,500	0
<i>Excess of Revenues Over (Under) Expenditures</i>	120,472	120,472	120,472	0
<b>Other Financing Sources</b>				
Advances Out	(120,472)	(120,472)	(120,472)	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

*(This Page Intentionally Left Blank)*

---

# **STATISTICAL SECTION**

---

**This page intentionally left blank.**

## 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.

---

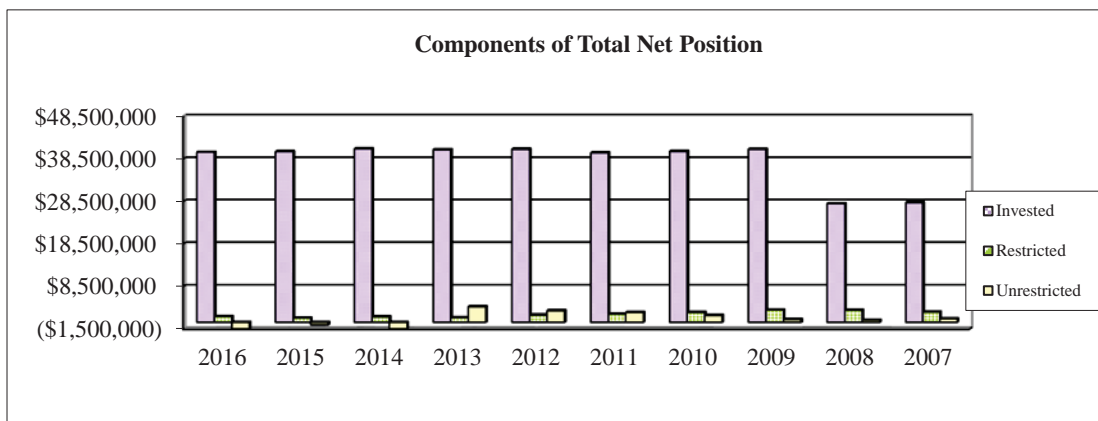
<b>Contents</b>	<b>Pages(s)</b>
<b><i>Financial Trends</i></b> .....	<b><i>S2 – S13</i></b>
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
<b><i>Revenue Capacity</i></b> .....	<b><i>S14 – S23</i></b>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

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

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

	2016	2015 (1)	2014	2013
<b>Governmental Activities</b>				
Net Investment in Capital Assets	\$25,201,005	\$26,060,414	\$26,506,355	\$26,751,490
Restricted:				
Capital Projects	148,285	0	17,713	84,680
Debt Service	9,204	0	0	0
Street Construction, Maintenance and Repair	494,648	605,531	768,474	575,566
Police and Fire Operations	520,364	218,313	296,491	270,622
Drug and Alcohol Enforcement	64,271	68,248	76,755	69,654
Cemetery Operations	52,507	59,495	49,172	52,533
Community Housing	0	0	0	0
Economic Development	46,956	23,647	55,086	0
USEPA	0	0	0	0
Other Purposes	47,501	48,683	46,645	72,817
Unrestricted (Deficit)	(3,932,829)	(2,507,776)	(2,863,943)	2,101,712
<i>Total Governmental Activities Net Position</i>	<u>22,651,912</u>	<u>24,576,555</u>	<u>24,952,748</u>	<u>29,979,074</u>
<b>Business-Type - Activities</b>				
Net Investment in Capital Assets	14,833,885	14,125,413	14,298,798	13,880,043
Unrestricted	2,058,500	1,931,779	1,089,207	1,580,056
<i>Total Business-Type Activities Net Position</i>	<u>16,892,385</u>	<u>16,057,192</u>	<u>15,388,005</u>	<u>15,460,099</u>
<b>Primary Government</b>				
Net Investment in Capital Assets	40,034,890	40,185,827	40,805,153	40,631,533
Restricted	1,383,736	1,023,917	1,310,336	1,125,872
Unrestricted	(1,874,329)	(575,997)	(1,774,736)	3,681,768
<i>Total Primary Government Net Position</i>	<u>\$39,544,297</u>	<u>\$40,633,747</u>	<u>\$40,340,753</u>	<u>\$45,439,173</u>

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



2012	2011	2010	2009	2008	2007
\$27,886,020	\$27,936,348	\$28,696,100	\$29,749,095	\$17,147,964	\$17,632,445
791,699	625,348	616,736	996,700	1,086,874	328,198
0	0	576,190	686,581	784,246	875,896
347,209	241,401	342,702	357,308	328,839	262,384
220,558	0	0	0	0	0
62,277	0	0	0	0	0
45,156	0	0	0	0	0
0	0	4,778	12,013	10,105	53,730
72,220	223,944	223,752	223,301	232,096	324,232
0	60,223	184,960	193,195	0	0
197,930	803,024	395,117	454,658	424,486	586,281
1,288,417	1,134,968	400,613	100,450	(99,466)	350,902
<u>30,911,486</u>	<u>31,025,256</u>	<u>31,440,948</u>	<u>32,773,301</u>	<u>19,915,144</u>	<u>20,414,068</u>
12,848,459	11,935,329	11,515,121	10,970,211	10,794,002	10,543,038
1,452,234	1,191,639	1,243,770	586,161	618,321	511,375
<u>14,300,693</u>	<u>13,126,968</u>	<u>12,758,891</u>	<u>11,556,372</u>	<u>11,412,323</u>	<u>11,054,413</u>
40,734,479	39,871,677	40,211,221	40,719,306	27,941,966	28,175,483
1,737,049	1,953,940	2,344,235	2,923,756	2,866,646	2,430,721
2,740,651	2,326,607	1,644,383	686,611	518,855	862,277
<u>\$45,212,179</u>	<u>\$44,152,224</u>	<u>\$44,199,839</u>	<u>\$44,329,673</u>	<u>\$31,327,467</u>	<u>\$31,468,481</u>

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

	2016	2015 (2)	2014	2013
<b>Program Revenues</b>				
<b>Governmental Activities:</b>				
Charges for Services and Assessments:				
General Government	\$150,111	\$352,705	\$359,075	\$342,133
Security of Persons and Property	191,510	474,037	453,367	495,024
Public Health Services	15,264	36,955	37,215	41,973
Leisure Time Activities	51,692	43,425	45,825	43,477
Community Development	50,346	61,928	54,221	65,248
Basic Utility Services	129,363	127,334	123,698	123,056
Transportation	93,937	24,618	91,847	138,364
Subtotal - Charges for Services	<u>682,223</u>	<u>1,121,002</u>	<u>1,165,248</u>	<u>1,249,275</u>
Operating Grants and Contributions:				
General Government	15,252	0	0	0
Security of Persons and Property	109,401	156,610	123,178	126,853
Public Health Services	0	0	0	0
Leisure Time Activities	31,052	3,364	3,287	3,600
Community Development	14,414	209,277	317,792	272,528
Transportation	531,166	595,399	521,060	307,256
Subtotal - Operating Grants and Contributions	<u>701,285</u>	<u>964,650</u>	<u>965,317</u>	<u>710,237</u>
Capital Grants and Assessments:				
General Government	0	107,000	48,351	55,455
Security of Persons and Property	10,071	41,491	0	3,800
Public Health Services	0	0	0	0
Leisure Time Activities	0	0	0	0
Community Development	0	0	0	6,000
Transportation	0	311,480	102,866	115,180
Subtotal - Capital Grants and Assessments	<u>10,071</u>	<u>459,971</u>	<u>151,217</u>	<u>180,435</u>
<i>Total Governmental Activities</i>				
Program Revenues	<u>1,393,579</u>	<u>2,545,623</u>	<u>2,281,782</u>	<u>2,139,947</u>
<b>Business-Type Activities:</b>				
Charges for Services:				
Water	2,274,899	2,244,357	2,234,837	2,164,625
Sewer	2,398,051	2,404,611	2,381,691	2,299,651
Operating Grants and Contributions				
Sewer	0	0	0	0
Capital Grants and Assessments				
Water	50,233	14,268	360	411,285
Sewer	26,764	23,364	256,461	133,803
<i>Total Business-Type Activities</i>				
Program Revenues	<u>4,749,947</u>	<u>4,686,600</u>	<u>4,873,349</u>	<u>5,009,364</u>
<i>Total Primary Government</i>				
Program Revenues	<u>\$6,143,526</u>	<u>\$7,232,223</u>	<u>\$7,155,131</u>	<u>\$7,149,311</u>



2012	2011	2010	2009 (1)	2008	2007
\$318,582	\$348,583	\$302,039	\$426,290	\$158,783	\$176,418
428,794	556,754	457,176	658,859	530,394	508,332
39,160	58,426	64,244	39,544	34,644	38,655
42,852	46,378	52,911	56,026	49,113	47,501
56,373	54,225	65,170	75,456	57,247	65,921
124,708	124,473	125,004	0	0	0
52,031	53,406	58,621	54,333	44,742	67,008
1,062,500	1,242,245	1,125,165	1,310,508	874,923	903,835
0	0	0	0	4,578	5,649
85,931	156,429	175,617	189,911	220,073	18,655
0	0	44,121	22,879	1,385	4,716
4,946	302,750	1,940	0	4,395	1,878
102,036	255,725	219,613	230,219	226,539	106,897
615,517	626,342	361,059	591,731	684,981	702,427
808,430	1,341,246	802,350	1,034,740	1,141,951	840,222
55,455	23,750	0	219,607	721,800	82,883
4,000	0	0	23,313	0	0
0	0	0	0	0	0
0	0	0	0	0	0
431,453	179,640	0	0	0	0
89,492	25,283	24,626	45,505	148,737	5,759
580,400	228,673	24,626	288,425	870,537	88,642
2,451,330	2,812,164	1,952,141	2,633,673	2,887,411	1,832,699
2,126,057	2,063,031	2,116,230	2,077,360	1,951,756	1,922,216
2,247,383	2,383,343	2,408,925	2,001,905	2,003,945	1,944,689
0	0	0	0	0	0
64,346	0	91,414	178,560	4,040	13,383
235,283	67,973	112,476	118,292	16,478	29,859
4,673,069	4,514,347	4,729,045	4,376,117	3,976,219	3,910,147
\$7,124,399	\$7,326,511	\$6,681,186	\$7,009,790	\$6,863,630	\$5,742,846

(continued)

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

	2016	2015 (2)	2014	2013
<b>Expenses</b>				
Governmental Activities:				
General Government	\$1,574,431	\$1,586,680	\$1,292,248	\$1,228,286
Security of Persons and Property	4,386,740	3,634,530	3,322,801	3,275,647
Public Health Services	202,382	185,703	176,534	177,336
Leisure Time Activities	114,558	122,354	121,622	124,444
Community Development	139,890	156,956	362,079	463,946
Basic Utility Services	162,842	348,553	159,031	157,911
Transportation	2,391,079	2,455,888	2,544,047	2,492,999
Interest and Fiscal Charges	78,960	89,634	78,000	84,250
<i>Total Governmental Activities Expenses</i>	<u>9,050,882</u>	<u>8,580,298</u>	<u>8,056,362</u>	<u>8,004,819</u>
Business-Type Activities				
Water	2,009,333	2,149,651	2,276,702	1,959,425
Sewer	1,920,961	1,900,079	1,846,843	2,069,309
<i>Total Business-Type Activities Expenses</i>	<u>3,930,294</u>	<u>4,049,730</u>	<u>4,123,545</u>	<u>4,028,734</u>
<i>Total Primary Government Program Expenses</i>	<u>12,981,176</u>	<u>12,630,028</u>	<u>12,179,907</u>	<u>12,033,553</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(7,657,303)	(6,034,675)	(5,774,580)	(5,864,872)
Business-Type Activities	819,653	636,870	749,804	980,630
<i>Total Primary Government Net Expense</i>	<u><u>(\$6,837,650)</u></u>	<u><u>(\$5,397,805)</u></u>	<u><u>(\$5,024,776)</u></u>	<u><u>(\$4,884,242)</u></u>

2012	2011	2010	2009 (1)	2008	2007
\$1,184,781	\$1,424,515	\$1,226,765	\$1,167,792	\$1,254,299	\$1,308,725
3,061,292	3,043,520	3,362,411	3,590,030	3,888,488	3,527,501
190,035	211,538	312,558	148,494	359,428	432,807
125,943	141,303	136,287	131,575	77,711	115,777
376,556	513,096	310,981	150,557	501,093	294,546
141,999	155,121	109,837	149,308	43,877	31,975
1,812,092	2,628,167	2,321,555	1,917,512	2,376,287	2,420,821
80,138	111,373	132,375	135,715	157,917	178,252
6,972,836	8,228,633	7,912,769	7,390,983	8,659,100	8,310,404
2,069,126	2,183,135	1,576,246	2,350,298	1,755,161	1,763,839
1,926,287	1,982,892	1,959,232	1,899,102	1,865,615	1,769,365
3,995,413	4,166,027	3,535,478	4,249,400	3,620,776	3,533,204
10,968,249	12,394,660	11,448,247	11,640,383	12,279,876	11,843,608
(4,521,506)	(5,416,469)	(5,960,628)	(4,757,310)	(5,771,689)	(6,477,705)
677,656	348,320	1,193,567	126,717	355,443	376,943
(\$3,843,850)	(\$5,068,149)	(\$4,767,061)	(\$4,630,593)	(\$5,416,246)	(\$6,100,762)

(continued)

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

	2016	2015 (2)	2014	2013
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities				
Taxes:				
Property Taxes Levied For:				
General Purposes	\$311,464	\$316,065	\$365,055	\$357,968
Debt Service	85,082	85,313	84,961	99,499
Capital Outlay	444,849	473,019	563,092	0
Other Purposes	1,370,348	722,423	710,714	694,993
Municipal Income Taxes levied for:				
General Purposes	2,122,639	2,589,415	2,337,586	2,305,411
Capital Outlay	42,617	51,963	61,935	42,449
Street Construction, Maintenance and Repair	479,927	585,435	528,499	521,201
Other Purposes	50,953	62,164	56,118	55,323
Hotel Taxes	24,138	20,392	21,381	20,655
Grants and Entitlements not Restricted to Specific Programs	416,296	479,906	409,787	658,227
Franchise Taxes	164,729	133,313	139,189	145,370
Unrestricted Contributions	17,873	19,609	17,098	23,085
Investment Earnings	24,033	6,819	5,253	5,101
Gain on Sale of Capital Assets	0	18,582	0	0
Miscellaneous	180,212	95,314	174,638	141,150
Special Item - Capital Contribution (1)	0	0	0	0
Transfers	(2,500)	(1,250)	296,789	(137,972)
<i>Total Governmental Activities</i>	<u>5,732,660</u>	<u>5,658,482</u>	<u>5,772,095</u>	<u>4,932,460</u>
Business-Type Activities				
Gain on Sale of Capital Assets	0	0	0	0
Miscellaneous	13,040	31,067	39,405	40,804
Transfers	2,500	1,250	(296,789)	137,972
<i>Total Business-Type Activities</i>	<u>15,540</u>	<u>32,317</u>	<u>(257,384)</u>	<u>178,776</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<u>5,748,200</u>	<u>5,690,799</u>	<u>5,514,711</u>	<u>5,111,236</u>
<b>Change in Net Position</b>				
Governmental Activities	(1,924,643)	(376,193)	(2,485)	(932,412)
Business-Type Activities	835,193	669,187	492,420	1,159,406
<i>Total Primary Government Change in Net Position</i>	<u>(\$1,089,450)</u>	<u>\$292,994</u>	<u>\$489,935</u>	<u>\$226,994</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.

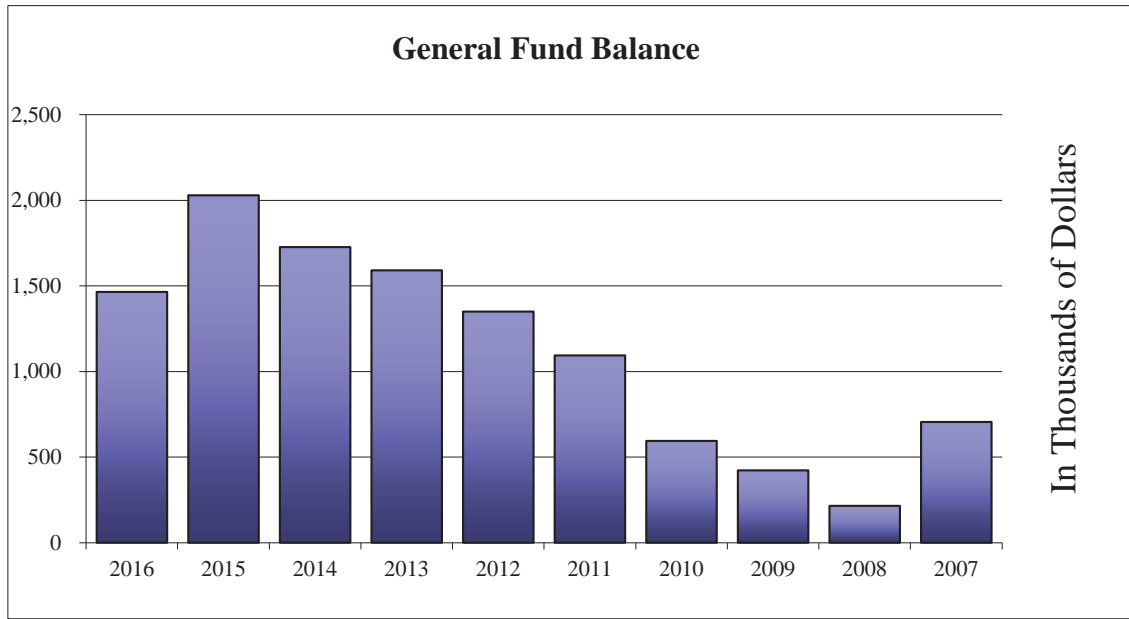
2012	2011	2010	2009 (1)	2008	2007
\$303,604	\$355,721	\$345,426	\$357,971	\$327,807	\$401,371
94,984	146,123	198,163	214,134	226,055	275,546
0	0	0	0	0	0
589,108	756,686	626,793	648,490	635,997	707,006
2,243,409	2,028,347	1,913,724	1,953,905	1,791,008	2,030,350
303,620	274,515	258,999	230,716	278,447	317,487
506,860	458,270	133,594	536,238	731,338	845,549
53,766	48,613	45,862	48,681	45,113	56,221
20,477	18,744	15,925	18,902	0	0
480,529	675,631	897,681	800,550	1,157,451	1,122,971
145,880	130,915	125,997	152,708	0	0
22,173	0	0	0	0	0
3,716	2,935	4,071	7,655	51,195	139,919
0	20,056	0	6,469	7,953	7,303
77,092	84,221	62,040	57,142	20,401	56,620
0	0	0	12,595,661	0	0
(437,482)	0	0	(13,755)	0	0
4,407,736	5,000,777	4,628,275	17,615,467	5,272,765	5,960,343
0	4,768	0	0	0	239
58,587	14,989	8,952	3,577	2,467	10,877
437,482	0	0	13,755	0	0
496,069	19,757	8,952	17,332	2,467	11,116
4,903,805	5,020,534	4,637,227	17,632,799	5,275,232	5,971,459
(113,770)	(415,692)	(1,332,353)	12,858,157	(498,924)	(517,362)
1,173,725	368,077	1,202,519	144,049	357,910	388,059
\$1,059,955	(\$47,615)	(\$129,834)	\$13,002,206	(\$141,014)	(\$129,303)

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

	2016	2015	2014	2013
<b>General Fund</b>				
Nonspendable	\$27,140	\$33,281	\$47,130	\$43,139
Assigned	886,245	822,244	679,916	383,150
Unassigned	551,341	1,173,552	999,680	1,164,537
Reserved	n/a	n/a	n/a	n/a
Unreserved	n/a	n/a	n/a	n/a
<b>Total General Fund</b>	<b>1,464,726</b>	<b>2,029,077</b>	<b>1,726,726</b>	<b>1,590,826</b>
<b>All Other Governmental Funds</b>				
Nonspendable	49,479	50,738	61,601	51,723
Restricted	1,410,639	1,152,337	1,406,367	1,209,060
Committed	120,361	77,864	75,403	38,707
Unassigned (Deficit)	(105,918)	(104,614)	(55,005)	(115,317)
Reserved	n/a	n/a	n/a	n/a
Unreserved, Undesignated, Reported in:				
Special Revenue funds	n/a	n/a	n/a	n/a
Debt Service funds	n/a	n/a	n/a	n/a
Capital Projects funds (Deficit)	n/a	n/a	n/a	n/a
<b>Total All Other Governmental Funds</b>	<b>1,474,561</b>	<b>1,176,325</b>	<b>1,488,366</b>	<b>1,184,173</b>
<b>Total Governmental Funds</b>	<b>\$2,939,287</b>	<b>\$3,205,402</b>	<b>\$3,215,092</b>	<b>\$2,774,999</b>

Note: The City implemented GASB 54 during 2011.

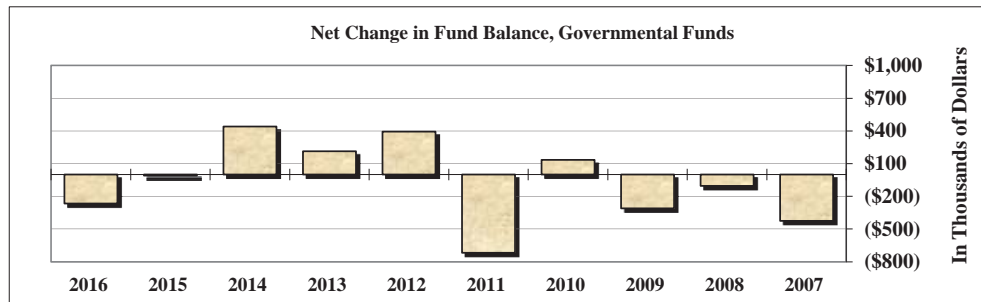
n/a - Information not available.



2012	2011	2010	2009	2008	2007
\$40,845	\$52,597	\$53,077	n/a	n/a	n/a
343,253	345,329	18,035	n/a	n/a	n/a
965,912	695,947	523,368	n/a	n/a	n/a
n/a	n/a	n/a	\$9,478	\$10,063	\$12,326
n/a	n/a	n/a	412,981	205,180	692,944
1,350,010	1,093,873	594,480	422,459	215,243	705,270
66,015	59,912	66,205	n/a	n/a	n/a
1,171,627	1,398,644	2,055,894	n/a	n/a	n/a
30,049	46,874	14,153	n/a	n/a	n/a
(55,840)	(430,812)	(144,163)	n/a	n/a	n/a
n/a	n/a	n/a	24,228	57,471	111,035
n/a	n/a	n/a	559,643	909,427	972,650
n/a	n/a	n/a	572,348	675,692	764,661
n/a	n/a	n/a	873,648	904,996	313,671
1,211,851	1,074,618	1,992,089	2,029,867	2,547,586	2,162,017
\$2,561,861	\$2,168,491	\$2,586,569	\$2,452,326	\$2,762,829	\$2,867,287

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

	2016	2015	2014	2013
<b>Revenues</b>				
Property Taxes	\$2,228,798	\$1,617,111	\$1,632,504	\$1,155,333
Municipal Income Taxes	2,839,766	3,163,103	3,021,077	2,931,872
Hotel Taxes	24,138	23,409	18,364	20,655
Special Assessments	104,042	94,534	113,575	142,659
Intergovernmental	1,156,616	1,860,461	1,616,276	1,534,596
Fees, Licenses and Permits	421,606	324,522	354,471	338,594
Fines and Forfeitures	271,665	301,696	316,332	321,006
Rentals	67,231	51,650	51,725	58,661
Charges for Services	417,825	418,461	420,540	480,371
Contributions and Donations	21,358	20,569	17,598	23,885
Interest	24,033	6,819	5,253	5,101
Franchise Taxes	127,503	153,209	135,793	128,870
Other	180,212	95,314	174,638	141,150
<b>Total Revenues</b>	<b>7,884,793</b>	<b>8,130,858</b>	<b>7,878,146</b>	<b>7,282,753</b>
<b>Expenditures</b>				
Current:				
General Government	1,486,438	1,504,861	1,215,590	1,132,241
Security of Persons and Property	3,865,687	3,634,608	3,212,086	3,111,589
Public Health Services	184,504	188,370	174,357	172,451
Leisure Time Activities	90,088	95,671	98,353	100,758
Community Development	131,772	353,683	369,484	453,549
Basic Utilities Services	162,842	156,956	163,261	155,068
Transportation	1,149,087	1,236,421	1,269,511	1,114,909
Capital Outlay	615,544	1,126,461	836,317	340,170
Debt Service:				
Principal Retirement	675,992	476,410	400,430	478,715
Principal Retirement - Current Refunding	0	0	7,500	7,500
Interest and Fiscal Charges	82,230	85,703	81,164	90,358
<b>Total Expenditures</b>	<b>8,444,184</b>	<b>8,859,144</b>	<b>7,828,053</b>	<b>7,157,308</b>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>(559,391)</i>	<i>(728,286)</i>	<i>50,093</i>	<i>125,445</i>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	0	18,582	0	0
Loans Issued	0	0	0	0
General Obligation Bonds Issued	0	450,000	360,000	0
General Obligation Notes Issued	120,000	150,000	37,500	15,000
OPWC Loans Issued	0	0	0	0
Inception of Capital Lease	175,776	101,264	0	88,485
Current Refunding	0	0	(7,500)	(15,000)
Transfers In	70,750	30,750	161,234	176,308
Transfers Out	(73,250)	(32,000)	(161,234)	(177,100)
<b>Total Other Financing Sources (Uses)</b>	<b>293,276</b>	<b>718,596</b>	<b>390,000</b>	<b>87,693</b>
<b>Net Change in Fund Balances</b>	<b>(\$266,115)</b>	<b>(\$9,690)</b>	<b>\$440,093</b>	<b>\$213,138</b>
Debt Service as a Percentage of Noncapital Expenditures				
	10.1%	7.5%	6.3%	10.0%





2012	2011	2010	2009	2008	2007
\$1,021,308	\$1,047,455	\$1,285,434	\$1,196,921	\$1,200,633	\$1,374,642
3,067,806	2,771,887	2,392,978	2,709,105	2,966,852	3,264,412
20,477	18,744	15,925	18,902	0	0
149,561	125,719	117,447	140,026	156,324	160,405
2,145,486	2,015,466	1,960,327	2,065,713	2,564,852	2,024,833
251,207	686,084	698,995	822,684	204,923	342,916
281,892	316,679	256,964	249,793	203,988	209,448
40,464	89,720	51,000	53,050	53,985	53,525
456,002	47,210	31,000	120,092	327,059	288,911
23,963	26,036	27,917	27,212	36,335	34,114
3,716	2,935	4,071	7,655	51,195	139,919
145,880	144,227	125,799	139,594	0	0
77,092	84,221	62,040	57,142	20,401	56,620
<u>7,684,854</u>	<u>7,376,383</u>	<u>7,029,897</u>	<u>7,607,889</u>	<u>7,786,547</u>	<u>7,949,745</u>
1,110,431	1,346,573	1,205,449	1,103,255	1,189,657	1,187,788
2,867,862	2,847,980	3,205,587	3,589,404	3,679,873	3,680,658
186,860	223,038	312,852	192,405	334,167	429,521
103,469	112,259	113,391	107,704	95,067	141,403
374,504	505,419	302,117	161,431	485,474	318,168
141,999	155,125	109,837	149,308	43,877	31,975
1,174,367	1,129,878	1,090,117	1,174,475	1,543,137	1,592,808
1,168,624	1,402,792	538,330	952,076	482,922	418,959
619,379	1,283,255	439,156	477,512	447,015	412,952
26,000	26,000	26,000	34,000	87,000	82,000
76,581	117,198	127,253	140,956	167,254	189,969
<u>7,850,076</u>	<u>9,149,517</u>	<u>7,470,089</u>	<u>8,082,526</u>	<u>8,555,443</u>	<u>8,486,201</u>
<u>(165,222)</u>	<u>(1,773,134)</u>	<u>(440,192)</u>	<u>(474,637)</u>	<u>(768,896)</u>	<u>(536,456)</u>
0	20,056	0	10,800	39,439	7,303
0	0	574,435	153,334	500,000	0
544,352	735,000	0	0	0	0
73,000	399,000	125,000	151,000	185,000	203,500
14,240	0	0	0	0	0
0	0	0	0	74,999	103,764
(73,000)	(99,000)	(125,000)	(151,000)	(135,000)	(203,500)
200,750	36,250	60,750	77,265	100,350	116,750
<u>(200,750)</u>	<u>(36,250)</u>	<u>(60,750)</u>	<u>(77,265)</u>	<u>(100,350)</u>	<u>(116,750)</u>
<u>558,592</u>	<u>1,055,056</u>	<u>574,435</u>	<u>164,134</u>	<u>664,438</u>	<u>111,067</u>
<u>\$393,370</u>	<u>(\$718,078)</u>	<u>\$134,243</u>	<u>(\$310,503)</u>	<u>(\$104,458)</u>	<u>(\$425,389)</u>
10.8%	16.7%	9.8%	8.7%	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
2016	\$123,731,870	\$54,135,860	\$508,193,514	\$7,968,920	\$9,055,591
2015	123,666,110	55,173,170	510,969,371	7,546,170	8,575,193
2014	123,558,190	56,595,160	514,723,857	7,137,030	8,110,261
2013	123,185,650	56,632,450	513,766,000	6,846,710	7,780,352
2012	122,881,370	57,275,150	514,732,914	6,171,300	7,012,841
2011	122,619,790	32,124,220	442,125,743	5,705,250	6,483,239
2010	131,694,650	35,376,140	477,345,114	5,527,720	6,281,500
2009	131,441,760	35,607,370	477,283,229	5,304,940	6,028,341
2008	131,378,020	34,138,410	472,904,086	5,451,860	6,195,295
2007	124,585,680	31,434,560	445,772,114	5,487,170	6,235,420

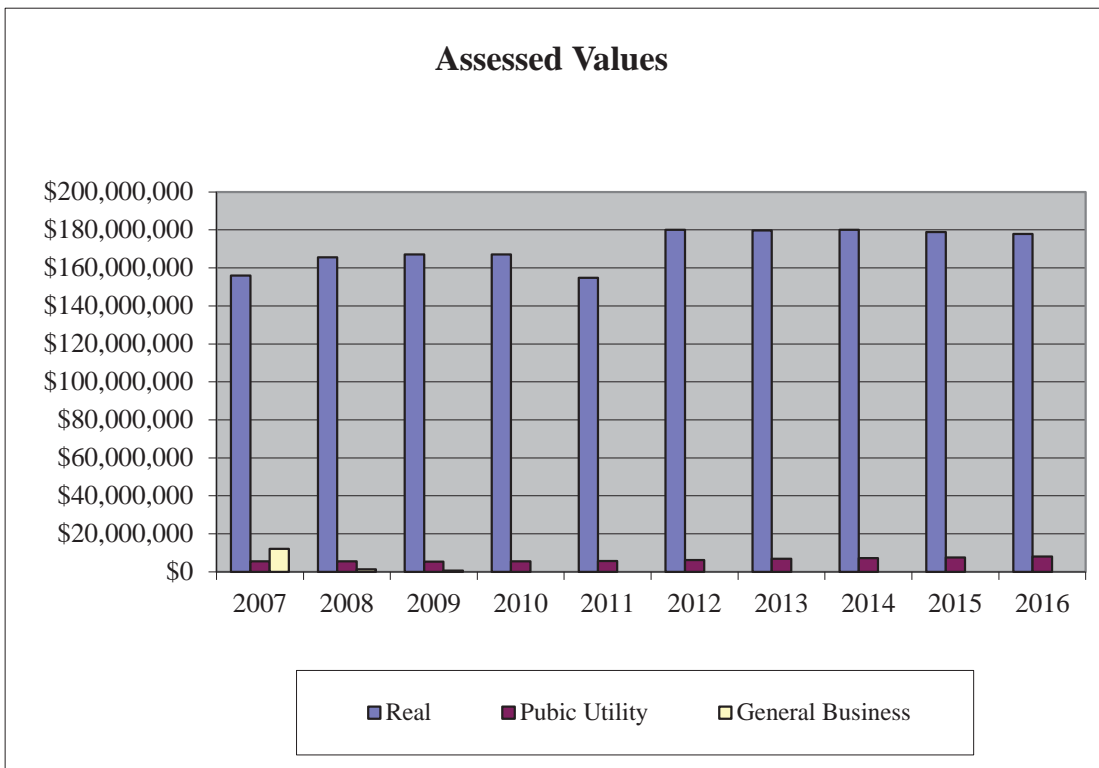
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

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 tax has been phased out, and during the phase out period, all general business tangible personal property was assessed at 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local and inter-exchange telephone companies, at 5 percent for 2010. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers (except telephone companies whose last year to pay tangible personal property was 2010).

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by 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	\$185,836,650	\$517,249,105	35.93%	\$12.84
0	0	186,385,450	519,544,565	35.87	13.46
0	0	187,290,380	522,834,119	35.82	9.80
0	0	186,664,810	521,546,352	35.79	9.75
0	0	186,327,820	521,745,755	35.71	7.09
0	0	160,449,260	448,608,981	35.77	7.17
0	0	172,598,510	483,626,614	35.69	7.51
641,975	10,271,600	172,996,045	493,583,169	35.05	7.50
1,357,800	21,724,800	172,326,090	500,824,181	34.41	7.51
12,120,220	96,961,760	173,627,630	548,969,295	31.63	7.88



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

	2016	2015	2014	2013	2012
<b>Unvoted Millage</b>					
Operating	\$2.0000	\$2.0000	\$2.0000	\$2.2000	\$2.2000
Fire Pension	0.7300	0.7300	0.7300	0.6300	0.6300
Police Pension	0.9000	0.9000	0.9000	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>
<b>Voted Millage - by levy</b>					
1986 Bond	0.0000	0.0000	0.0000	0.0000	0.0000
1995 Library Bond	0.0000	0.6300	0.5300	0.5300	0.6300
2003 Police Operating					
Residential/Agricultural Real	2.00000	2.00000	2.00000	1.85339	1.85366
Commercial/Industrial and Public Utility Real	1.85060	1.84657	1.80650	1.97037	1.95099
General Business and Public Utility Personal	2.00000	2.00000	2.00000	2.00000	2.00000
2005 Fire					
Residential/Agricultural Real	0.0000	0.0000	1.0000	0.9267	0.9268
Commercial/Industrial and Public Utility Real	0.0000	0.0000	0.9033	0.9852	0.9755
General Business and Public Utility Personal	0.0000	0.0000	1.0000	1.0000	1.0000
2013 Road and Bridge					
Residential/Agricultural Real	2.7500	2.7500	2.7500	2.7496	0.0000
Commercial/Industrial and Public Utility Real	2.7455	2.7395	2.6801	2.7500	0.0000
General Business and Public Utility Personal	2.7500	2.7500	2.7500	2.7500	0.0000
2015 Fire					
Residential/Agricultural Real	1.5000	1.5000	0.0000	0.0000	0.0000
Commercial/Industrial and Public Utility Real	1.5000	1.5000	0.0000	0.0000	0.0000
General Business and Public Utility Personal	1.5000	1.5000	0.0000	0.0000	0.0000
2015 Police					
Residential/Agricultural Real	3.0000	3.0000	0.0000	0.0000	0.0000
Commercial/Industrial and Public Utility Real	3.0000	3.0000	0.0000	0.0000	0.0000
General Business and Public Utility Personal	3.0000	3.0000	0.0000	0.0000	0.0000
<i>Total Voted Millage by Type of Property</i>					
Residential/Agricultural Real	\$9.2500	\$9.8800	\$6.2800	\$6.0597	\$3.4105
Commercial/Industrial and Public Utility Real	9.0961	9.7160	5.9199	6.2356	3.5565
General Business and Public Utility Personal	9.2500	9.8800	6.2800	6.2800	3.6300
<b>Total Millage by Type of Property</b>					
Residential/Agricultural Real	\$12.8800	\$13.5100	\$9.9100	\$9.6897	\$7.0405
Commercial/Industrial and Public Utility Real	12.7261	13.3460	9.5499	9.8656	7.1865
General Business and Public Utility Personal	12.8800	13.5100	9.9100	9.9100	7.2600
<i>Total Weighted Average Tax Rate</i>	<u>12.8352</u>	<u>13.4615</u>	<u>9.8012</u>	<u>7.7511</u>	<u>7.0926</u>

2011	2010	2009	2008	2007
\$2.2000	\$2.0000	\$2.0000	\$2.0000	\$2.0000
0.6300	0.6300	0.4400	0.4400	0.4400
0.8000	1.0000	1.1900	1.1900	1.1900
0.0000	0.0000	0.0000	0.0000	0.0000
3.6300	3.6300	3.6300	3.6300	3.6300
0.0000	0.4400	0.4400	0.4400	0.6400
0.7300	0.8300	0.8300	0.8300	0.8300
1.85270	1.72580	1.72480	1.7236	1.8075
1.93870	1.74400	1.73520	1.7606	1.9114
2.00000	2.00000	2.00000	2.0000	2.0000
0.9264	0.8629	0.8624	0.8618	0.9038
0.9693	0.8720	0.8676	0.8803	0.9557
1.0000	1.0000	1.0000	1.0000	1.0000
0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000
\$3.5091	\$3.8587	\$3.8572	\$3.8554	\$4.1813
3.6380	3.8860	3.8728	3.9109	4.3371
3.7300	4.2700	4.2700	4.2700	4.4700
\$7.1391	\$7.4887	\$7.4872	\$7.4854	\$7.8113
7.2680	7.5160	7.5028	7.5409	7.9671
7.3600	7.9000	7.9000	7.9000	8.1000
7.1727	7.5075	7.5046	7.5128	7.8800

(continued)

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

	2016	2015	2014	2013	2012
<b>Overlapping Rates by Taxing District</b>					
Conneaut City School District					
Residential/Agricultural Real	\$36.3900	\$36.3900	\$26.0683	\$24.3233	\$25.5513
Commercial/Industrial and Public Utility Real	23.9602	23.9227	23.5787	25.5875	26.6359
General Business and Public Utility Personal	26.7154	26.6232	36.3900	39.3900	37.6300
Ashtabula County					
Residential/Agricultural Real	11.5200	9.5530	10.8876	9.0012	8.9962
Commercial/Industrial and Public Utility Real	10.0306	8.0465	9.4306	9.9622	9.9304
General Business and Public Utility Personal	11.2176	9.2017	11.5200	11.0200	11.0200
Special Taxing Districts (1)					
Residential/Agricultural Real	8.7600	7.6500	3.5383	3.5917	3.5894
Commercial/Industrial and Public Utility Real	8.3339	5.9616	3.8581	3.6610	3.6489
General Business and Public Utility Personal	8.1487	6.2914	5.2500	5.2500	5.2500

Source: Ashtabula County Auditor

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

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

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

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

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

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

2011	2010	2009	2008	2007
\$25.5424	\$24.4838	\$24.4735	\$24.4579	\$24.5244
26.5549	24.5714	24.5103	24.5311	24.7382
37.6300	37.6300	37.6300	37.6300	37.6300
8.9922	8.5409	8.5335	8.5375	8.9780
9.9223	9.4041	9.2994	9.2655	9.7795
11.0200	11.0200	11.0200	11.0300	11.0300
2.5972	3.3998	3.2237	3.2207	3.7273
2.6574	3.3966	3.2468	3.2461	3.8383
4.2600	5.2500	5.2500	5.2500	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)
2016	\$2,497,430	\$2,378,707	95.25 %	\$59,324	\$2,438,031
2015	1,807,218	1,662,558	92.00	68,344	1,730,902
2014	1,824,225	1,662,089	91.11	79,952	1,742,041
2013	1,319,314	1,223,741	92.76	50,554	1,274,295
2012	1,157,637	1,062,111	91.75	65,444	1,127,555
2011	1,281,428	1,149,689	89.72	60,441	1,210,130
2010	1,366,669	1,286,146	94.11	61,699	1,347,845
2009	1,361,376	1,234,909	90.71	81,875	1,316,784
2008	1,366,449	1,250,191	91.49	56,280	1,306,471
2007	1,487,924	1,473,441	99.03	76,271	1,549,712

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
97.62 %	\$267,516	10.71 %
95.78	284,571	15.75
95.49	304,863	16.71
96.59	207,183	15.70
97.40	210,056	18.15
94.44	243,668	19.02
98.62	32,593	2.38
96.72	147,644	10.85
95.61	123,970	9.07
104.15	134,745	9.06

**City of Conneaut, Ohio**  
*Principal Real Property Taxpayers*  
 2016 and 2007

<i>2016</i>		
Taxpayer	Real Property Assessed Valuation	Percentage of Total Real Assessed Valuation
CCA Western Properties	\$25,049,150	14.08 %
Cleveland Electric Illuminating Company	6,061,070	3.41
Millwork Properties	1,415,580	0.80
Villa At the Lake	1,332,240	0.76
American Transmission	1,270,620	0.71
CSP of Ohio, LLC	961,700	0.54
ES Realty	840,980	0.47
Kolman Properties	825,870	0.46
Overhead Door	816,490	0.46
Mobile Grove Limited	782,250	0.44
<b>Total</b>	<b>\$39,355,950</b>	<b>22.13 %</b>
<b>Total Real Assessed Valuation</b>	<b>\$177,867,730</b>	

<i>2007</i>		
Taxpayer	Real Property Assessed Valuation	Percentage of Total Real Assessed Valuation
Cleveland Electric Illuminating Company	\$3,918,590	2.51 %
Millwork Properties	1,902,140	1.22
Inn at the Lake	1,548,090	0.99
CSP of Ohio, LLC	1,392,060	0.89
Emster XV, LLC	1,267,550	0.81
Highland Place	1,034,680	0.67
Inn Conn Health Care	985,710	0.63
Union Railroad	828,250	0.53
General Electric Lighting	650,940	0.42
RK Hotels & Investments	611,150	0.39
<b>Total</b>	<b>\$14,139,160</b>	<b>9.06 %</b>
<b>Total Real Assessed Valuation</b>	<b>\$156,020,240</b>	

Source: Ashtabula County Auditor

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

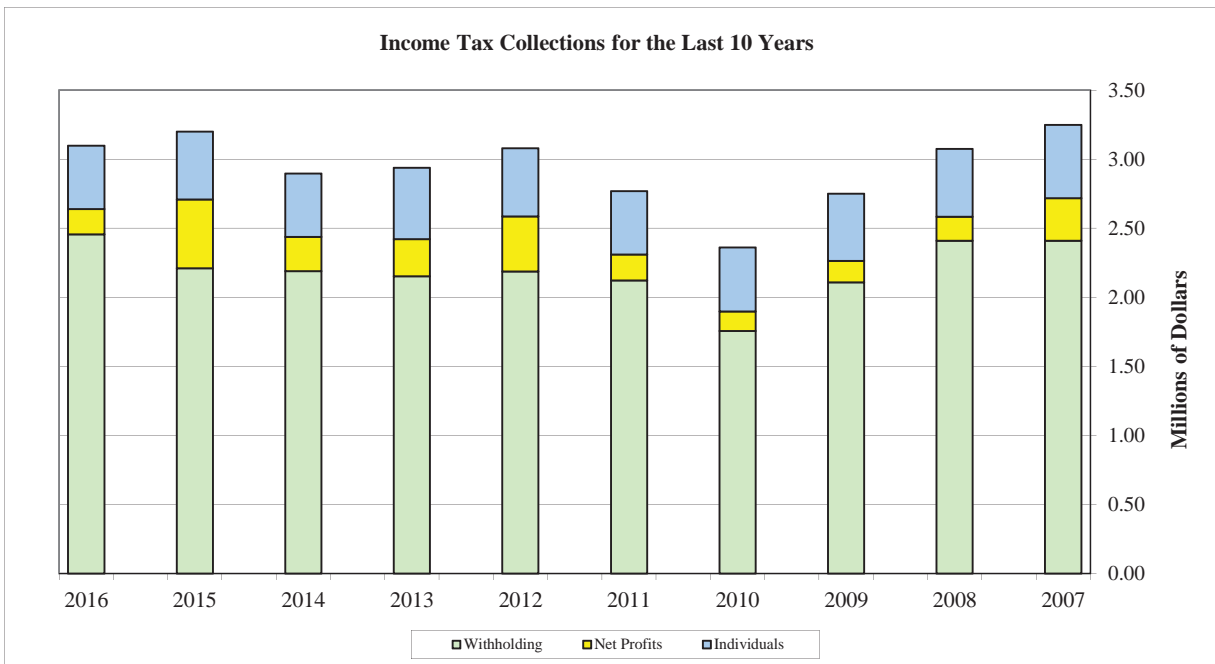
Tax Year	Tax Rate (2)	Total Tax Collected (1)	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individuals	Percentage of Taxes from Individuals
2016	1.65%	\$3,098,326	\$2,454,624	79.22%	\$183,311	5.92%	\$460,391	14.86%
2015	1.65	3,198,238	2,209,573	69.09	498,257	15.58	490,408	15.33
2014	1.65	2,896,554	2,189,229	75.58	249,088	8.60	458,237	15.82
2013	1.65	2,937,263	2,151,241	73.24	269,472	9.17	516,550	17.59
2012	1.80	3,078,827	2,185,879	71.00	400,016	12.99	492,932	16.01
2011	1.80	2,768,926	2,121,702	76.62	188,782	6.82	458,442	16.56
2010	1.80	2,360,141	1,755,009	74.36	142,990	6.06	462,142	19.58
2009	1.80	2,750,298	2,108,614	76.67	154,590	5.62	487,094	17.71
2008	1.80	3,073,413	2,410,323	78.42	172,210	5.60	490,880	15.97
2007	1.80	3,248,649	2,408,804	74.15	307,928	9.48	531,917	16.37

(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
2016	\$1,239,337	\$196,523	\$512,959	\$25,192	\$120,000	\$215,222
2015	1,462,186	295,554	652,960	27,485	150,000	101,264
2014	1,186,931	390,855	789,295	29,778	37,500	30,236
2013	967,749	485,908	922,072	32,071	15,000	59,725
2012	1,105,175	622,506	1,026,597	34,008	73,000	18,969
2011	645,000	753,536	1,111,053	21,349	399,000	37,104
2010	940,000	879,237	1,193,481	22,930	125,000	80,649
2009	1,145,000	999,827	653,334	24,511	151,000	158,346
2008	1,350,000	1,115,517	500,000	26,092	242,000	256,587
2007	1,555,000	1,226,509	0	27,673	329,000	261,030

(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)
\$4,796,560	\$501,022	\$218,995	\$116,289	\$0	\$0	\$7,942,099	3.62%	\$618.50
5,172,255	549,341	298,825	376,228	0	0	9,086,098	4.15	707.58
4,801,507	596,410	376,498	626,509	72,500	0	8,938,019	4.08	696.05
4,207,834	550,350	452,075	867,539	135,000	0	8,695,323	3.97	677.15
3,582,226	383,167	525,615	1,099,707	160,000	0	8,630,970	3.94	672.14
3,441,654	364,657	460,000	1,178,287	200,000	0	8,611,640	3.93	670.64
3,750,911	305,621	530,895	1,379,949	240,000	0	9,448,673	4.31	735.82
4,236,568	345,077	601,018	306,666	280,000	0	8,901,347	4.85	712.96
4,700,557	384,536	671,141	0	0	0	9,246,430	5.04	740.60
5,143,931	423,995	741,264	0	10,000	34,751	9,753,153	5.31	781.19

**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		
2016	12,841	\$517,249,105	\$1,239,337	\$218,995	\$1,458,332	0.28 %	\$113.57
2015	12,841	519,544,565	1,462,186	298,825	1,761,011	0.34	137.14
2014	12,841	522,834,119	1,186,931	376,498	1,563,429	0.30	121.75
2013	12,841	521,546,352	967,749	452,075	1,419,824	0.27	110.57
2012	12,841	521,745,755	1,105,175	525,615	1,630,790	0.31	127.00
2011	12,841	448,608,981	645,000	460,000	1,105,000	0.25	86.05
2010	12,841	483,626,614	940,000	530,895	1,470,895	0.30	114.55
2009	12,485	493,583,169	1,145,000	601,018	1,746,018	0.35	139.85
2008	12,485	500,824,181	1,350,000	670,000	2,020,000	0.40	161.79
2007	12,485	548,969,295	1,555,000	740,000	2,295,000	0.34	183.82

Sources:

- (1) 2016 - 2010 The U.S. Bureau of Census, 2010 Federal Census of Population  
2007 - 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, 2016*

Jurisdiction	Governmental Activites Debt	Percentage Applicable to City (1)	Amount Applicable to City of Conneaut
<b>Direct</b>			
General Obligation Bonds	\$1,239,337	100.00 %	\$1,239,337
OWDA Loans	196,523	100.00	196,523
Loans	512,959	100.00	512,959
OPWC Loans	25,192	100.00	25,192
Bond Anticipation Notes	120,000	100.00	120,000
Capital Leases	215,222	100.00	215,222
<i>Total Direct Debt</i>	<u>2,309,233</u>		<u>2,309,233</u>
<b>Overlapping</b>			
Ashtabula County			
General Obligation Bonds	17,391,546	10.32	1,794,808
OPWC Loans	108,214	10.32	11,168
Capital Leases	50,303	10.32	5,191
Conneaut City School District			
General Obligation Bonds	4,430,902	85.55	3,790,637
<i>Total Overlapping Debt</i>	<u>21,980,965</u>		<u>5,601,805</u>
<b>Total</b>	<u><u>\$24,290,198</u></u>		<u><u>\$7,911,038</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*

	2016	2015	2014	2013
Total Assessed Property Value	<u>\$185,836,650</u>	<u>\$186,385,450</u>	<u>\$186,385,450</u>	<u>\$187,290,380</u>
General Bonded Debt Outstanding:				
General Obligation Bonds	\$1,458,332	\$1,761,011	\$1,563,429	\$1,419,824
OWDA Loans	4,993,083	5,467,809	5,192,362	4,693,742
OPWC Loans	526,214	576,826	626,188	582,421
Bond Anticipation Notes	300,000	440,000	420,000	598,000
Loans	<u>629,248</u>	<u>1,029,188</u>	<u>1,415,804</u>	<u>1,789,611</u>
Total Gross Indebtedness	7,906,877	9,274,834	9,217,783	9,083,598
Less:				
Bond Anticipation Notes	0	(37,500)	(27,500)	(125,500)
OPWC Loans	(526,214)	(576,826)	(626,188)	(582,421)
OWDA Loans	(4,993,083)	(5,467,809)	(5,192,362)	(4,693,742)
General Obligation Bond Retirement Fund Balance	<u>(200,058)</u>	<u>(190,293)</u>	<u>(196,347)</u>	<u>(201,824)</u>
Total Net Debt Applicable to Debt Limit	<u>2,187,522</u>	<u>3,002,406</u>	<u>3,175,386</u>	<u>3,480,111</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>19,512,848</u>	<u>19,570,472</u>	<u>19,570,472</u>	<u>19,665,490</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$17,325,326</u>	<u>\$16,568,066</u>	<u>\$16,395,086</u>	<u>\$16,185,379</u>
Legal Debt Margin as a Percentage of the Debt Limit	88.79%	84.66%	83.77%	82.30%
Unvoted Debt Limitation 5 ½ % of Assessed Valuation	<u>\$10,221,016</u>	<u>\$10,251,200</u>	<u>\$10,251,200</u>	<u>\$10,300,971</u>
Total Gross Indebtedness	7,906,877	9,274,834	9,217,783	9,083,598
Less:				
Bond Anticipation Notes	0	(37,500)	(27,500)	(125,500)
Special Assessment Bonds	0	0	0	0
OPWC Loans	(526,214)	(576,826)	(626,188)	(582,421)
OWDA Loans	(4,993,083)	(5,467,809)	(5,192,362)	(4,693,742)
General Obligation Bond Retirement Fund Balance	<u>(200,058)</u>	<u>(190,293)</u>	<u>(196,347)</u>	<u>(201,824)</u>
Net Debt Within 5 ½ % Limitations	<u>2,187,522</u>	<u>3,002,406</u>	<u>3,175,386</u>	<u>3,480,111</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$8,033,494</u>	<u>\$7,248,794</u>	<u>\$7,075,814</u>	<u>\$6,820,860</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	78.60%	70.71%	69.02%	66.22%

Source: City Financial Records



2012	2011	2010	2009	2008	2007
<u>\$186,664,810</u>	<u>\$186,327,820</u>	<u>\$160,449,260</u>	<u>\$172,598,510</u>	<u>\$172,996,045</u>	<u>\$172,326,090</u>
\$1,630,790	\$1,105,000	\$1,470,000	\$1,745,000	\$2,020,000	\$2,295,000
4,204,732	4,195,190	4,630,148	5,236,395	5,816,074	6,370,440
417,175	386,006	328,551	369,588	410,628	451,668
739,000	880,000	691,000	1,090,000	667,000	796,000
2,126,304	2,289,340	2,573,430	960,000	500,000	0
9,118,001	8,855,536	9,693,129	9,400,983	9,413,702	9,913,108
(126,000)	(151,000)	(301,000)	(510,905)	(517,000)	(621,000)
(417,175)	(386,006)	(328,551)	(369,588)	(410,628)	(451,668)
(4,204,732)	(4,195,190)	(4,630,148)	(5,236,395)	(5,816,074)	(6,370,440)
(191,063)	(178,020)	(394,447)	(449,671)	(511,302)	(563,506)
4,179,031	3,945,320	4,038,983	2,834,424	2,158,698	1,906,494
19,599,805	19,564,421	16,847,172	18,122,844	18,164,585	18,094,239
<u>\$15,420,774</u>	<u>\$15,619,101</u>	<u>\$12,808,189</u>	<u>\$15,288,420</u>	<u>\$16,005,887</u>	<u>\$16,187,745</u>
78.68%	79.83%	76.03%	84.36%	88.12%	89.46%
<u>\$10,266,565</u>	<u>\$10,248,030</u>	<u>\$8,824,709</u>	<u>\$9,492,918</u>	<u>\$9,514,782</u>	<u>\$9,477,935</u>
9,118,001	8,855,536	9,693,129	9,400,983	9,413,702	9,913,108
(126,000)	(151,000)	(301,000)	(510,905)	(517,000)	(621,000)
0	0	0	0	0	0
(417,175)	(386,006)	(328,551)	(369,588)	(410,628)	(451,668)
(4,204,732)	(4,195,190)	(4,630,148)	(5,236,395)	(5,816,074)	(6,370,440)
(191,063)	(178,020)	(394,447)	(449,671)	(511,302)	(563,506)
4,179,031	3,945,320	4,038,983	2,834,424	2,158,698	1,906,494
<u>\$6,087,534</u>	<u>\$6,302,710</u>	<u>\$4,785,726</u>	<u>\$6,658,494</u>	<u>\$7,356,084</u>	<u>\$7,571,441</u>
59.29%	61.50%	54.23%	70.14%	77.31%	79.88%

**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	
2016	\$2,278,129	\$1,541,931	\$736,198	\$162,534	\$60,161	\$222,695	3.31
2015	2,270,332	1,666,156	604,176	153,649	62,026	215,675	2.80
2014	2,258,092	1,851,666	406,426	80,286	21,395	101,681	4.00
2013	2,188,771	1,541,500	647,271	74,654	10,928	85,582	7.56
2012	2,174,864	1,687,291	487,573	66,549	10,425	76,974	6.33
2011	2,075,076	1,748,927	326,149	58,795	9,572	68,367	4.77
2010	2,119,609	1,287,132	832,477	54,894	10,882	65,776	12.66
2009	2,078,764	2,092,618	(13,854)	53,642	12,131	65,773	(0.21)
2008	1,953,085	1,504,597	448,488	25,174	0	25,174	17.82
2007	1,927,268	1,518,447	408,821	25,174	0	25,174	16.24

\* 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	
2016	\$2,407,861	\$1,417,069	\$990,792	\$261,480	\$85,425	\$346,905	2.86
2015	2,409,703	1,378,966	1,030,737	126,673	99,642	226,315	4.55
2014	2,397,841	1,393,600	1,004,241	325,227	40,695	365,922	2.74
2013	2,316,309	1,549,071	767,238	328,697	117,636	446,333	1.72
2012	2,257,163	1,427,678	829,485	291,692	116,774	408,466	2.03
2011	2,386,287	1,489,917	896,370	480,714	133,660	614,374	1.46
2010	2,414,498	1,454,173	960,325	470,219	158,406	628,625	1.53
2009	2,004,078	1,372,948	631,130	449,806	173,721	623,527	1.01
2008	2,005,083	1,376,937	628,146	14,285	0	14,285	43.97
2007	1,950,514	1,267,503	683,011	15,056	0	15,056	45.36

\* 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*

2016

Employer	Employees	Percentage of Total City Employment
Corrections Corporation of America (CCA)	309	7.17 %
General Aluminum	289	6.70
Conneaut Area City School District	283	6.56
Continental Structural Plastics	215	4.99
University Heights Hospital System	209	4.85
Ashtabula County	148	3.43
Lukjan Metal Products	143	3.32
Cascade Ohio	123	2.85
City of Conneaut	109	2.53
Infinity Resources	102	2.36
<b>Total</b>	<b>1,930</b>	<b>44.76 %</b>
<b>Total Employment within the City</b>	<b>4,312</b>	

2007

Employer	Employees	Percentage of Total City Employment
Cascade Ohio	378	6.54 %
Conneaut Area City School District	370	6.41
University Heights Hospital System	329	5.70
Management Training Corporation	303	5.25
General Aluminum	289	5.01
City of Conneaut	218	3.78
CSP	169	2.93
Lukjan Metal Products	158	2.74
G.E. Lighting	94	1.63
Sunshine Health	91	1.58
<b>Total</b>	<b>2,399</b>	<b>41.57 %</b>
<b>Total Employment within the City</b>	<b>5,771</b>	

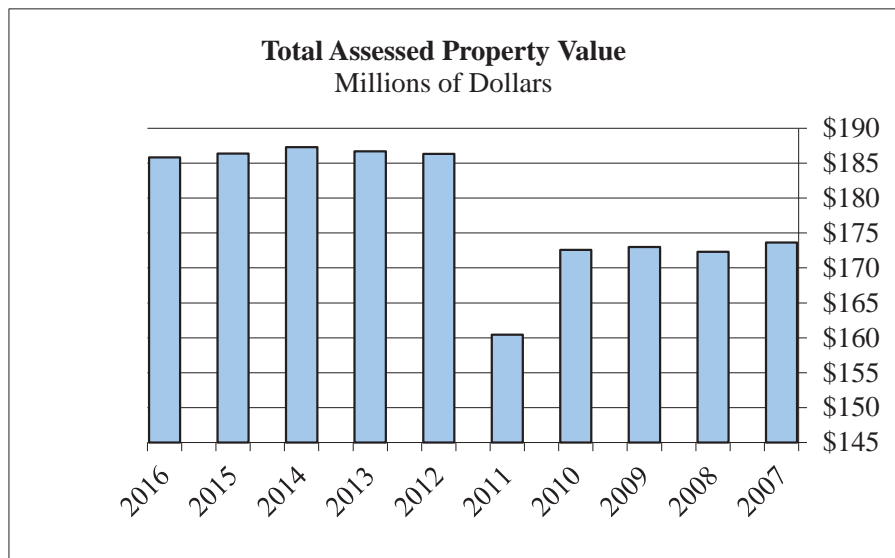
Source: Number of employees obtained from the W2's  
from the City's Tax Department

*(This Page Intentionally Left Blank)*

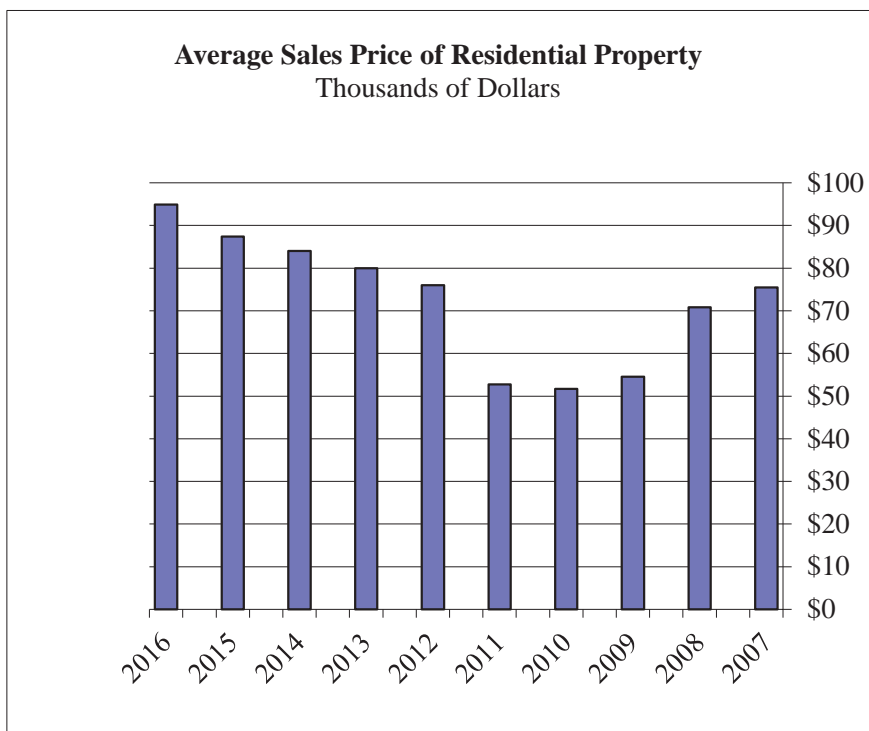
**City of Conneaut, Ohio**  
*Demographic and Economic Statistics*  
*Last Ten Years*

Year	Population (1)	Total Personal Income (3)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)
2016	12,841	\$219,131,665	\$17,065	\$38,250	40
2015	12,841	219,131,665	17,065	38,250	40
2014	12,841	219,131,665	17,065	38,250	40
2013	12,841	219,131,665	17,065	38,250	40
2012	12,841	219,131,665	17,065	38,250	40
2011	12,841	219,131,665	17,065	38,250	40
2010	12,841	219,131,665	17,065	38,250	40
2009	12,485	183,566,955	14,703	31,717	38
2008	12,485	183,566,955	14,703	31,717	38
2007	12,485	183,566,955	14,703	31,717	38

- (1) 2016 - 2010 The U.S. Bureau of Census, 2010 Federal Census of Population  
2007 - 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%	1,727	5.3%	\$94,900	\$185,836,650
11.2	1,789	6.2	87,400	186,385,450
11.2	1,785	5.9	84,000	187,290,380
11.2	1,797	9.0	80,000	186,664,810
11.2	1,838	9.0	76,000	186,327,820
11.2	2,054	11.9	52,750	160,449,260
11.2	2,269	11.9	51,661	172,598,510
9.9	2,242	14.2	54,542	172,996,045
9.9	2,316	10.4	70,800	172,326,090
9.9	2,332	6.4	75,442	173,627,630



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

Function/Program	2016	2015	2014	2013
<b>General Government</b>				
Council	7.00	7.00	7.00	7.00
Clerk of Council	1.00	1.00	1.00	1.00
City Manager	2.00	2.00	2.00	2.00
Finance	3.50	3.50	3.50	3.50
Law	2.50	2.00	2.00	2.00
Court	6.00	6.00	6.00	6.00
Public Building	0.00	0.00	0.00	0.00
<b>Security of Persons and Property</b>				
Police	19.00	17.00	17.00	16.00
Police - Dispatchers	4.00	4.00	4.00	4.00
Police - Jailers	2.00	0.00	0.00	0.00
Fire	11.50	10.50	10.50	10.00
Ambulance	5.00	5.00	5.00	5.00
<b>Public Health Services</b>				
Health	3.00	3.00	3.00	3.00
Cemetery	1.00	1.00	1.00	1.00
<b>Leisure Time Activities</b>				
Recreation	1.00	1.00	1.00	1.00
<b>Community Environment</b>				
Litter Control/Recycling	0.00	0.00	0.00	0.00
Housing/Zoning	1.00	1.00	1.00	1.00
<b>Transportation</b>				
Street/Public Works	13.00	12.00	12.00	12.00
<b>Basic Utility Services</b>				
Water	15.00	15.00	15.00	15.00
Sewer	11.00	11.00	11.00	11.00
<b>Totals:</b>	<u>108.50</u>	<u>102.00</u>	<u>102.00</u>	<u>100.50</u>

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

Source: City Financial Records



2012	2011	2010	2009	2008	2007
7.00	7.00	7.00	7.00	7.00	7.00
1.00	1.00	1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	2.00	2.00
3.50	3.50	3.50	3.50	4.00	4.00
2.00	2.00	2.50	2.50	2.50	2.50
6.00	7.00	6.00	6.00	6.00	6.00
0.00	0.00	0.00	0.00	1.00	1.00
16.00	16.00	19.00	19.00	20.00	20.00
4.00	4.00	4.00	4.00	4.00	4.00
0.00	0.00	0.00	0.00	2.00	2.00
10.00	10.00	10.00	10.00	12.00	12.00
5.00	5.00	5.00	5.00	5.00	5.00
3.50	2.50	3.00	3.00	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	0.00	1.00	1.00	1.00	1.00
0.50	0.50	1.00	1.00	1.00	1.00
12.00	15.00	17.00	17.00	17.00	18.00
15.00	15.00	16.00	16.00	16.00	16.00
11.00	11.00	12.00	12.00	12.00	12.00
101.00	104.00	112.50	112.50	120.00	121.00

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

Function/Program	2016	2015	2014
<b>General Government</b>			
<i><b>Council and Clerk</b></i>			
Number of Ordinances Passed	118	116	100
Number of Resolutions Passed	7	6	7
<i><b>Finance Department</b></i>			
Number of checks/vouchers issued	3,046	3,347	3,122
Amount of checks written	\$13,684,900	\$13,893,413	\$14,399,049
Interest earnings for fiscal year (cash basis)	\$23,126	\$6,818	\$5,253
Number of Receipts issued	573	509	519
Number of Budget Adjustments issued	14	9	11
Agency Ratings - Moody's Financial Services	Aaa	Aaa	Aaa
Health Insurance Costs vs General Fund Expenditures %	12.76%	12.40%	13.33%
General Fund Receipts (cash basis)	\$4,583,015	\$4,902,538	\$4,111,116
General Fund Expenditures (cash basis)	\$4,822,199	\$4,741,073	\$4,077,850
General Fund Cash Balances	\$1,136,255	\$1,375,440	\$1,213,975
<i><b>Income Tax Department</b></i>			
Number of Individual Returns	4,249	4,430	4,534
Number of Business Returns	408	483	420
Number of business withholding accounts	526	537	524
Amount of Penalties and Interest Collected	\$50,216	\$34,291	\$41,369
Annual number of Corporate withholding forms processed	3,325	2,300	2,101
Annual number of balance due statements forms processed	1,181	982	952
Annual number of estimated payment forms processed	1,560	1,575	1,635
Annual number of reconciliations of withholdings processed	548	571	355
<i><b>Engineer Contracted Services</b></i>			
Dollar amount of Construction overseen by Engineer	\$755,002	\$2,282,649	\$719,793
<i><b>Municipal Court</b></i>			
Number of Civil Cases	270	257	251
Number of Criminal cases	648	885	1,084
<i><b>Vital Statistics</b></i>			
Certificates Filed			
Number of Births	1	2	2
Number of Deaths	110	96	85
Certificates Issued			
Number of Births	355	391	403
Number of Deaths	443	494	444
Burial Permits Issued	129	124	137
<i><b>Civil Service</b></i>			
Number of police entry tests administered	11	4	0
Number of fire entry tests administered	9	0	9
Number of police promotional tests administered	0	0	0
Number of fire promotional tests administered	0	5	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	0	1	0

2013	2012	2011	2010	2009	2008	2007
119	106	112	107	123	109	137
7	7	8	11	19	11	11
3,356	3,248	3,321	3,230	3,530	4,185	4,151
\$13,965,336	\$13,598,713	\$15,117,766	\$13,879,192	\$13,559,134	\$13,537,185	\$13,307,015
\$5,002	\$3,716	\$2,935	\$3,828	\$6,005	\$39,844	\$137,706
667	545	541	458	492	557	601
8	12	6	11	6	10	8
Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa
11.85%	12.12%	12.04%	11.28%	11.50%	14.47%	11.69%
\$4,149,116	\$3,981,654	\$4,250,115	\$4,281,343	\$4,212,709	\$4,094,106	\$4,013,767
\$3,974,476	\$3,753,279	\$3,767,922	\$4,199,979	\$4,057,218	\$4,406,869	\$4,377,923
\$1,180,709	\$1,006,069	\$833,058	\$326,480	\$250,054	\$108,742	\$428,286
4,456	4,058	4,031	4,282	4,274	4,239	4,525
441	392	456	436	436	406	459
467	501	515	482	458	433	498
\$37,900	\$29,107	\$27,399	\$32,550	\$31,843	\$25,959	\$28,968
2,130	2,179	2,240	2,130	2,024	1,914	2,201
1,128	1,111	984	917	838	734	537
1,616	1,469	1,481	1,554	1,366	1,441	1,446
429	501	515	482	451	433	498
\$1,312,011	\$2,059,385	\$784,499	\$78,518	\$808,877	\$241,089	\$231,566
220	283	282	333	359	413	352
965	999	907	929	1,011	915	1,143
1	2	0	1	0	2	1
106	99	110	111	95	144	133
352	392	420	472	542	652	754
549	480	595	525	486	857	578
147	163	143	152	127	151	146
1	0	1	0	1	0	0
1	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
0	0	1	0	0	0	0

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

Function/Program	2016	2015	2014
<b><i>Building Department Indicators</i></b>			
Construction Permits			
Estimated Value of Construction	\$2,210,590	\$1,523,971	\$2,873,929
Number of permits issued	167	161	188
Amount of Revenue generated from permits	\$6,840	\$5,290	\$5,210
<b>Security of Persons and Property</b>			
<b><i>Police</i></b>			
Total Calls for Services	16,507	17,898	21,028
911 Calls Answered	6,275	5,533	5,779
Arrests/Citations	1,107	1,135	1,548
Community Policing Hours	925	850	8,412
DARE Graduates	0	0	0
Investigations	2,319	2,226	2,481
Jail Inmates	324	300	280
Vehicle Crashes	222	244	269
Prisoner costs	\$7,230	\$6,922	\$8,102
Gasoline costs of fleet	\$22,564	\$25,441	\$38,113
<b><i>Fire</i></b>			
EMS Calls	1,727	1,877	1,606
Fire Calls	691	346	221
Fires with Loss	29	49	60
Fires with Losses exceeding \$10K	4	6	7
Fire Losses	\$272,416	\$582,402	\$347,732
Fire Safety Inspections	111	132	132
Number of times Mutual Aid given to Fire and EMS	7	10	46
Number of times Mutual Aid received for Fire and EMS	9	18	17
<b>Public Health Services</b>			
Cemetery burials	40	53	39
Cemetery sale of lots	7	16	17
Cemetery receipts	\$20,782	\$29,170	\$22,890
<b>Leisure Time Activities</b>			
<b><i>Recreation</i></b>			
City Tax	\$26,956	\$27,827	\$25,201
Softball Fees	0	0	800
Facilities rentals	37,375	31,650	31,725
Total Recreation Department receipts	<u>\$64,331</u>	<u>\$59,477</u>	<u>\$57,726</u>

2013	2012	2011	2010	2009	2008	2007
\$3,994,229	\$944,196	\$748,499	\$2,198,791	\$1,605,848	\$1,470,693	\$541,353
161	147	148	131	121	126	171
\$5,585	\$4,682	\$4,652	\$4,172	\$4,504	\$4,523	\$8,074
28,334	23,110	21,912	25,026	25,400	25,976	26,233
5,478	5,277	4,429	6,706	6,982	7,093	5,784
1,419	1,808	2,199	2,049	908	2,058	223
8,642	8,924	8,847	9,455	9,258	7,100	5,950
0	0	0	0	0	0	0
2,541	2,689	2,813	2,969	2,895	3,332	3,284
247	271	273	256	241	337	331
246	238	230	288	322	345	329
\$9,029	\$11,234	\$6,709	\$11,332	\$9,850	\$14,191	\$13,591
\$36,457	\$37,498	\$29,989	\$31,757	\$25,690	\$50,417	\$38,313
1,558	1,463	1,575	1,701	1,429	1,728	1,744
203	204	89	95	85	78	89
82	90	80	40	36	36	33
10	8	3	3	3	3	11
\$548,385	\$301,600	\$363,650	\$162,950	\$505,200	\$613,695	\$613,695
99	120	79	34	69	35	170
24	20	27	25	54	18	32
23	22	42	12	7	12	30
57	55	54	47	50	56	69
24	8	9	12	18	14	24
\$32,900	\$30,137	\$24,565	\$27,390	\$38,115	\$31,531	\$38,278
\$24,817	\$24,325	\$21,876	\$24,300	\$24,300	\$24,282	\$25,665
600	1,650	7,850	9,475	7,000	8,010	7,200
28,225	29,375	29,075	31,000	33,450	9,985	33,525
<u>\$53,642</u>	<u>\$55,350</u>	<u>\$58,801</u>	<u>\$64,775</u>	<u>\$64,750</u>	<u>\$42,277</u>	<u>\$66,390</u>

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

Function/Program	2016	2015	2014
<b>Transportation</b>			
Street Improvements - asphalt overlay (linear feet)	16,075	17,935	7,320
Crackseal Coating Program (Miles)	6	5	7
Street Repair (Curbs, aprons, berms, asphalt) (hours)	750	771	1,454
Paint Striping (hours)	224	192	177
Street Sweeper (hours)	380	349	375
Cold Patch (hours)	580	404	501
Snow and Ice Removal regular hours	1,750	1,542	2,177
Snow and Ice Removal overtime hours	375	315	454
Storm Sewer Calls for Service - Sewer Jet Regular Hours	1,200	1,311	1,180
Storm Sewer Calls for Service - Sewer Jet Overtime Hours	56	45	48
Sewer Crew (hours)	1,500	446	431
Landscaping Stump-Chipper service (hours)	0	10	31
Leaf collection (hours)	640	0	0
Holiday lights setup (hours)	60	29	30
Street/Traffic Signs (Hours)	800	311	280
Equipment repair/body shop (hours)	2,080	2,010	1,200
Number of Trees Planted per year	0	0	0
Tons of snow melting salt purchased (Nov-Mar)	1,088	1,564	1,237
Cost of salt purchased	\$62,674	\$105,000	\$47,741
<b>Water Department</b>			
Water Rates per 1st 2,000 gallons of water	\$18.84	\$18.29	\$18.29
Avg. number of water accounts billed monthly (Cubic Feet)	4,880	4,850	4,800
Total Water Collections Annually (Including Principal and Interest)	\$2,327,785	\$2,266,166	\$2,256,350
<b>Wastewater Department</b>			
Wastewater Rates per 1st 300 Cubic feet of water used	\$19.70	\$19.70	\$19.70
Total flow of wastewater treatment plant (Billions of Gallons)	0.701	0.729	0.949
Average daily flow (Millions of gallons per day)	1.919	1.998	26.020
Tons of dry sludge removed	226.71	317.28	177.98

Source: City Financial Records and Departments

2013	2012	2011	2010	2009	2008	2007
0	14,347	8,092	8,580	7,985	13,800	23,800
8	6	31	4	0	6	5
578	2,879	2,198	784	2,441	1,032	1,780
274	172	231	104	145	350	400
308	553	390	360	303	156	640
380	361	482	248	651	554	1,100
1,763	1,656	1,743	1,824	1,616	7,960	8,950
529	285	492	391	239	737	732
1,467	1,397	1,280	432	203	2,080	2,080
24	53	6	0	0	0	0
774	784	1,114	400	415	707	1,700
0	0	0	0	0	100	150
0	0	0	0	652	96	3,200
28	54	16	16	16	16	16
352	547	646	510	464	394	240
2,281	2,218	5,760	6,240	6,240	6,240	6,240
0	0	0	0	0	0	0
937	918	899	776	773	1,100	1,450
\$39,565	\$39,253	\$40,522	\$43,921	\$48,842	\$43,115	\$48,560
\$17.76	\$17.00	\$17.24	\$17.24	\$17.24	\$16.29	\$15.84
4,800	4,900	4,900	4,900	4,900	4,900	4,900
\$2,168,960	\$2,228,733	\$2,103,537	\$2,068,133	\$2,215,799	\$1,947,755	\$1,904,311
\$19.30	\$18.90	\$19.76	\$19.76	\$17.18	\$16.74	\$15.82
1.162	0.972	1.212	0.694	0.846	0.992	0.876
3.187	2.657	3.316	1.902	2.324	2.713	2.402
292.48	270.54	186.06	268.91	281.39	299.30	197.46

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

Function/Program	2016	2015	2014	2013
<b>General Government</b>				
Square Footage Occupied	11,580	11,580	11,580	11,580
Inspection Vehicles	1	1	1	1
<b>Police</b>				
Stations	1	1	1	1
Square Footage Occupied	8,944	8,944	8,944	8,944
Vehicles	20	20	20	20
<b>Fire</b>				
Stations	2	2	2	2
Square Footage Occupied	12,880	12,880	12,880	12,880
Vehicles	10	10	10	10
<b>Recreation</b>				
Number of Parks	5	5	5	5
Number of Tennis Courts	2	2	2	2
Number of Skateboarding Areas	0	0	0	0
Number of Baseball Diamonds	2	2	2	2
Square Footage Occupied	1,790	1,790	1,790	1,790
Vehicles	2	2	2	2
<b>Other Public Works</b>				
Streets (lane miles)	565	565	565	565
Service Vehicles	22	22	22	22
<b>Wastewater</b>				
Sanitary Sewers (miles)	60	60	60	60
Storm Sewers (miles)	35	35	35	35
<b>Water Department</b>				
Water Lines (miles)	91	91	91	91
Vehicles	9	9	9	9

Source: City Financial Records



2012	2011	2010	2009	2008	2007
11,580	11,580	11,580	11,580	11,580	11,580
1	1	1	1	1	1
1	1	1	1	1	1
8,944	8,944	8,944	8,944	8,944	8,944
20	20	20	20	20	20
2	2	2	2	3	3
12,880	12,880	12,880	12,880	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

*(This Page Intentionally Left Blank)*



# 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  
OCTOBER 3, 2017**