



Mary Taylor, CPA
Auditor of State

CITY OF CONNEAUT
ASHTABULA COUNTY

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CITY OF CONNEAUT
ASHTABULA COUNTY

SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2009

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Revenues	Disbursements
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
<i>Passed Through Ohio Department of Development:</i>				
Community Development Block Grants - State's Program:				
Formula Allocation Program	A-F-07-107-1 A-F-08-107-1	14.228	\$52,400 72,230	\$51,000 211,534
Total U.S. Department of Housing and Urban Development			<u>124,630</u>	<u>262,534</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
<i>Direct Program:</i>				
Federal Emergency Management Agency Assistance to Firefighters Grant Program	EMW-2008-F0-11642	97.044	149,607	149,607
<u>U.S. DEPARTMENT OF FEDERAL HIGHWAY ADMINISTRATION</u>				
<i>Passed Through Ohio Department of Transportation:</i>				
Signalization Improvement at Gateway and SR 7	ATB-SR7-29.39	20.205	124,938	134,000
<u>U.S. ENVIROMENTAL PROTECTION AGENCY</u>				
<i>Direct Program:</i>				
Brownfields Training, Research, and Technical Assistance Grants and Cooperative Agreements	N/A	66.814	<u> </u>	<u>2,395</u>
Total Federal Assistance			<u>\$399,175</u>	<u>\$548,536</u>

The accompanying notes to this schedule are an integral part of this schedule.

**CITY OF CONNEAUT
ASHTABULA COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
DECEMBER 31, 2009**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Expenditures Schedule (the Schedule) summarizes activity of the City's federal award programs. The Schedule has been prepared on the cash basis of accounting.

NOTE B - COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) REVOLVING LOAN PROGRAMS

The City has established a revolving loan program to provide low-interest loans to businesses to create jobs for persons from low-moderate income households and to eligible persons and to rehabilitate homes. The Federal Department of Housing and Urban Development (HUD) grants money for these loans to the City passed through the Ohio Department of Development. The initial loan of this money is recorded as a disbursement on the accompanying Schedule of Federal Awards Expenditures. Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as disbursements on the Schedule.

These loans are collateralized by mortgages on the property. At December 31, 2009, the gross amount of loans outstanding under this program was \$202,559. Delinquent amounts due are \$167,501.

NOTE C - MATCHING REQUIREMENTS

Certain Federal programs require that the City to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

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

To the Members of Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Conneaut, Ashtabula County, (the City) as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 22, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the City's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the City's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

However, we did note certain matters not requiring inclusion in this report that we reported to the City's management in a separate letter dated June 22, 2010.

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note one matter not requiring inclusion in this report that we reported to the City's management in a separate letter dated June 22, 2010.

We intend this report solely for the information and use of the audit committee, management, City Council, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

June 22, 2010



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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

To the Members of Council:

Compliance

We have audited the compliance of the City of Conneaut (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to its major federal programs for the year ended December 31, 2009. The summary of auditor's results section of the accompanying schedule of findings identifies the City's major federal programs. The City's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City of Conneaut complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended December 31, 2009.

Internal Control Over Compliance

The City's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of opining on compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Federal Awards Expenditures Schedule

We have also audited the financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of City of Conneaut as of and for the year ended December 31, 2009, and have issued our report thereon dated June 22, 2010. Our audit was performed to form opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying federal awards expenditures schedule provides additional information as required by OMB Circular A-133 and is not a required part of the financial statements. We subjected this information to the auditing procedures applied in the audit of the financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

We intend this report solely for the information and use of the audit committee, management, City Council, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Mary Taylor, CPA
Auditor of State

June 22, 2010

**CITY OF CONNEAUT
ASHTABULA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2009**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	NO
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	NO
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	NO
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	NO
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	NO
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	NO
<i>(d)(1)(vii)</i>	Major Programs (list):	CFDA #14.228 - CDBG Formula; CFDA #97.044 - FEMA Assistance to Firefighters
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	NO

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

CITY OF CONNEAUT, OHIO

COMPREHENSIVE

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2009

ISSUED BY THE DEPARTMENT OF FINANCE

John Williams, J.D., CPA,

FINANCE DIRECTOR

City of Conneaut, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2009
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CITY OF CONNEAUT
FINANCE DEPARTMENT
294 MAIN STREET, CONNEAUT, OHIO 44030

John Williams, J.D., CPA
Finance Director

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EMAIL: connfinance@suite224.net

Report Review Date

Citizens of Conneaut
City Manager, Robert A. Schaumleffel, Jr.
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 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.

The Ohio State Auditor's Office has issued an unqualified ("clean") opinion of the City of Conneaut's financial statements for the year ended December 31, 2009. The State Auditor's report is located at the front of this financial report.

Management's discussion and analysis (MD&A) immediately follows the State 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 12,485 and has 27 square miles within the City limits. The City was incorporated as a borough in 1832, and eventually achieved City status in 1902.

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

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

The City operated under the statutory Mayor-Council form of government until the electors of the City passed the City Charter with a Council-Manager form of government. Members of the Conneaut Charter Commission were elected at the general election held November 7, 1989 to frame and submit a Charter to the electors of the City. In the general election held Tuesday, November 6, 1990, the electors of the City of Conneaut approved the proposed charter and the City's first City Manager began serving in February of 1992. Beginning in January, 1997, and at least every seven years thereafter, City Council must appoint a Committee to review the Charter and propose any amendments as the Committee deems advisable. Amendments shall be submitted to the electorate at the next November general election. The last major amendments occurred in November 2004, which established staggered four year terms for City Council and eliminated the Department of Public Safety, with the City Manager assuming charge of all programs related to public safety, including the divisions of Police and Fire. 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. Previously, all seven members of Council were elected every two years, but after the last Charter amendment each council member is now elected to four year staggered terms. Starting in November, 2005, the President of Council and the two at large positions were elected to four year terms and beginning in November, 2007, each of the ward council positions are elected to four year terms.

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 Charter vests administrative authority in the City Manager, who is the chief administrative official. There are three named departments: the Department of Finance, the Department of Law, and the Department of Public Service. All other departments, including police, fire, water, wastewater, ambulance, public works, housing/zoning and recreation 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 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 and department. Transfers between departments or appropriation line items require approval by Council.

Local Economy

The past two years have presented a significant challenge to the City as a result of the nationwide economic contraction. Unemployment in Ashtabula County was over fourteen percent in 2009, an increase of nearly four percent from the prior year. Although the City continued to experience the effects of the recession in 2009, there were a few signs indicative of a slow, albeit weak, economic recovery. Several large companies in the City increased the size of their workforce, with one of them adding several hundred jobs. However, this recovery began in latter part of the year and the job creation was not enough to neutralize previous job losses. With many of the City's largest employers affiliated with the housing and automotive industry, which have experienced the greatest decline both nationally and locally, employment in these areas suffered the greatest. Overall, this had a negative impact on our local economy, resulting in a decrease in income tax collections by approximately \$323,000 from 2008 on a cash basis.

Sales of existing homes were down, and the average price of a home sold decreased significantly. Foreclosures were up and construction of new homes were down as well. The value of new construction

decreased by approximately seventy percent from two years ago, while the number of zoning permits decreased by about thirty percent for the same period. Delinquent real estate collections had an increase of approximately twenty percent. However, residential real estate valuation remained relatively unchanged at \$172,996,045.

Silverlode Consulting has been retained by the Conneaut Port Authority to prepare a comprehensive development plan for the entire lakefront, including Lakeview Park, which has panoramic views of Lake Erie and the City's landmark lighthouse. A new restaurant has opened and there are plans for a winery, as well as new walking trails through the sandbar and bird watching observatory. Plans to develop deep water dock space are being prepared in an effort to attract larger vessels to the Conneaut port. The Conneaut Port Authority has also been working diligently with the City Manager, City Council, and other agencies to help create a container shipping port, with the potential of creating thousands of jobs.

Construction of Love's Travel Center at the intersection of I-90 and State Route 7 has begun. Love's already has invested over \$1,000,000 in the land for the travel center and plans to invest another \$5,000,000 to complete the project. When completed, the travel center will have approximately forty employees, with an estimated payroll of over \$1,000,000 annually. Utilizing the City's City-Wide Community Reinvestment Area (CRA), the company is receiving a fifty percent tax abatement for fifteen years. It is anticipated that other development will follow, as other businesses have expressed interest in land near the interchange. Development of the I-90 interchange and State Route 7 has been a top priority.

With each passing year, tourism is becoming a more 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.

Of paramount importance are the City of Conneaut's goals to aggressively pursue economic growth, promote business retention, assist with business expansion and create a pro-business environment. 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. Furthermore, CRA 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.

Long-Term Financial Planning

The consolidation of the Fire and Ambulance departments has been an integral part of the City Manager's long term plan of reducing the cost of operating both of these departments and increasing ambulance billing revenue to help ensure the long term viability of the general fund. After the full consolidation of these departments, Fire Station #1 is now staffed by full-time personnel, and are the first responders to all emergency calls, as well as fire calls. Consequently, all revenue generated from the emergency service calls

is being receipted into the City's general fund as billing revenue. The additional revenue is being used to help fund Fire-EMS operations, as well as fund capital equipment needs for this department. The net effect of this consolidation, with both reductions in expense and increase in revenue, has resulted in a positive cash flow of nearly \$200,000.

In an effort to increase revenue, the City has contracted with American Energy to drill gas wells on the City's eastside industrial park. Two wells have been drilled with the possibility of four more throughout the site. It is estimated that gas royalties from these wells could generate \$40,000 to \$50,000 per year in revenue. All of the revenue generated from these wells will be used to build the City's general fund balance.

The City Manager has continued to develop and implement long term capital improvement plans to address aging vehicles, equipment, and infrastructure. With a recommendation from the City Manager, council approved legislation authorizing the purchase of nearly \$500,000 in new equipment and vehicles for the public service department. Considering that much of the equipment and many of the vehicles in this department are decades old, there is still much further to go, but this is a start. Storm water assessments are being evaluated as a means to replace this aging infrastructure throughout the City. Through grants obtained from the Ohio Public Works Commission, the City has been able to fund some of the capital needs of the enterprise funds. The City is currently examining other ways of funding the long term capital needs of these departments, 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.

City Council approved a contract with Neptune Equipment Company to replace all existing water meters within the City, both commercial and residential, with radio reads. Full implementation of this program will cost approximately \$1.3 million. Financing of this project is through a lease/purchase program, payable over a seven year term. The City will bear the cost of replacing the meters for all water customers, but commercial meters, those 1 inch and larger, will be the customer's responsibility to replace. Radio read meters will save a tremendous amount of time and money by permitting one person to obtain water meter readings for the entire City in less than one day, which currently takes two meter readers, with two vehicles, an entire month to complete. The City also plans to conduct a water and sewer rate study after the City-wide meter replacement, so that rates are sufficient to meet future operational and capital needs. A restructuring of water fees, along with projected increases in revenue from more accurate meters, are projected to generate more than enough revenue to service the debt necessary to fund the project.

Although no formal policy exists, City Council and the City Manager advocate sound financial practices to help ensure that adequate undesignated fund balances are maintained in all of the operating funds. As part of Council's long term goals and objectives, revenue enhancement and economic development are paramount, with particular emphasis on growing the City's tax base to help maintain financial stability.

Relevant Financial Policies

Budgetary control is maintained by the encumbrance of purchase order requests. Purchase order requisitions for the expenditure of monies need approval by the department head, which are then forwarded to the City Manager for approval. Once the City Manager has approved the purchase order request, it is then forwarded to the finance department for preparation of a purchase order and certification and returned to the respective departments. The purchase orders are then signed by each department and returned to the finance department to be audited for accuracy and completeness and finally processed for payment. Encumbrances which would exceed the available appropriation are not approved or recorded until City Council authorizes additional appropriations. Any changes to an existing purchase for more than fifty dollars, requires approval by the City Manager, if additional appropriations are available. Prior year encumbrances outstanding at the end of the year are carried over to the next year after a thorough review by the Finance Director. Unencumbered appropriations lapse at the end of each year. Only City Council has the authority to transfer appropriations between line items within a department. Any increase or decrease in an appropriation line must be approved by Council in ordinance form. All City departments, the City Manger and City Council are provided with at least monthly reports which 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 the income tax. Beginning January 1, 2006 the income tax was increased .15 percent, from 1.65 percent to 1.80 percent. City council can allocate the 1 percent however they wish, but the .80 percent is allocated by City ordinance, as directed by the voters through specific ballot language. At 1.80 percent the City's income tax on a cash basis generated \$2,750,298 in 2009 and was allocated as follows: General Fund: 63.17 percent or \$1,737,388 which is used to fund the fire, police, municipal court and administrative offices; Street Department: 21.72 percent or \$597,323, which is used to fund a wide variety of public works' projects, including paving, road maintenance, and storm water management; Street Improvement: 8.33 percent or \$229,102, which is used exclusively for the resurfacing of local streets; Reserve Fund: 3.61 percent or \$99,300, which is used for financial support for various programs as determined by City council; Capital Improvement: 1.44 percent or \$39,603, which is used for infrastructure repairs and the acquisition of capital assets; Street Lighting: .94 percent or \$25,853, which is used to pay for street lighting along State routes, the downtown district, and traffic lights throughout the City; and Recreation: .79 percent or \$21,729, which is used to maintain the City's seven parks, playgrounds, and other recreational activities. The 1 percent allocation of the income tax is reviewed by City council on an as needed basis.

Within the City's inside 10 mill limitation, the City levies 3.63 mills. The general fund allocation on a cash basis was 2.00 mills or \$343,865, the police pension fund allocation 1.19 mills or \$204,599 and the fire pension fund allocation was .44 mills or \$76,650. Outside millage of 1.27 is levied to pay debt service on two general obligation bonds, with collections totaling about \$222,000. Police and fire levies generated \$450,000 with a total of 3.00 mills. Total millage levied by the City in 2009 was 7.90. Millage allocations are reviewed by the Finance Department and City Council before the annual tax budget is prepared.

Major Initiatives

For the Year In 2009, 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.

Work was substantially completed on the Sandusky Street sanitary and storm sewer replacement project. This was an extensive project replacing both lines underneath the Norfolk & Southern rail lines. Approximately 270 feet of 10 inch diameter pipe was installed, with 180 feet installed beneath the railroad tracks within a steel casing. Total cost of the project was nearly \$350,000, funded primarily through the City's formula grant allocation and a grant/loan combination in the amount of \$296,852 from the Ohio Public Works Commission.

Several large equipment purchases were made in 2009. The fire department received a federal grant to purchase twenty eight air packs at a cost of \$157,000. The wastewater department replaced its 1997 sewer jet with a more advanced and powerful sewer jet at a cost of \$336,000. Note debt financing was used to acquire this equipment. Major computer software and hardware upgrades were installed for the Municipal Court, and the Finance and Water Billing Departments. These upgrades were long overdue, and included a new computer server. These upgrades will help all the affected departments operate more efficiently and provide better reporting capabilities. Cost of this project approached \$140,000.

A \$200,000 hazardous assessment grant was received from the United States Environmental Protection Agency. Funds will be used to conduct environmental site assessments for properties in which there is a potential of hazardous substances having impacted soil, sediment, surface water and groundwater. It targets three main districts: the downtown, the harbor, and the U.S. Route 20 corridor. If the investigation and evaluation determines there is a need for rehabilitation, then this grant will allow the City to apply for a remediation grant.

CT Consultants, the City's engineering adviser, has nearly completed performing engineering design services on a plan to replace a decaying water tank on Creek Road. This water tank is vital to supplying the west end of the City with adequate water supply, as well as residents along Creek Road in Kingsville Township. OPWC has provided the City with a \$36,500 grant to pay for half of the \$73,000 estimated engineering cost. This is a high priority project, as the water tank is in deplorable condition. The City plans to replace the 175,000 steel tank with a similar capacity tank but in a new location that will be more centrally located. A site location study has been conducted and several potential sites have been identified.

The Gateway Signalization project to install new light poles and traffic signals at a major intersection on State Route 7 was completed in the spring. Total cost of the project was \$186,000, with 80 percent of the funding provided by a federal grant. This project helps facilitate traffic flow and improves safety at this busy intersection.

The water department had several large projects completed or in progress during the year. Work was completed replacing the Center Road water pump station, as well as a high service water pump at the Water Treatment plant, with an approximate cost of \$285,000. The large water pump replacement at Center Road included a new pump station that will supply the southern part of the City with adequate water pressure and supply. As part of the overall project, a high service water pump was be installed at the water plant. The City was also approved for Ohio Public Works funding to replace screens which remove debris from lake water before it enters the water plant, and to replace piping to the backwash facility. This is a \$342,000 project, of which approximately \$121,000 of the funding is a grant, \$50,000 is a zero interest loan, and \$171,000 in a cash match by the City. This project will enable the water filtration plant to provide a peak flow of 3.5 million gallons of water per day. Preliminary work has begun on this project but estimated completion of the entire project is expected by fall of 2010.

Approval has been received from the Ohio Public Works Commission to replace and repair major sections of sanitary sewer and pavement on several streets. Plans are to replace an 8 inch sewer line on Monroe Street, with a sewer capacity of .50 million gallons per day, a 10 inch sewer line on Broad Street, with a capacity of .75 million gallons per day, and provide a 2 inch pavement overlay on both streets. It is large infrastructure project with an approved budget of \$446,300, of which \$173,100 is a grant, \$50,000 is a zero interest loan, \$122,900 is a cash match by the City, and remaining \$100,300 is from in-kind labor contributions from City workers.

The Ohio Public Works Commission approved funding for some very large roadway safety projects but work on these projects will not commence until 2010. This project will widen Brown Avenue to bring it in compliance with City and County standards, and improve the intersection with U.S. Route 20. Brown Avenue is a major artery for several of the City's largest employers. The construction of the new Parrish Road Overpass necessitated the closing of a portion of Maple Avenue, which had been the major truck route to these large employers. Due to the closing of Maple Avenue, Brown Avenue became the new truck route but it did not have a sufficient road base and road width to accommodate a large volume of truck traffic. Also included in this project is a plan to improve the site distance at a large intersection at Lake Erie and Detroit Street. Funding for this project will include a \$149,900 grant, a \$50,000 zero interest loan, an \$82,100 City cash match, and \$136,000 in City in-kind labor.

The Public Works Department, utilizing funds from the street improvement tax and other revenue sources, was able to pave three local roads, accounting for 1.5 lane miles at a cost of over \$160,000. The voters passed an income tax increase of 0.15 percent in May 2005 to help fund an aggressive street paving program. The increase will be in effect for seven years and is projected to generate over two million dollars over the

life of the tax, which took effect January 1, 2006. This tax is designated for local streets only, and will be used exclusively for the construction of roads, resurfacing and street maintenance. It is estimated that the seven year income tax increase will be enough to pave at least half of the roads in the City of Conneaut. At the end of the seven year period, the voters will be asked to pass the levy again to complete the remaining roads. The City street department will be responsible for all of the road paving, which will save the taxpayers a substantial amount of money.

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, 2008. This was the fourth 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.

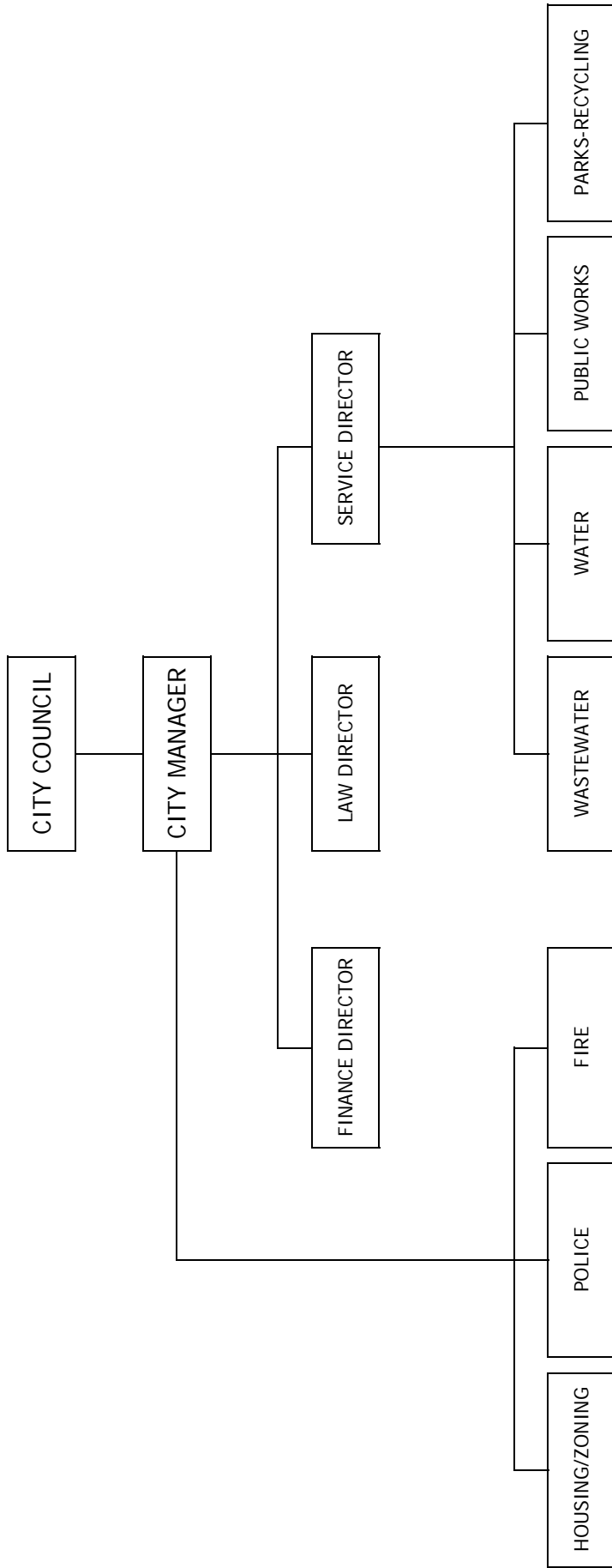
The successful preparation of the Comprehensive Annual Financial Report required the contribution and dedication of the Finance Department. Sincere appreciation is extended to City Council and City Manager Robert A. Schaumleffel, Jr. for their commitment to sound financial reporting. Gratitude is also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

Respectfully submitted,



John Williams, J.D., CPA
Finance Director

CITY ORGANIZATIONAL CHART - ESTABLISHED BY CITY CHARTER



CITY OF CONNEAUT
ELECTED AND APPOINTED CITY OFFICIALS

CITY COUNCIL

James Jones, President

Jacob Chicatelli, At Large

Chris Castrilla, At Large

Dave Campbell, Ward 1

Charles Lewis, Ward 2

Greg Mooney, Ward 3

Anthony Julio, Ward 4

CITY MANAGER

Robert A. Schaumleffel, Jr.

APPOINTED OFFICIALS

John Williams, Director of Finance

Lori Lamer, Director of Law

Jon Arcaro, Chief of Police

Bim Orrenmaa, Chief of Fire

Steve Kehoe, Water Superintendent

Craig Pierce, Wastewater Superintendent

Robert Mannion, Public Service Director

Luciana Ratermann, Housing/Zoning Inspector

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, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

FINANCIAL SECTION



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Members of Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Conneaut, Ashtabula County, Ohio (the City), as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Conneaut, Ashtabula County, Ohio, as of December 31, 2009, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General Fund and the Street, Construction, Maintenance and Repair Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2010, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining nonmajor fund statements and schedules and statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the combining nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

June 22, 2010

City of Conneaut, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
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, 2009. 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 2009 are as follows:

- During 2009, the City completed construction of a bridge on Parrish Road. The City received 95 percent funding from the Ohio Department of Transportation in order to construct this bridge.
- The City also installed new software in the finance department and in the water department to keep better records of their finances and to improve their billing process.
- Overall, governmental activities expenses decreased as a result of diligent financial management. The City actively pursues grants to offset costs of providing services and to offer new programs to the Citizens of Conneaut.
- A review of the enterprise funds reflects an operating loss for the water fund and an operating income for the sewer fund. During 2009, the City had rate increases for both water and sewer services. Rates for all enterprise funds are monitored by the City to maintain the revenue needed to operate these activities.

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 Assets and the Statement of Activities provide information from a summary perspective showing the effects of the operations for the year 2009 and how they affected the operations of the City as a whole.

Reporting the City of Conneaut as a Whole

Statement of Net Assets and Statement of Activities

The Statement of Net Assets 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 liabilities 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 assets and changes in those assets. The change in net assets 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, 2009
Unaudited

In the Statement of Net Assets 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 8. 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 special assessment bond retirement 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 Assets 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 Assets provides an overall view of the City. Table 1 shows a summary of the City's net assets for 2009 as they compare to 2008.

City of Conneaut, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

(Table 1)
 Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2008	2007
Assets						
Current and Other Assets	\$7,674,808	\$7,774,652	\$1,539,412	\$1,299,099	\$9,214,220	\$9,073,751
Capital Assets, Net	30,796,191	18,247,643	17,037,617	16,699,095	47,833,808	34,946,738
<i>Total Assets</i>	<u>38,470,999</u>	<u>26,022,295</u>	<u>18,577,029</u>	<u>17,998,194</u>	<u>57,048,028</u>	<u>44,020,489</u>
Liabilities						
Current and Other Liabilities	1,976,485	1,823,943	962,419	465,083	2,938,904	2,289,026
Long-Term Liabilities:						
Due Within One Year	652,120	708,918	798,648	667,802	1,450,768	1,376,720
Due in More than One Year	3,069,093	3,574,290	5,259,590	5,452,986	8,328,683	9,027,276
<i>Total Liabilities</i>	<u>5,697,698</u>	<u>6,107,151</u>	<u>7,020,657</u>	<u>6,585,871</u>	<u>12,718,355</u>	<u>12,693,022</u>
Net Assets						
Invested in Capital Assets						
Net of Debt	29,749,095	17,147,964	10,970,211	10,794,002	40,719,306	27,941,966
Restricted:						
Capital Projects	996,700	1,086,874	0	0	996,700	1,086,874
Debt Service	686,581	784,246	0	0	686,581	784,246
Street Construction,						
Maintenance and Repair	357,308	328,839	0	0	357,308	328,839
Community Housing	12,013	10,105	0	0	12,013	10,105
Economic Development	223,301	232,096	0	0	223,301	232,096
Ambulance Services	57,306	312,684	0	0	57,306	312,684
USEPA	193,195	0	0	0	193,195	0
Other Purposes	454,658	424,486	0	0	454,658	424,486
Unrestricted	43,144	(412,150)	586,161	618,321	629,305	206,171
<i>Total Net Assets</i>	<u>\$32,773,301</u>	<u>\$19,915,144</u>	<u>\$11,556,372</u>	<u>\$11,412,323</u>	<u>\$44,329,673</u>	<u>\$31,327,467</u>

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The largest portion of the City's net assets 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 are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Debt service on the debt issued to acquire assets in the governmental activities is paid from income tax, property tax, gas tax, interest income, fees, licenses, permits and other various revenue sources. In the business-type activities, user fees are the primary revenue source for the repayment of debt.

At the end of the current year, the City of Conneaut is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. With this, the City was able to see a significant increase in their net assets. This is mostly attributable to the capital contribution from the Ohio Department of Transportation upon their completion of the Parrish Road bridge, reported as a special item in the statement of activities.

City of Conneaut, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

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

(Table 2)
 Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues						
Program Revenues						
Charges for Services	\$1,310,508	\$874,923	\$4,079,265	\$3,955,701	\$5,389,773	\$4,830,624
Operating Grants and Contributions	1,034,740	1,141,951	0	0	1,034,740	1,141,951
Capital Grants and Assessments	288,425	870,537	296,852	20,518	585,277	891,055
Total Program Revenues	2,633,673	2,887,411	4,376,117	3,976,219	7,009,790	6,863,630
General Revenues						
Property Taxes	1,220,595	1,189,859	0	0	1,220,595	1,189,859
Municipal Income Taxes	2,769,540	2,845,906	0	0	2,769,540	2,845,906
Hotel Taxes	18,902	0	0	0	18,902	0
Grants and Entitlements not Restricted to Specific Programs	800,550	1,157,451	0	0	800,550	1,157,451
Franchise Taxes	152,708	0	0	0	152,708	0
Investment Earnings	7,655	51,195	0	0	7,655	51,195
Gain on Sale of Capital Assets	6,469	7,953	0	0	6,469	7,953
Miscellaneous	57,142	20,401	3,577	2,467	60,719	22,868
Total General Revenues	5,033,561	5,272,765	3,577	2,467	5,037,138	5,275,232
Total Revenues	7,667,234	8,160,176	4,379,694	3,978,686	12,046,928	12,138,862
Program Expenses						
General Government	1,167,792	1,254,299	0	0	(1,167,792)	(1,254,299)
Security of Persons and Property	3,590,030	3,888,488	0	0	(3,590,030)	(3,888,488)
Public Health Services	148,494	359,428	0	0	(148,494)	(359,428)
Leisure Time Activities	131,575	77,711	0	0	(131,575)	(77,711)
Community Development	150,557	501,093	0	0	(150,557)	(501,093)
Basic Utility Services	149,308	43,877	0	0	(149,308)	(43,877)
Transportation	1,917,512	2,376,287	0	0	(1,917,512)	(2,376,287)
Interest and Fiscal Charges	135,715	157,917	0	0	(135,715)	(157,917)
Water	0	0	2,350,298	1,755,161	(2,350,298)	(1,755,161)
Sewer	0	0	1,899,102	1,865,615	(1,899,102)	(1,865,615)
Total Program Expenses	7,390,983	8,659,100	4,249,400	3,620,776	(11,640,383)	(12,279,876)
Increase (Decrease) in Net Assets						
<i>Before Special Item and Transfers</i>	276,251	(498,924)	130,294	357,910	406,545	(92,379)
Special Item - Capital Contribution	12,595,661	0	0	0	12,595,661	0
Transfers	(13,755)	0	13,755	0	0	0
Total Special Item and Transfers	12,581,906	0	13,755	0	12,595,661	0
Change in Net Assets	12,858,157	(498,924)	144,049	357,910	13,002,206	(92,379)
Net Assets Beginning of Year	19,915,144	20,414,068	11,412,323	11,054,413	31,327,467	31,468,481
Net Assets End of Year	\$32,773,301	\$19,915,144	\$11,556,372	\$11,412,323	\$44,329,673	\$31,376,102

City of Conneaut, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

Governmental Activities

Funding for governmental activities is derived from several sources, the largest of which is the City's municipal income tax. Beginning January 1, 2006 the City's income tax rate is 1.80 percent, up from 1.65 percent in 2005. The tax revenue collected from the income tax was recorded into the general fund, street construction maintenance and repair, street lighting and recreation special revenue funds, and street improvement and capital improvement capital projects funds.

Local government funding represents a large share of unrestricted grants and entitlement revenue for the City and has remained stagnant for the past eight years. In prior years, the City could rely on annual increases of around 3 percent. However, due to a decline in the economy, State sales, income, and other taxes have decreased, which has negatively impacted our share of local government funds. Although changes in the sources and method of funding have been broadened to provide more stability to this critical funding source, local government funds continued to decrease during the year. The local fund distributions will be derived from a percentage of all State General Revenue Fund (GRF) tax sources. Local government funds are receipted into the City's general fund and are used to help pay for police, fire, administrative, and a wide variety of other programs and departments.

The largest program function for the City is security of persons and property. This includes expenses of the police and fire departments. The police department employs nineteen officers and four full-time dispatchers. The fire department has ten full-time positions and numerous part-time personnel. There are two fire stations within the City, one staffed by the full-time firefighters, while the other station is staffed by part-time or volunteer personnel. The City also operates its own ambulance service with five full-time employees. During 2009, there was a decrease in expenses for the police and fire departments due to layoffs made as a result of budget cuts in order for the City to lower its spending.

The City's Public Works Department (transportation) has seventeen employees, including three mechanics, twelve equipment operators, one manager, and one full-time administrative assistant. 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 maintenance, litter pick up, recycling programs and various other duties.

Business-Type Activities

The City operates two business-type activities: the water and sewer treatment facilities. The major revenue sources for these activities are charges for services. During 2009, there was an increase in charges for services due to a half percent rate increase. The water plant provides water to approximately 4,900 customers. Approximately fifty million gallons of water and seventy one 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, unreserved 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 16. These funds are accounted for using the modified accrual method of accounting.

City of Conneaut, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

The City's major governmental funds are the general fund, street construction, maintenance and repair special revenue fund and the special assessment bond retirement debt service fund. Revenues exceeded expenditures for the year in both the general fund and the street construction, maintenance and repair fund, while expenditures exceeded revenues in the special assessment bond retirement fund due to principal payments made during the year. The City's funds are monitored consistently with adjustments made throughout the year in budgets to accommodate yearly revenues.

Information about the proprietary funds starts on page 22. These funds are accounted for on an accrual basis.

All business type funds had increased operating revenues which exceeded operating expenses. These increases are due to increased rates for both water and sewer collections. The City is consistent with reviews of these funds, and the necessary adjustments are made to ensure strength in our enterprise funds.

General Fund Budgeting Highlights

Budgeting is prescribed by the Ohio Revised Code. Essentially the budget is the City's appropriations which are restricted by the amounts of anticipated revenues certified by the Budget Commission in accordance with the Ohio Revised Code. In 2009, actual revenues were less than estimated revenues. A large part of the difference was made from decreased municipal income tax collections and local government funding. In order to offset the continued decline in revenue, the City has lowered their expenditures from the previous year by making reductions in their staff. Actual expenditures were lower than final appropriations. This difference is made from the City becoming more conservative in spending due to the current economic conditions that entities are facing State-wide.

Capital Assets and Debt Administration

Capital Assets

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

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$554,972	\$559,303	\$6,880	\$6,880	\$561,852	\$566,183
Construction in Progress	105,672	156,173	74,566	122,676	180,238	278,849
Buildings and Improvements	475,168	526,098	52,478	54,250	527,646	580,348
Equipment	641,060	467,148	2,013,285	1,727,733	2,654,345	2,194,881
Vehicles	231,603	357,673	533,972	281,651	765,575	639,324
Furniture and Fixtures	2,067	3,015	0	0	2,067	3,015
Infrastructure						
Traffic Signals	224,076	39,989	0	0	224,076	39,989
Roads	14,819,868	15,540,596	0	0	14,819,868	15,540,596
Bridges	13,015,517	0	0	0	13,015,517	0
Storm Sewers	726,188	597,648	0	0	726,188	597,648
Water and Sewer Lines	0	0	14,356,436	14,505,905	14,356,436	14,505,905
Total	\$30,796,191	\$18,247,643	\$17,037,617	\$16,699,095	\$47,833,808	\$34,946,738

City of Conneaut, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

The most significant increase in governmental capital assets was the addition of the Parrish Road bridge. The City also completed paving projects on a number of streets throughout the City. In addition, a new light signalization on Route 7 and Gateway was added. To keep better records of the City's finance as well as their billing, new software was purchased for the finance department and the water department.

Business-type activities saw multiple improvements made to the pump station, new pipes installed on Sandusky Street and the purchase of a new sewer jet.

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

Long-term Obligations

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

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

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
General Obligation Bonds	\$1,145,000	\$1,350,000	\$601,018	\$671,141	\$1,746,018	\$2,021,141
OWDA Loans	999,827	1,115,517	4,236,568	4,700,557	5,236,395	5,816,074
OPWC Loans	24,511	26,092	345,077	384,536	369,588	410,628
Notes Payable	151,000	242,000	586,666	0	737,666	242,000
Loans Payable	653,334	500,000	0	0	653,334	500,000
Capital Leases	158,346	256,587	0	0	158,346	256,587
Compensated Absences	589,195	793,012	288,909	364,554	878,104	1,157,566
Total	\$3,721,213	\$4,283,208	\$6,058,238	\$6,120,788	\$9,779,451	\$10,403,996

The three general obligation bonds outstanding at the end of the year were the City Hall Annex, the Library and the Water Phase III Improvement. All of the interest and principal on these general obligation bonds are paid from real estate taxes, except for the Water III bond, which is paid from water user fees.

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.

In 2008, the City issued a \$500,000 industrial park loan to develop and construct an industrial park. This loan will be paid from the industrial park capital project fund from revenues generated from the sale, lease, or transfer of industrial park property.

There are five OPWC and eleven OWDA loans, all of which are being funded by special assessments and water and sewer user fees.

The City has entered into capitalized lease obligations for four Ford Crown Victorias vehicles. The minimum lease payments required under the capital lease are being paid from the general fund and the street construction, maintenance and repair special revenue fund.

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

City of Conneaut, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

Current Financial Issues

Many of the financial issues that the City encountered in the last several years have worsened dramatically due to the nationwide recession. The City is facing many of the same issues as other communities, mainly decreasing revenue sources, rising operating costs and capital needs that cannot be funded.

The City's financial condition in 2009, primarily the general fund, has continued to deteriorate considerably as we have experienced decreases in income tax revenues and investment income compared with prior years. As a result, the City has had to make budget cuts in order to lower their costs. In doing so, the City was able to lower their expenditures from the previous year. The general fund unreserved fund balance has been declining over the past several years. In 2001, the City's general fund unreserved fund balance was \$1,204,410, in contrast to the 2009 unencumbered ending fund balance of \$245,952. There has been a concerted effort by the City Manager and staff to curtail spending wherever possible without compromising City services. As part of the annual goals and objectives, the City continues to explore new ways to improve efficiency, cut costs and increase revenue.

As is the case with most cities, personnel costs account for the largest share of operating expenditures. The total personnel cost for 2009 was approximately \$6,500,000, which is about the same as last year. All of the City's union contracts expired on December 31, 2009, and a labor attorney was hired to negotiate all of the City's union contracts. The City's proposal is to provide a 4.00 percent wage increase in 2010, which would be partially offset by the elimination of a 4 percent pension pick, a wage freeze wage for year 2011, and a 4.00 percent wage increase in 2012. Estimated annual cost, with benefits, of the proposed increase from the 2009 base year is \$32,000 in 2010, \$32,000 in 2011, and \$227,000 in 2012. In the long term, if sufficient revenue is not generated to cover operating and capital expenditures, then further budget cuts will be necessary.

Workers' compensation premiums paid in 2009, which were based on 2008 rates, increased by 7.43 percent. Rates for all employees, except for part-time and volunteer emergency personnel, increased from a nominal rate of 2.79 percent to 2.99 percent or a 7.20 percent increase. Part-time and volunteer emergency personnel nominal rates increased from 28.95 percent to 35.05 percent or a 21.08 percent increase. Total cost for workers' compensation premiums increased from \$146,458 paid in 2008 to \$157,335 in 2009. In addition, the City belongs to the Ohio Rural Water Association's pooled workers' compensation group program. This program allows the City to realize savings in the workers compensation premium. However, due to the City's large increase in the individual rating in comparison to the group rating, the City had realized significantly more savings from the group program. As a result, the City had to contribute back to the pool approximately \$28,155. Therefore, total cost to the City for workers' compensation was \$187,887. Workers' compensation premiums are expected to decrease in 2010, but they remain a significant cost of operations.

Personal property tax collections in 2009 decreased to \$20,650, based upon a 2008 tax valuation of approximately \$1.3 million. With a personal property tax valuation of approximately \$642,000 in 2009, compared with \$170,000 in collections and an assessed valuation for personal property of about \$21 million at its peak in tax year 2005, represents a 97 percent reduction in personal property tax valuation, primarily due to the passage of House Bill 66, which phased out the tax on tangible personal property of general business, telephone and telecommunications companies and railroads beginning in 2006. For the first five years of the phase out the City will be fully reimbursed for the last revenue, however from years 2011-2017 the City will receive a declining percentage reimbursement from the 2005 base year. After 2017, the phase out will be complete. In preparing for this phase out of personal property tax, the City must begin to fund other revenue sources to replace this critical funding source.

City of Conneaut, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

While the City continues to be very aggressive in pursuing delinquent income taxpayers, a substantial amount of income tax due the City is delinquent. As of December 31, 2009, delinquent income tax were estimated at around \$500,000 for various tax years. The income tax department utilizes a variety of methods to collect delinquent income taxes, including the City's municipal court and a collection agency. Revenues from accounts sent to collections average \$3,500 per month.

Health insurance costs account for approximately fifteen percent of the total wage and benefit package offered to City employees or about \$1.02 million in 2009. Insurance premiums are increasing faster than both the rate of inflation and the City's revenue growth. In an effort to slow the increase in health care costs, the City Manager proposed offering employees an Health Savings Account (H.S.A.) as a more cost effective alternative to the traditional health insurance plan. In addition, the City raised the employee health insurance buyout from \$200 per month to \$400 per month in an effort encourage employees to enroll in their spouse's health insurance plan, if available. In addition, all of the City's unions have agreed that each of their members will pay 5 percent of the health insurance premium to help offset the increased cost to the City. Even with these changes, paying for future increases in health insurance will continue pose a financial challenge.

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.

Basic Financial Statements

City of Conneaut, Ohio

Statement of Net Assets

December 31, 2009

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and			
Cash Equivalents	\$2,423,219	\$809,394	\$3,232,613
Accounts Receivable	101,632	586,566	688,198
Intergovernmental Receivable	1,359,742	0	1,359,742
Materials and Supplies Inventory	77,770	108,428	186,198
Property Taxes Receivable	1,213,007	0	1,213,007
Municipal Income Taxes Receivable	904,740	0	904,740
Hotel Taxes Receivable	2,705	0	2,705
Special Assessments Receivable	1,571,251	35,024	1,606,275
Loans Receivable	20,742	0	20,742
Nondepreciable Capital Assets	660,644	81,446	742,090
Depreciable Capital Assets, Net	30,135,547	16,956,171	47,091,718
<i>Total Assets</i>	<u>38,470,999</u>	<u>18,577,029</u>	<u>57,048,028</u>
Liabilities			
Accounts Payable	119,468	76,072	195,540
Contracts Payable	40,647	360,768	401,415
Accrued Wages	109,223	46,660	155,883
Intergovernmental Payable	223,271	82,537	305,808
Accrued Interest Payable	31,315	97,287	128,602
Deferred Revenue	1,092,656	0	1,092,656
Notes Payable	359,905	299,095	659,000
Long-Term Liabilities:			
Due Within One Year	652,120	798,648	1,450,768
Due In More Than One Year	3,069,093	5,259,590	8,328,683
<i>Total Liabilities</i>	<u>5,697,698</u>	<u>7,020,657</u>	<u>12,718,355</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	29,749,095	10,970,211	40,719,306
Restricted for:			
Capital Projects	996,700	0	996,700
Debt Service	686,581	0	686,581
Street Construction, Maintenance and Repair	357,308	0	357,308
Community Housing	12,013	0	12,013
Economic Development	223,301	0	223,301
Ambulance Services	57,306	0	57,306
USEPA	193,195	0	193,195
Other Purposes	454,658	0	454,658
Unrestricted	43,144	586,161	629,305
<i>Total Net Assets</i>	<u>\$32,773,301</u>	<u>\$11,556,372</u>	<u>\$44,329,673</u>

See accompanying notes to the basic financial statements

City of Conneaut, Ohio
Statement of Activities
For the Year Ended December 31, 2009

	Program Revenues			
	Expenses	Charges for Services and Assessments	Operating Grants and Contributions	Capital Grants
Governmental Activities:				
General Government	\$1,167,792	\$426,290	\$0	\$219,607
Security of Persons and Property	3,590,030	658,859	189,911	23,313
Public Health Services	148,494	39,544	22,879	0
Leisure Time Activities	131,575	56,026	0	0
Community Development	150,557	75,456	230,219	0
Basic Utility Services	149,308	0	0	0
Transportation	1,917,512	54,333	591,731	45,505
Interest and Fiscal Charges	135,715	0	0	0
<i>Total Governmental Activities</i>	<u>7,390,983</u>	<u>1,310,508</u>	<u>1,034,740</u>	<u>288,425</u>
Business-Type Activities:				
Water	2,350,298	2,077,360	0	178,560
Sewer	1,899,102	2,001,905	0	118,292
<i>Total Business-Type Activities</i>	<u>4,249,400</u>	<u>4,079,265</u>	<u>0</u>	<u>296,852</u>
<i>Total - Primary Government</i>	<u>\$11,640,383</u>	<u>\$5,389,773</u>	<u>\$1,034,740</u>	<u>\$585,277</u>

General Revenues

Property Taxes Levied for:
General Purposes
Debt Service
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
Investment Earnings
Gain on Sale of Capital Assets
Miscellaneous

Total General Revenues

Special Item

Special Item - Capital Contribution from
Ohio Department of Transportation

Transfers

*Total General Revenues, Transfers,
and Special Item*

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Assets		
Primary Government		
Governmental Activities	Business-Type Activities	Total
(\$521,895)	\$0	(\$521,895)
(2,717,947)	0	(2,717,947)
(86,071)	0	(86,071)
(75,549)	0	(75,549)
155,118	0	155,118
(149,308)	0	(149,308)
(1,225,943)	0	(1,225,943)
(135,715)	0	(135,715)
<u>(4,757,310)</u>	<u>0</u>	<u>(4,757,310)</u>
0	(94,378)	(94,378)
0	221,095	221,095
<u>0</u>	<u>126,717</u>	<u>126,717</u>
<u>(4,757,310)</u>	<u>126,717</u>	<u>(4,630,593)</u>
357,971	0	357,971
214,134	0	214,134
648,490	0	648,490
1,953,905	0	1,953,905
230,716	0	230,716
536,238	0	536,238
48,681	0	48,681
18,902	0	18,902
800,550	0	800,550
152,708	0	152,708
7,655	0	7,655
6,469	0	6,469
57,142	3,577	60,719
<u>5,033,561</u>	<u>3,577</u>	<u>5,037,138</u>
12,595,661	0	12,595,661
(13,755)	13,755	0
<u>17,615,467</u>	<u>17,332</u>	<u>17,632,799</u>
12,858,157	144,049	13,002,206
<u>19,915,144</u>	<u>11,412,323</u>	<u>31,327,467</u>
<u>\$32,773,301</u>	<u>\$11,556,372</u>	<u>\$44,329,673</u>

City of Conneaut, Ohio

Balance Sheet

Governmental Funds

December 31, 2009

	General	Street Construction, Maintenance and Repair	Special Assessment Bond Retirement
Assets			
Equity in Pooled Cash and			
Cash Equivalents	\$263,987	\$136,542	\$122,677
Materials and Supplies Inventory	18,619	56,551	0
Accounts Receivable	41,870	0	0
Intergovernmental Receivable	371,729	214,809	0
Municipal Income Taxes Receivable	653,091	147,538	0
Hotel Taxes Receivable	2,705	0	0
Property Taxes Receivable	323,125	0	0
Loans Receivable	0	0	0
Special Assessments Receivable	393,796	74,877	1,102,578
<i>Total Assets</i>	<u>\$2,068,922</u>	<u>\$630,317</u>	<u>\$1,225,255</u>
Liabilities			
Accounts Payable	\$33,889	\$5,565	\$0
Contracts Payable	10,631	1,000	0
Accrued Wages	88,390	19,552	0
Intergovernmental Payable	113,917	27,931	0
Accrued Interest Payable	2,960	425	0
Deferred Revenue	1,221,676	279,148	1,102,578
Notes Payable	175,000	24,000	0
<i>Total Liabilities</i>	<u>1,646,463</u>	<u>357,621</u>	<u>1,102,578</u>
Fund Balances			
Reserved for Encumbrances	9,478	3,972	0
Reserved for Loans Receivable	0	0	0
Unreserved			
Undesignated, Reported in:			
General Fund	412,981	0	0
Special Revenue Funds	0	268,724	0
Debt Service Funds	0	0	122,677
Capital Projects Funds	0	0	0
<i>Total Fund Balances</i>	<u>422,459</u>	<u>272,696</u>	<u>122,677</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$2,068,922</u>	<u>\$630,317</u>	<u>\$1,225,255</u>

See accompanying notes to the basic financial statements

City of Conneaut, Ohio
*Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
December 31, 2009*

Other Governmental Funds	Total Governmental Funds	Total Governmental Funds Balances	\$2,452,326																																		
		<i>Amounts reported for governmental activities in the statement of net assets are different because</i>																																			
\$1,900,013 2,600 59,762 773,204 104,111 0 889,882 20,742 0 <hr style="border: 0.5px solid black;"/> \$3,750,314 <hr style="border: 0.5px solid black;"/> \$80,014 29,016 1,281 81,423 0 1,763,181 160,905 <hr style="border: 0.5px solid black;"/> 2,115,820 <hr style="border: 0.5px solid black;"/> 14,836 5,420 0 290,919 449,671 873,648 <hr style="border: 0.5px solid black;"/> 1,634,494 <hr style="border: 0.5px solid black;"/> \$3,750,314 <hr style="border: 0.5px solid black;"/>	\$2,423,219 77,770 101,632 1,359,742 904,740 2,705 1,213,007 20,742 1,571,251 <hr style="border: 0.5px solid black;"/> \$7,674,808 <hr style="border: 0.5px solid black;"/> \$119,468 40,647 109,223 223,271 3,385 4,366,583 359,905 <hr style="border: 0.5px solid black;"/> 5,222,482 <hr style="border: 0.5px solid black;"/> 28,286 5,420 412,981 559,643 572,348 873,648 <hr style="border: 0.5px solid black;"/> 2,452,326 <hr style="border: 0.5px solid black;"/> \$7,674,808 <hr style="border: 0.5px solid black;"/>	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 30,796,191 Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds: <table style="width: 100%; margin-left: 20px;"> <tr><td>Property Taxes</td><td style="text-align: right;">147,645</td></tr> <tr><td>Municipal Income Taxes</td><td style="text-align: right;">374,257</td></tr> <tr><td>Intergovernmental</td><td style="text-align: right;">1,112,712</td></tr> <tr><td>Special Assessments</td><td style="text-align: right;">1,571,251</td></tr> <tr><td>Charges for Services</td><td style="text-align: right;">54,948</td></tr> <tr><td>Franchise Taxes</td><td style="text-align: right;">13,114</td></tr> <tr><td colspan="2"><hr style="border: 0.5px solid black;"/></td></tr> <tr><td>Total</td><td style="text-align: right;">3,273,927</td></tr> </table> In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (27,930) Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds: <table style="width: 100%; margin-left: 20px;"> <tr><td>General Obligation Bonds</td><td style="text-align: right;">(1,145,000)</td></tr> <tr><td>OWDA Loans Payable</td><td style="text-align: right;">(999,827)</td></tr> <tr><td>Loans Payable</td><td style="text-align: right;">(653,334)</td></tr> <tr><td>OPWC Loans Payable</td><td style="text-align: right;">(24,511)</td></tr> <tr><td>Notes Payable</td><td style="text-align: right;">(151,000)</td></tr> <tr><td>Capital Leases Payable</td><td style="text-align: right;">(158,346)</td></tr> <tr><td>Compensated Absences</td><td style="text-align: right;">(589,195)</td></tr> <tr><td colspan="2"><hr style="border: 0.5px solid black;"/></td></tr> <tr><td>Total</td><td style="text-align: right;">(3,721,213)</td></tr> </table> <i>Net Assets of Governmental Activities</i> <u>\$32,773,301</u>	Property Taxes	147,645	Municipal Income Taxes	374,257	Intergovernmental	1,112,712	Special Assessments	1,571,251	Charges for Services	54,948	Franchise Taxes	13,114	<hr style="border: 0.5px solid black;"/>		Total	3,273,927	General Obligation Bonds	(1,145,000)	OWDA Loans Payable	(999,827)	Loans Payable	(653,334)	OPWC Loans Payable	(24,511)	Notes Payable	(151,000)	Capital Leases Payable	(158,346)	Compensated Absences	(589,195)	<hr style="border: 0.5px solid black;"/>		Total	(3,721,213)	
Property Taxes	147,645																																				
Municipal Income Taxes	374,257																																				
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<hr style="border: 0.5px solid black;"/>																																					
Total	(3,721,213)																																				

City of Conneaut, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2009

	General	Street Construction, Maintenance and Repair	Special Assessment Bond Retirement
Revenues			
Property Taxes	\$350,248	\$0	\$0
Municipal Income Taxes	1,890,070	546,593	0
Hotel Taxes	18,902	0	0
Special Assessments	1,066	17,689	121,271
Intergovernmental	840,769	448,184	0
Fees, Licenses and Permits	680,562	34,020	0
Fines and Forfeitures	178,288	0	0
Rentals	20,000	0	0
Charges for Services	0	0	0
Contributions and Donations	16,842	0	0
Interest	4,374	89	0
Franchise Taxes	139,594	0	0
Other	24,827	26,458	0
<i>Total Revenues</i>	<u>4,165,542</u>	<u>1,073,033</u>	<u>121,271</u>
Expenditures			
Current:			
General Government	1,094,010	0	3,841
Security of Persons and Property	2,345,457	0	0
Public Health Services	192,405	0	0
Leisure Time Activities	42,190	0	0
Community Development	74,077	0	0
Basic Utility Services	0	0	0
Transportation	0	1,007,230	0
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	129,667	17,431	115,690
Principal Retirement - Current Refunding	0	34,000	0
Interest and Fiscal Charges	14,055	9,050	43,453
<i>Total Expenditures</i>	<u>3,891,861</u>	<u>1,067,711</u>	<u>162,984</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>273,681</u>	<u>5,322</u>	<u>(41,713)</u>
Other Financing Sources (Uses)			
Sale of Capital Assets	10,800	0	0
Loans Issued	0	0	0
General Obligation Notes Issued	0	151,000	0
Current Refunding	0	(151,000)	0
Transfers In	0	0	0
Transfers Out	(77,265)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(66,465)</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	207,216	5,322	(41,713)
<i>Fund Balances Beginning of Year</i>	<u>215,243</u>	<u>267,374</u>	<u>164,390</u>
<i>Fund Balances End of Year</i>	<u>\$422,459</u>	<u>\$272,696</u>	<u>\$122,677</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, 2009*

Other Governmental Funds	Total Governmental Funds		
		Net Change in Fund Balances - Total Governmental Funds	(\$310,503)
		<i>Amounts reported for governmental activities in the statement of activities are different because</i>	
		Governmental funds report capital outlays as expenditures.	
		However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.	
		Capital Asset Additions	
		Capital Outlay	1,398,506
		Capital Contribution	12,595,661
		Depreciation	<u>(1,427,533)</u>
		Total	12,566,634
		Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.	(18,086)
		Revenue in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	
		Property Taxes	23,674
		Municipal Income Taxes	60,435
		Intergovernmental	30,790
		Special Assessments	(84,147)
		Franchise Taxes	13,114
		Charges for Services	<u>9,010</u>
		Total	52,876
		Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net assets.	
		General Obligation Bonds Payable	205,000
		OWDA Loans Payable	115,690
		OPWC Loans Payable	1,581
		Notes Payable	242,000
		Capital Leases Payable	<u>98,241</u>
		Total	662,512
		In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	5,241
		Compensated absences reported in the statement of activities do not require the the use of current financial resources and therefore are not reported as expenditures in governmental funds.	203,817
		Other financing sources in the governmental funds that increase long-term liabilities in the statement of net assets are not reported as revenues in the statement of activities.	
		Loans Issued	(153,334)
		General Obligation Notes Issued	<u>(151,000)</u>
		Total	<u>(304,334)</u>
		<i>Change in Net Assets of Governmental Activities</i>	<u><u>\$12,858,157</u></u>
\$846,673	\$1,196,921		
272,442	2,709,105		
0	18,902		
0	140,026		
776,760	2,065,713		
108,102	822,684		
71,505	249,793		
33,050	53,050		
120,092	120,092		
10,370	27,212		
3,192	7,655		
0	139,594		
5,857	57,142		
<u>2,248,043</u>	<u>7,607,889</u>		
5,404	1,103,255		
1,243,947	3,589,404		
0	192,405		
65,514	107,704		
87,354	161,431		
149,308	149,308		
167,245	1,174,475		
952,076	952,076		
214,724	477,512		
0	34,000		
74,398	140,956		
<u>2,959,970</u>	<u>8,082,526</u>		
(711,927)	(474,637)		
0	10,800		
153,334	153,334		
0	151,000		
0	(151,000)		
77,265	77,265		
0	(77,265)		
<u>230,599</u>	<u>164,134</u>		
(481,328)	(310,503)		
<u>2,115,822</u>	<u>2,762,829</u>		
<u>\$1,634,494</u>	<u>\$2,452,326</u>		

City of Conneaut, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$331,000	\$331,000	\$350,248	\$19,248
Municipal Income Taxes	2,010,400	2,010,400	1,836,688	(173,712)
Hotel Taxes	15,000	15,000	16,197	1,197
Special Assessments	0	0	1,066	1,066
Intergovernmental	967,747	978,547	853,176	(125,371)
Fees, Licenses and Permits	90,350	640,350	710,888	70,538
Fines and Forfeitures	183,550	179,550	176,428	(3,122)
Rentals	20,000	20,000	20,000	0
Contributions and Donations	11,500	11,500	16,842	5,342
Interest	36,000	36,000	5,500	(30,500)
Franchise Taxes	142,500	142,500	121,647	(20,853)
Other	22,857	16,057	24,827	8,770
<i>Total Revenues</i>	3,830,904	4,380,904	4,133,507	(247,397)
Expenditures				
Current:				
General Government	1,184,483	1,245,230	1,173,640	71,590
Security of Persons and Property	2,231,881	2,599,950	2,351,528	248,422
Public Health Services	200,453	214,323	191,188	23,135
Leisure Time Activities	48,153	48,153	44,770	3,383
Community Development	79,249	77,819	74,287	3,532
Debt Service:				
Principal Retirement	260,000	260,000	260,000	0
Interest and Fiscal Charges	8,480	8,480	8,293	187
<i>Total Expenditures</i>	4,012,699	4,453,955	4,103,706	350,249
<i>Excess of Revenues Over (Under) Expenditures</i>	(181,795)	(73,051)	29,801	102,852
Other Financing Sources (Uses)				
General Obligation Notes Issued	175,000	175,000	175,000	0
Sale of Capital Assets	60,000	60,000	10,800	(49,200)
Transfers Out	(108,750)	(258,750)	(77,265)	181,485
<i>Total Other Financing Sources (Uses)</i>	126,250	(23,750)	108,535	132,285
<i>Net Change in Fund Balance</i>	(55,545)	(96,801)	138,336	235,137
<i>Fund Balance Beginning of Year</i>	87,206	87,206	87,206	0
Prior Year Encumbrances Appropriated	20,410	20,410	20,410	0
<i>Fund Balances End of Year</i>	\$52,071	\$10,815	\$245,952	\$235,137

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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$696,000	\$696,000	\$597,323	(\$98,677)
Special Assessments	10,000	10,000	17,689	7,689
Intergovernmental	468,000	468,000	450,041	(17,959)
Fees, Licenses and Permits	14,000	14,000	34,020	20,020
Interest	300	300	89	(211)
Other	20,000	20,000	26,458	6,458
<i>Total Revenues</i>	<u>1,208,300</u>	<u>1,208,300</u>	<u>1,125,620</u>	<u>(82,680)</u>
Expenditures				
Current:				
Transportation	1,232,912	1,235,412	1,028,009	207,403
Debt Service:				
Principal Retirement	424,431	424,431	256,095	168,336
Interest and Fiscal Charges	10,476	10,476	9,034	1,442
<i>Total Expenditures</i>	<u>1,667,819</u>	<u>1,670,319</u>	<u>1,293,138</u>	<u>377,181</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(459,519)</u>	<u>(462,019)</u>	<u>(167,518)</u>	<u>294,501</u>
Other Financing Sources				
Loans Issued	200,000	200,000	31,664	(168,336)
General Obligation Notes Issued	175,000	175,000	175,000	0
<i>Total Other Financing Sources</i>	<u>375,000</u>	<u>375,000</u>	<u>206,664</u>	<u>(168,336)</u>
<i>Net Change in Fund Balance</i>	<u>(84,519)</u>	<u>(87,019)</u>	<u>39,146</u>	<u>126,165</u>
<i>Fund Balance Beginning of Year</i>	<u>73,498</u>	<u>73,498</u>	<u>73,498</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>16,971</u>	<u>16,971</u>	<u>16,971</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$5,950</u>	<u>\$3,450</u>	<u>\$129,615</u>	<u>\$126,165</u>

See accompanying notes to the basic financial statements

City of Conneaut, Ohio
Statement of Fund Net Assets
Proprietary Funds
December 31, 2009

	Business-Type Activities		
	Water	Sewer	Total
Assets			
<i>Current Assets:</i>			
Equity in Pooled Cash and Cash Equivalents	\$613,393	\$196,001	\$809,394
Materials and Supplies Inventory	64,268	44,160	108,428
<i>Receivables:</i>			
Accounts	301,547	285,019	586,566
Special Assessments	5,835	3,473	9,308
<i>Total Current Assets</i>	<u>985,043</u>	<u>528,653</u>	<u>1,513,696</u>
<i>Noncurrent Assets:</i>			
Special Assessment Receivable	18,750	6,966	25,716
<i>Capital Assets:</i>			
Nondepreciable Capital Assets	81,446	0	81,446
Depreciable Capital Assets, Net	6,658,036	10,298,135	16,956,171
<i>Total Noncurrent Assets</i>	<u>6,758,232</u>	<u>10,305,101</u>	<u>17,063,333</u>
<i>Total Assets</i>	<u>7,743,275</u>	<u>10,833,754</u>	<u>18,577,029</u>
Liabilities			
<i>Current Liabilities:</i>			
Accounts Payable	50,517	25,555	76,072
Contracts Payable	329,032	31,736	360,768
Accrued Wages	24,448	22,212	46,660
Intergovernmental Payable	44,249	38,288	82,537
Compensated Absences Payable	118,053	54,816	172,869
Accrued Interest Payable	8,382	88,905	97,287
General Obligation Bonds Payable	70,000	0	70,000
OPWC Loans Payable	25,174	14,282	39,456
OWDA Loans Payable	29,720	455,937	485,657
Notes Payable	68,260	230,835	299,095
Loans Payable	15,333	15,333	30,666
<i>Total Current Liabilities</i>	<u>783,168</u>	<u>977,899</u>	<u>1,761,067</u>
<i>Long-Term Liabilities (net of current portion):</i>			
Compensated Absences Payable	5,199	110,841	116,040
General Obligation Bonds Payable	531,018	0	531,018
OPWC Loans Payable	279,140	26,481	305,621
OWDA Loans Payable	227,735	3,523,176	3,750,911
Notes Payable	0	280,000	280,000
Loans Payable	138,000	138,000	276,000
<i>Total Long-Term Liabilities</i>	<u>1,181,092</u>	<u>4,078,498</u>	<u>5,259,590</u>
<i>Total Liabilities</i>	<u>1,964,260</u>	<u>5,056,397</u>	<u>7,020,657</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	5,356,120	5,614,091	10,970,211
Unrestricted	422,895	163,266	586,161
<i>Total Net Assets</i>	<u>\$5,779,015</u>	<u>\$5,777,357</u>	<u>\$11,556,372</u>

See accompanying notes to the basic financial statements

City of Conneaut, Ohio
*Statement of Revenues,
Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2009*

	Business-Type Activities		
	Water	Sewer	Total
Operating Revenues			
Charges for Services	\$2,061,568	\$1,999,655	\$4,061,223
Tap-In Fees	7,123	2,250	9,373
Special Assessments	4,885	0	4,885
Rentals	3,784	0	3,784
Other	1,404	2,173	3,577
<i>Total Operating Revenues</i>	<u>2,078,764</u>	<u>2,004,078</u>	<u>4,082,842</u>
Operating Expenses			
Personal Services	1,112,205	653,262	1,765,467
Purchased Services	520,783	552,741	1,073,524
Contractual Services	289,113	54,546	343,659
Materials and Supplies	169,253	108,783	278,036
Depreciation	208,422	311,332	519,754
Other	1,264	3,616	4,880
<i>Total Operating Expenses</i>	<u>2,301,040</u>	<u>1,684,280</u>	<u>3,985,320</u>
<i>Operating Income (Loss)</i>	<u>(222,276)</u>	<u>319,798</u>	<u>97,522</u>
Non-Operating Revenue (Expenses)			
Net Loss on Disposal of Capital Assets	(4,072)	(40,951)	(45,023)
Interest and Fiscal Charges	(45,186)	(173,871)	(219,057)
Capital Grants	178,560	118,292	296,852
<i>Total Non-Operating Revenues (Expenses)</i>	<u>129,302</u>	<u>(96,530)</u>	<u>32,772</u>
<i>Income (Loss) before Contributions</i>	(92,974)	223,268	130,294
Capital Contributions	13,755	0	13,755
<i>Change in Net Assets</i>	(79,219)	223,268	144,049
<i>Net Assets Beginning of Year</i>	<u>5,858,234</u>	<u>5,554,089</u>	<u>11,412,323</u>
<i>Net Assets End of Year</i>	<u>\$5,779,015</u>	<u>\$5,777,357</u>	<u>\$11,556,372</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, 2009

	Business-Type Activities		
	Water	Sewer	Total
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities			
Cash Received from Customers	\$2,047,101	\$2,001,625	\$4,048,726
Cash Received from Tap-In Fees	7,123	2,250	9,373
Cash Received from Special Assessments	3,688	4,886	8,574
Cash Received from Rentals	3,784	0	3,784
Other Cash Receipts	1,404	2,173	3,577
Cash Payments to Employees for Services	(1,168,892)	(666,477)	(1,835,369)
Cash Payments for Goods and Services	(622,333)	(727,216)	(1,349,549)
Other Cash Payments	(1,264)	(3,616)	(4,880)
<i>Net Cash Provided by Operating Activities</i>	<u>270,611</u>	<u>613,625</u>	<u>884,236</u>
Cash Flows from Capital and Related Financing Activities			
Proceeds from Sale of Capital Assets	165	22,416	22,581
Capital Grants	178,560	118,292	296,852
Proceeds from General Obligation Notes	68,260	510,835	579,095
Proceeds from Loans	153,333	153,333	306,666
Principal Paid on OWDA Loans	(28,468)	(435,521)	(463,989)
Interest Paid on OWDA Loans	(12,131)	(173,721)	(185,852)
Principal Paid on OPWC Loans	(25,174)	(14,285)	(39,459)
Principal Paid on General Obligation Bond	(70,000)	0	(70,000)
Interest Paid on General Obligation Bond	(33,835)	0	(33,835)
Principal Paid on Short-term Notes	0	(150,000)	(150,000)
Interest Paid on Short-term Notes	0	(4,725)	(4,725)
Payments for Capital Acquisitions	(328,471)	(583,654)	(912,125)
<i>Net Cash Used in Capital and Related Financing Activities</i>	<u>(97,761)</u>	<u>(557,030)</u>	<u>(654,791)</u>
<i>Net Increase in Cash and Cash Equivalent</i>	172,850	56,595	229,445
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>440,543</u>	<u>139,406</u>	<u>579,949</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$613,393</u></u>	<u><u>\$196,001</u></u>	<u><u>\$809,394</u></u>

(continued)

City of Conneaut, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2009

	Business-Type Activities		
	Water	Sewer	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities			
Operating Income (Loss)	(\$222,276)	\$319,798	\$97,522
Adjustments:			
Depreciation	208,422	311,332	519,754
(Increase) Decrease in Assets:			
Accounts Receivable	(14,467)	1,970	(12,497)
Special Assessments Receivable	(1,197)	4,886	3,689
Materials and Supplies Inventory	5,650	(7,710)	(2,060)
Increase (Decrease) in Liabilities:			
Accounts Payable	22,134	(34,572)	(12,438)
Contracts Payable	329,032	31,736	360,768
Accrued Wages	1,661	2,784	4,445
Compensated Absences Payable	(59,413)	(16,232)	(75,645)
Intergovernmental Payable	1,065	(367)	698
<i>Total Adjustments</i>	492,887	293,827	786,714
<i>Net Cash Provided by Operating Activities</i>	\$270,611	\$613,625	\$884,236

Non-Cash Capital Transactions

In 2009, governmental activities transferred capital assets to the Water enterprise fund, in the amount of \$13,755.

See accompanying notes to the basic financial statements

City Of Conneaut, Ohio
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2009

	<u>Agency</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$26,115
Cash and Cash Equivalents in Segregated Accounts	<u>16,580</u>
<i>Total Assets</i>	<u><u>\$42,695</u></u>
Liabilities	
Deposits Held and Due to Others	<u><u>\$42,695</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, 2009

Note 1 – Description of the City and Reporting Entity

The City of Conneaut 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, fire fighting 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. The City has no component units.

The City is associated with the Ohio Rural Water Association Workers' Compensation Group Rating Plan, an insurance purchasing pool and the Conneaut Public Library, a related organization. These organizations are presented in Notes 14 and 15 to the basic financial statements.

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 City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds unless those pronouncements conflict with or contradict GASB pronouncements. The City has elected not to apply FASB pronouncements and interpretations issued after November 30, 1989, to its business-type activities and its enterprise funds. The more significant of the City's accounting policies are described below.

Basis of Presentation

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

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

Government-wide Financial Statements The statement of net assets 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 assets 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 liabilities is reported as fund balance. The following are the City's major governmental funds:

General Fund - The general fund accounts for all financial resources except those required to be accounted for 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 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.

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

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

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

Proprietary Funds Proprietary fund reporting focuses on the determination of operating income, changes in net assets, 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 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 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 assets and changes in net assets. 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 all liabilities associated with the operation of the City are included on the Statement of Net Assets. The Statement of Activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets.

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

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of fund net assets. The statement of revenues, expenses and changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. 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

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

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 revenue and in the presentation of expenses versus expenditures.

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

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

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

Deferred Revenue Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2009, but which were levied to finance year 2010 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

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".

City of Conneaut, Ohio
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For The Year Ended December 31, 2009

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 2009, investments were limited to STAROhio. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on December 31, 2009.

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 2009 amounted to \$4,374 which includes \$3,870 assigned from other City funds.

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

Inventory

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

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 assets 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 assets and in the respective funds.

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

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

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

City of Conneaut, Ohio
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For The Year Ended December 31, 2009

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 vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those that the City has identified as probable of receiving payment in the future. The amount is based on the sick leave accumulated and employee's wage rates at December 31, taking into consideration any limits specified in the City's termination policy. The City records a liability for accumulated unused sick leave for all employees after ten years 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 contractually required pension contributions 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 and long-term loans are recognized as a liability on the governmental fund financial statements when due.

Fund Balance Reserves

The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditure. Fund balance reserves have been established for encumbrances and loans receivable.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, 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 assets are 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 assets restricted for other purposes include resources restricted for security of persons and property through the police and fire departments and recreational activities.

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water and wastewater treatment. Operating expenses are necessary costs incurred to provide the good or services that is the primary activity of the fund. Revenues and expenses which do not meet these definitions are reported as non-operating.

Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, from grants or outside contributions of resources restricted to capital acquisition and construction, or from other funds within the City.

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.

Bond Premium

On the City-wide and the proprietary fund financial statements, bond premiums are deferred and amortized over the term of the bonds using the straight-line method. Bond premiums are presented as an increase of the face amount of the bonds payable.

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City and that are either unusual in nature or infrequent in occurrence. During 2009, the Ohio Department of Transportation completed construction of a City bridge. \$12,595,661 was contributed capital from the Ohio Department of Transportation which was recorded as a special item.

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.

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

Budgetary Process

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

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

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

Note 3 – Changes in Accounting Principles

For fiscal year 2009, the City has implemented Governmental Accounting Standard Board (GASB) Statement No. 52, "Land and Other Real Estate Held as Investments by Endowments", Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments", Statement No. 55, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments," Statement No. 56, "Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards", Statement No. 57, "OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans", and Statement No. 58, "Accounting and Financial Reporting for Chapter 9 Bankruptcies".

GASB Statement No. 52 establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. It requires endowments to report their land and other real estate investments at fair value. Governments are also required to report the changes in fair value as investment income and to disclose the methods and significant assumptions employed to determine fair value. The implementation of this statement did not result in any change in the City's financial statements.

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. It requires governments to measure derivative instruments, with the exception of synthetic guaranteed investment contracts that are fully benefit-responsive, at fair value in their economic resources measurement focus financial statements. The implementation of this statement did not result in any change in the City's financial statements.

GASB Statement No. 55 incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the GASB authoritative literature. The GAAP hierarchy consists of the sources of accounting principles used in the preparation of financial statements of state and local governmental entities that are presented in conformity with GAAP, and the framework for selecting those principles. The implementation of this statement did not result in any change in the City's financial statements.

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GASB Statement No. 56 incorporates accounting and financial reporting guidance previously only contained in the American Institute of Certified Public Accountants' and auditing literature into the GASB's accounting and financial reporting literature for state and local governments. The statement's guidance addresses related party transactions, going concern considerations, and subsequent events from the AICPA literature. The implementation of this statement did not result in any change in the City's financial statements.

GASB Statement No. 57 addresses issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans (that is, agent employers). The requirements in this Statement will allow more agent employers to use the alternative measurement method to produce actuarially based information for purposes of financial reporting and clarify that OPEB measures reported by agent multiple-employer OPEB plans and their participating employers should be determined at the same minimum frequency and as of a common date to improve the consistency of reporting with regard to funded status and funding progress information. The implementation of this statement did not result in any change in the City's financial statements.

GASB Statement No. 58 provides accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. The requirements in this Statement will provide more consistent recognition, measurement, display, and disclosure guidance for governments that file for Chapter 9 bankruptcy. The implementation of this statement did not result in any change in the City's financial statements.

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. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).
4. Unreported cash represents amounts received but not included as revenue on the budgetary statements, but reported on the operating statements prepared using GAAP.
5. Proceeds from and principal payment on short-term note obligations are reported on the operating statement (budget) rather than on the balance sheet (GAAP).

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

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

Net Change in Fund Balances

	General	Street Construction, Maintenance and Repair
GAAP Basis	\$207,216	\$5,322
Net Adjustment for Revenue Accruals	(31,266)	84,230
Net Adjustment for Expenditures Accruals	66,547	157,031
Beginning Unrecorded Cash	(1,126)	(79)
Ending Unrecorded Cash	357	100
Proceeds of Notes	175,000	24,000
Principal Retirement	(260,000)	(224,431)
Encumbrances	(18,392)	(7,027)
Budget Basis	\$138,336	\$39,146

Note 5 - Fund Deficits

Fund Balance at December 31, 2009, included the following individual fund deficits:

Fund	Amount
<i>Special Revenue Funds:</i>	
Auto Permissive Tax	\$5,260
Street Lighting	60,078
USEPA Grant	6,805
Fire Pension	33,855
<i>Capital Projects Fund:</i>	
Gateway Signal	9,062
Roadway Safety Improvement	10,144
Formula Grant	137,904

The special revenue funds' 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.

The capital projects funds' deficits are the result of the issuance of short-term bond anticipation notes which are used to finance the project until bonds are issued. Once the notes are retired or bonds are issued, the deficits will be eliminated.

Note 6 - Deposits and Investments

State statutes classify monies held by the City into these categories.

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

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

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

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the finance director by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to payment of principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in securities listed above;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations;
7. The State Treasurer's investment pool (STAROhio);
8. Commercial paper and bankers acceptances if training requirements have been met.

The City may also invest any 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.

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

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, \$2,099,116 of the City's bank balance of \$2,349,116 was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

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

Investments

At December 31, 2009, the City had \$992,749 invested in STAROhio with an average maturity of 61.2 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 STAROhio carries a rating of AAA by Standard and Poor's. Ohio law requires that STAROhio 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 7 - Receivables

Receivables at December 31, 2009, 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 \$965,997 in the special assessment bond retirement fund, \$18,750 in the water enterprise fund and \$6,966 in the sewer enterprise fund. At December 31, 2009, the amount of delinquent special assessments was \$525,745.

The loans receivable at December 31, 2009, are revolving loans made to private enterprises under the United States Department of Housing and Urban Development Community Development Block Grant Program.

City of Conneaut, Ohio
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For The Year Ended December 31, 2009

The loans are due on various dates with a large portion not due until the related property is sold or the debtor becomes deceased. Loans expected to be collected in more than one year amount to \$5,420.

Property Taxes

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Property tax revenue received during 2009 for real and public property taxes represents collections of 2008 taxes. Property tax payments received during 2009 for tangible personal property (other than public utility property) are for 2009 taxes.

2009 real property taxes are levied after October 1, 2009 on the assessed value as of January 1, 2009 the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2009 real property taxes are collected in and intended to finance 2010.

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 tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2009 public utility property taxes which became a lien December 31, 2008, are levied after October 1, 2009, and are collected in 2010 with real property taxes.

Tangible personal property tax revenue received during 2009 (other than public utility property tax) represents the collection of 2009 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, furniture and fixtures is no longer levied and collected. Tangible personal property taxes received from telephone companies in 2009 were levied after October 1, 2008, on the value as of December 31, 2008. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rate for all City operations for the year ended December 31, 2009, was \$7.90 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2009 property tax receipts were based are as follows:

Category	Assessed Value
Real Estate	
Residential/Agricultural	\$131,441,760
Other Real Estate	35,607,370
Tangible Personal Property	
Public Utility	5,304,940
General Tangible Personal Property	641,975
Total Assessed Values	\$172,996,045

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Conneaut. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and tangible personal property taxes and public utility taxes and outstanding delinquencies which are measurable as of December 31, 2009 and for which there is an enforceable legal claim. In the general fund, the general obligation bond retirement fund, the fire and police levy funds and the police and fire pension special revenue funds, the entire receivable has been offset by

City of Conneaut, Ohio
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deferred revenue since the current taxes were not levied to finance 2009 operations and the collections of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and a revenue while the remainder of the receivable is deferred.

Income Taxes

The City levies a municipal income tax of 1.80 percent on gross salaries, wages and other compensation, and net profits earned within the City, as well as incomes of residents earned outside of the City. In the latter case, the City allows a credit of 100 percent of the tax paid to another municipality to a maximum of the total amount assessed.

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

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

Intergovernmental Receivables

A summary of intergovernmental receivables follows:

Governmental Activities	Amounts
Formula Grant	\$366,767
Local Government	292,438
Brownfield Grant	200,000
Gasoline Tax	191,800
Homestead and Rollback	86,044
Permissive Tax	69,619
Inheritance Tax	42,626
Auto License Tax	40,426
Office of Justice Grant	23,313
Personal Property Tax Reimbursement	19,863
Gateway Signal Grant	19,561
Ashtabula County Auditor	7,285
Total	<u>\$1,359,742</u>

Note 8 – Interfund Transfers

The general fund transferred \$750 and \$76,515 to the tree commission and fire pension special revenue funds, respectively, to provide additional resources for current operations. The City had no transfers that either do not occur on a regular basis or were inconsistent with the purpose of the fund making the transfer.

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

Note 9 - Capital Assets

Capital asset activity for the year ended December 31, 2009, was as follows:

Governmental Activities	Balance 12/31/2008	Additions	Deductions	Balance 12/31/2009
<i>Capital Assets not being Depreciated:</i>				
Land	\$559,303	\$0	(\$4,331)	\$554,972
Construction in Progress	156,173	135,682	(186,183)	105,672
<i>Total Capital Assets not being Depreciated</i>	<u>715,476</u>	<u>135,682</u>	<u>(190,514)</u>	<u>660,644</u>
<i>Capital Assets being Depreciated:</i>				
Buildings and Improvements	1,773,805	0	0	1,773,805
Equipment	1,629,100	269,791	(53,149)	1,845,742
Vehicles	3,901,174	0	(131,332)	3,769,842
Furniture and Fixtures	9,482	0	0	9,482
Infrastructure:				
Traffic Lights	93,320	186,183	0	279,503
Roads	21,761,686	178,222	0	21,939,908
Bridges	0	13,258,591	0	13,258,591
Storm Sewers	1,568,827	151,881	0	1,720,708
<i>Total Capital Assets being Depreciated</i>	<u>30,737,394</u>	<u>14,044,668</u>	<u>(184,481)</u>	<u>44,597,581</u>
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(1,247,707)	(50,930)	0	(1,298,637)
Equipment	(1,161,952)	(95,879)	53,149	(1,204,682)
Vehicles	(3,543,501)	(112,315)	117,577	(3,538,239)
Furniture and Fixtures	(6,467)	(948)	0	(7,415)
Infrastructure:				
Traffic Lights	(53,331)	(2,096)	0	(55,427)
Roads	(6,221,090)	(898,950)	0	(7,120,040)
Bridges	0	(243,074)	0	(243,074)
Storm Sewers	(971,179)	(23,341)	0	(994,520)
<i>Total Accumulated Depreciation</i>	<u>(13,205,227)</u>	<u>(1,427,533) *</u>	<u>170,726</u>	<u>(14,462,034)</u>
Total Capital Assets being Depreciated, Net	<u>17,532,167</u>	<u>12,617,135</u>	<u>(13,755)</u>	<u>30,135,547</u>
Governmental Activities Capital Assets, Net	<u>\$18,247,643</u>	<u>\$12,752,817</u>	<u>(\$204,269)</u>	<u>\$30,796,191</u>

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

	Balance 12/31/2008	Additions	Deductions	Balance 12/31/2009
Business Type Activities:				
<i>Capital Assets not being Depreciated:</i>				
Land	\$6,880	\$0	\$0	\$6,880
Construction in Progress	122,676	364,207	(412,317)	74,566
<i>Total Capital Assets not being Depreciated</i>	<u>129,556</u>	<u>364,207</u>	<u>(412,317)</u>	<u>81,446</u>
<i>Capital Assets being Depreciated:</i>				
Buildings and Improvements	650,221	4,700	0	654,921
Equipment	3,872,100	419,066	(24,704)	4,266,462
Vehicles	567,344	355,745	(157,741)	765,348
Infrastructure:				
Water and Sewer Lines	18,397,532	194,479	0	18,592,011
<i>Total Capital Assets being Depreciated</i>	<u>23,487,197</u>	<u>973,990</u>	<u>(182,445)</u>	<u>24,278,742</u>
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(595,971)	(6,472)	0	(602,443)
Equipment	(2,144,367)	(131,948)	23,138	(2,253,177)
Vehicles	(285,693)	(37,386)	91,703	(231,376)
Infrastructure:				
Water and Sewer Lines	(3,891,627)	(343,948)	0	(4,235,575)
<i>Total Accumulated Depreciation</i>	<u>(6,917,658)</u>	<u>(519,754)</u>	<u>114,841</u>	<u>(7,322,571)</u>
Total Capital Assets being Depreciated, Net	<u>16,569,539</u>	<u>454,236</u>	<u>(67,604)</u>	<u>16,956,171</u>
Business Type Activities Capital Assets, Net	<u>\$16,699,095</u>	<u>\$818,443</u>	<u>(\$479,921)</u>	<u>\$17,037,617</u>

* Depreciation expense was charged to governmental functions as follows:

General Government	\$42,684
Security of Persons and Property	142,939
Leisure Time Activities	23,871
Community Development	9,319
Transportation	<u>1,208,720</u>
Total Depreciation Expense	<u>\$1,427,533</u>

Note 10 - Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Vacation and sick leave are accrued without limit. Upon retirement, an employee with ten or more years of service can be paid for one quarter of his/her accumulated sick hours. The paid sick time is limited to a maximum number of hours set by each department. However, in no case shall any City employee in any department be paid for more than 1,200 hours of accumulated sick leave. There is no

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

limitation on paying accrued vacation, so an employee may be paid for the entire amount of vacation earned but not yet used.

Note 11 - Notes Payable

Changes in the City's note activity for the year ended December 31, 2009, were as follows:

	Outstanding 12/31/2008	Additions	(Reductions)	Outstanding 12/31/2009
<i>General Fund:</i>				
Prison Land, 3.15%	\$70,000	\$60,000	(\$70,000)	\$60,000
Madison Street Storm Sewer, 3.15%	125,000	115,000	(125,000)	115,000
Fire Truck, 2.64%	8,000	0	(8,000)	0
<i>Total General Fund</i>	<u>203,000</u>	<u>175,000</u>	<u>(203,000)</u>	<u>175,000</u>
<i>Special Revenue Fund:</i>				
Street Equipment, 2.01%	12,000	14,000	(12,000)	14,000
Street Equipment, 2.01%	5,000	5,000	(5,000)	5,000
Street Equipment, 3.15%	5,000	5,000	(5,000)	5,000
Street Improvement, 3.75%	0	2,395	0	2,395
<i>Total Special Revenue Fund</i>	<u>22,000</u>	<u>26,395</u>	<u>(22,000)</u>	<u>26,395</u>
<i>Capital Projects Fund:</i>				
Conneaut Port Authority, 2.64%	50,000	0	(50,000)	0
Street Improvement, 3.75%	0	9,062	0	9,062
Street Improvement, 3.75%	0	10,144	0	10,144
Street Improvement, 3.75%	0	139,304	0	139,304
<i>Total Capital Projects Funds</i>	<u>50,000</u>	<u>158,510</u>	<u>(50,000)</u>	<u>158,510</u>
<i>Total Governmental Activities</i>	<u>\$275,000</u>	<u>\$359,905</u>	<u>(\$275,000)</u>	<u>\$359,905</u>
<i>Enterprise Funds:</i>				
<i>Sewer</i>				
Waste Water Improvement, 3.15%	\$150,000	\$130,000	(\$150,000)	\$130,000
Sewer Jet, 3.15%	0	45,000	0	45,000
Street Improvement, 3.75%	0	55,835	0	55,835
<i>Total Sewer</i>	<u>150,000</u>	<u>230,835</u>	<u>(150,000)</u>	<u>230,835</u>
<i>Water</i>				
Street Improvement, 3.75%	0	68,260	0	68,260
<i>Total Enterprise Funds</i>	<u>\$150,000</u>	<u>\$299,095</u>	<u>(\$150,000)</u>	<u>\$299,095</u>

In 2009, the City issued \$60,000, \$115,000, \$5,000, \$130,000 and \$45,000 in various purpose improvement notes to help finance the purchase of land for the prison, to help finance the Madison Street storm sewer project, additional street equipment waste water improvements and a new sewer jet. These projects have been completed by December 31, 2009 and the notes mature on June 19, 2010.

In 2009, the City issued \$19,000 in various improvement notes for the purchase of new street equipment. The purchases have been made by December 31, 2009, and the notes mature on February 10, 2010.

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

In 2009, the City issued \$2,395, \$158,510 and \$124,095 in street improvement notes to help finance street improvements throughout the City and to help finance the waste water improvement project. These projects have been completed by December 31, 2009 and the notes mature on March 30, 2010.

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 12 – Loans Payable

Changes in the City’s loan activity for the year ended December 31, 2009, were as follows:

	Outstanding 12/31/2008	Additions	(Reductions)	Outstanding 12/31/2009
<i>Major Fund:</i>				
Street Construction, Maintenance and Repair Special Revenue Fund	\$0	\$31,664	(\$31,664)	\$0
	\$0	\$31,664	(\$31,664)	\$0

In 2009, the City issued \$31,664 in State Infrastructure Bank loans to help finance the Parrish Road Overpass. This project has been completed by December 31, 2009 and the loan was retired before year end.

Note 13 - 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, 2009.

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 14 – Insurance Purchasing Pool

Ohio Rural Water Association Workers’ Compensation Group Rating Plan – The City participates in the Ohio Rural Water Association Workers’ Compensation Group 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, 2009

Note 15 – 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. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the City for operational subsidies. 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 16 - Long-Term Obligations

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

Debt Issue	Issue Date	Interest Rate	Issue Amount	Maturity
Governmental Activities				
<i>General Obligation Bonds:</i>				
City Hall Annex	1986	6.88%	\$1,500,000	2011
Library	1998	5.05	2,115,000	2018
<i>Special Assessment Loans:</i>				
East Conneaut Sewer Phase II	1996	4.16	746,716	2016
East/West Gateway	1993	4.80	554,029	2013
Gateway Phase II	1993	4.80	87,255	2014
I-90 Sewer	1998	3.98	167,329	2018
East Conneaut Sewer Phase III	1999	3.50	679,445	2020
<i>Loans:</i>				
Industrial Park	2008	3.25	500,000	N/A
Road Equipment Acquisition	2009	4.125	153,334	2019
<i>Ohio Public Works Commission Loan:</i>				
Under Ridge Road Culvert	2004	0.00	31,626	2025
<i>Notes:</i>				
Street Equipment	2009	2.01	90,000	2010
Street Equipment	2009	2.01	40,000	2010
Street Equipment	2009	3.15	45,000	2010
Environmental Cleanup	2004	4.00	170,000	2009

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

Debt Issue	Original Issue Date	Interest Rate	Original Issue Amount	Year of Maturity
Business-Type Activities				
<i>Special Assessment Loans:</i>				
East Conneaut Sewer Phase II	1996	4.16	\$215,671	2016
I-90 Sewer	1998	3.98	94,123	2020
East Conneaut Sewer Phase III	1999	3.50	132,997	2020
<i>Ohio Water Development Authority:</i>				
Wastewater Plant Improvement	1971	5.25	853,796	2013
Wastewater Plant Improvement	1987	9.06	557,110	2013
Wastewater	1988	4.80	2,580,000	2011
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
<i>Ohio Public Works Commission</i>				
Wastewater Treatment Plant	1992	0.00	123,926	2010
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
<i>Loans:</i>				
Road Equipment Acquisition	2009	4.125	306,666	2019
<i>Notes:</i>				
Sewer Jet	2009	3.15	325,000	2010
<i>General Obligation Bond:</i>				
Water III	1998	5.05	1,370,000	2018

A schedule of changes in bonds and other long-term obligations of the City during 2009 follows:

	Outstanding 12/31/2008	Additions	Reductions	Outstanding 12/31/2009	Amount Due In one Year
Governmental Activities:					
<i>General Obligation Bonds</i>					
City Hall Annex	\$300,000	\$0	\$100,000	\$200,000	\$100,000
Library	1,050,000	0	105,000	945,000	105,000
Total General Obligation Bonds	1,350,000	0	205,000	1,145,000	205,000
<i>Special Assessment OWDA Loans</i>					
<i>with Governmental Commitment:</i>					
East Conneaut Sewer Phase II	336,612	0	36,268	300,344	37,792
East/West Gateway	190,914	0	34,647	156,267	36,330
Gateway Phase II	32,698	0	5,328	27,370	5,588
I-90 Sewer	99,940	0	8,317	91,623	8,651
East Conneaut Sewer Phase III	455,353	0	31,130	424,223	32,229
Total Special Assessment OWDA Loans	1,115,517	0	115,690	999,827	120,590
<i>Loans:</i>					
Industrial Park	500,000	0	0	500,000	0
Road Equipment Acquisition	0	153,334	0	153,334	15,334
Total Loans:	\$500,000	\$153,334	\$0	\$653,334	\$15,334

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

	Outstanding 12/31/2008	Additions	Reductions	Outstanding 12/31/2009	Amount Due In one Year
Governmental Activities:					
<i>OPWC Loan:</i>					
Under Ridge Road Culvert	\$26,092	\$0	\$1,581	\$24,511	\$1,581
<i>Long-Term Notes Payable:</i>					
Street Equipment	100,000	76,000	100,000	76,000	0
Street Equipment	40,000	35,000	40,000	35,000	0
Street Equipment	45,000	40,000	45,000	40,000	0
Environmental Cleanup	57,000	0	57,000	0	0
<i>Total Long-Term Notes Payable</i>	<u>242,000</u>	<u>151,000</u>	<u>242,000</u>	<u>151,000</u>	<u>0</u>
<i>Other Long-Term Liabilities</i>					
Capital Leases	256,587	0	98,241	158,346	77,697
Compensated Absences	793,012	27,588	231,405	589,195	231,918
<i>Total Other Long-Term Liabilities</i>	<u>1,049,599</u>	<u>27,588</u>	<u>329,646</u>	<u>747,541</u>	<u>309,615</u>
Total Governmental Activities					
Long-Term Obligations	<u>\$4,283,208</u>	<u>\$331,922</u>	<u>\$893,917</u>	<u>\$3,721,213</u>	<u>\$652,120</u>
Business-Type Activities:					
<i>Special Assessment OWDA Loans with Governmental Commitment:</i>					
East Conneaut Sewer Phase II	\$112,203	\$0	\$12,089	\$100,114	\$12,597
I-90 Sewer	56,217	0	4,678	51,539	4,866
East Conneaut Sewer Phase III	99,956	0	6,833	93,123	7,075
<i>Total Special Assessment OWDA Loans</i>	<u>268,376</u>	<u>0</u>	<u>23,600</u>	<u>244,776</u>	<u>24,538</u>
<i>OWDA Loans</i>					
Wastewater Plant Improvement	229,559	0	41,208	188,351	43,371
Wastewater Plant Improvement	221,328	0	36,941	184,387	40,288
Wastewater	595,967	0	189,311	406,656	198,507
Water III	285,923	0	28,468	257,455	29,720
Dechlorination Project	44,602	0	4,481	40,121	4,667
Wastewater Improvement Loan	3,054,802	0	139,980	2,914,822	144,566
<i>Total OWDA Loans</i>	<u>4,432,181</u>	<u>0</u>	<u>440,389</u>	<u>3,991,792</u>	<u>461,119</u>
<i>Total OWDA Obligations</i>	<u>4,700,557</u>	<u>0</u>	<u>463,989</u>	<u>4,236,568</u>	<u>485,657</u>
<i>OPWC Loans</i>					
Wastewater Treatment Plant	24,783	0	12,393	12,390	12,390
South Conneaut Water Tank	240,625	0	19,250	221,375	19,250
Liberty Water Line	88,863	0	5,924	82,939	5,924
Madison Sanitary Sewer	30,265	0	1,892	28,373	1,892
<i>Total OPWC Loans</i>	<u>384,536</u>	<u>0</u>	<u>39,459</u>	<u>345,077</u>	<u>39,456</u>
<i>General Obligation Bonds</i>					
Water III	670,000	0	70,000	600,000	70,000
Unamortized Premium	1,141	0	123	1,018	0
<i>Total Bonds</i>	<u>\$671,141</u>	<u>\$0</u>	<u>\$70,123</u>	<u>\$601,018</u>	<u>\$70,000</u>

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

	Outstanding 12/31/2008	Additions	Reductions	Outstanding 12/31/2009	Amount Due In one Year
Business-Type Activities (continued)					
<i>Other Long-Term Liabilities</i>					
Compensated Absences	\$364,554	\$18,711	\$94,356	\$288,909	\$172,869
Road Equipment Acquisition Loan	0	306,666	0	306,666	30,666
Sewer Jet Note	0	280,000	0	280,000	0
<i>Total Other Long-Term Liabilities</i>	<u>364,554</u>	<u>605,377</u>	<u>94,356</u>	<u>875,575</u>	<u>203,535</u>
<i>Total Business-Type Activities</i>					
<i>Long-Term Obligations</i>	<u>\$6,120,788</u>	<u>\$605,377</u>	<u>\$667,927</u>	<u>\$6,058,238</u>	<u>\$798,648</u>

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

The OWDA 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 OWDA loans, payment would be made by any general tax revenues collected in the general or bond retirement fund.

A line of credit has been established with the Ohio Water Development Authority in the amount of \$3,600,000 for a Wastewater Improvement Loan for improvements to the Sewer system, however, since this loan is not finalized, the repayment schedule is not included in the schedule of debt service payments. The City has received \$3,258,282 in proceeds.

The City has pledged future revenues, net of operating expenses, to repay OPWC loans in the water enterprise fund. The debt is payable solely from net revenues and are payable through 2023. Annual principal payments on the debt issues are expected require less than 100 percent of net revenues in future years; however, in 2009, the principal payments exceeded net revenues. The total principal remaining to be paid on the debt is \$304,314. Principal paid for the current year and total net revenues were \$25,174 and (\$13,854) respectively.

The City has pledged future revenues, net of operating expenses, to repay OPWC loans in the sewer enterprise fund. The debt is payable solely from net revenues and are payable through 2024. Annual principal payments on the debt issues are expected require 44.18 percent of net revenues. The total principal remaining to be paid on the debt is \$40,763. Principal paid for the current year and total net revenues were \$14,285 and \$631,130 respectively.

In 2008, the City issued a \$500,000 industrial park loan for the purpose of developing and constructing an industrial park. This loan will not accrue interest for the first five years. No principal payments will come due within the first five years unless there is a sale, lease, or transfer of any portion of the property. The amount payable at that time will be 50 percent of the amount received as payment for the sale or lease of the

City of Conneaut, Ohio
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property. Beginning in the sixth year, the principal balance of the loan will be subject to a 3.25 percent interest rate and an amortization schedule will be constructed to repay the loan over a 120 month period. A debt schedule is not included for this loan because payments have not been determined as of December 31, 2009. This note will be paid from the industrial park capital projects fund.

In 2009, the City issued a \$460,000 road equipment acquisition loan for the purchase of street equipment. These purchases have been made by December 31, 2009 and the loan will be repaid over a 120 month period with final maturity in 2019. This loan will be paid from the capital improvements capital projects fund and the water and sewer enterprise funds

In 2009, the City issued \$111,000 and \$320,000 various purpose improvement notes for the purchase of street equipment and for a new sewer jet. These purchases have been made by December 31, 2009 and the notes mature on February 10, 2010 and June 19, 2010, respectively. The short-term portion of these notes of \$19,000 and \$355,000 are presented in Note 10.

The City's overall legal debt margin was \$14,960,573 with an unvoted debt margin of \$6,310,770 at December 31, 2009. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2009, are as follows:

	<i>Governmental Activities</i>						
	General Obligation Bonds		Special Assessment Loans		OPWC Loans	Loans Payable	
	Principal	Interest	Principal	Interest	Principal	Principal	Interest
2010	\$205,000	\$61,472	\$120,590	\$38,556	\$1,581	\$15,334	\$5,950
2011	205,000	49,295	125,700	33,443	1,582	15,334	5,611
2012	105,000	37,118	131,031	28,112	1,582	15,334	4,970
2013	105,000	31,815	136,601	22,542	1,582	15,334	4,329
2014	105,000	26,512	95,050	17,270	1,582	15,334	3,687
2015-2019	420,000	53,027	345,258	37,373	7,910	76,664	8,817
2020-2024	0	0	45,597	1,200	7,910	0	0
2025	0	0	0	0	782	0	0
Total	\$1,145,000	\$259,239	\$999,827	\$178,496	\$24,511	\$153,334	\$33,364

	<i>Business-Type Activities</i>								
	General Obligation Bonds		Special Assessment Loans		OWDA Loans		OPWC Loans	Loans Payable	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Principal	Interest
2010	\$70,000	\$30,300	\$24,538	\$9,237	\$316,553	\$56,244	\$39,456	\$30,666	\$11,900
2011	70,000	26,765	25,514	8,261	333,625	39,173	27,066	30,666	11,222
2012	70,000	23,230	26,527	7,247	133,419	23,707	27,066	30,666	9,940
2013	65,000	19,695	27,582	6,193	142,619	14,507	27,066	30,666	8,658
2014	65,000	16,412	28,677	5,097	40,796	6,077	27,066	30,666	7,374
2015-2019	260,000	32,825	101,929	10,177	109,958	7,226	135,330	153,336	17,634
2020-2024	0	0	10,009	264	0	0	62,027	0	0
Total	\$600,000	\$149,227	\$244,776	\$46,476	\$1,076,970	\$146,934	\$345,077	\$306,666	\$66,728

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

Note 17 – Capital Lease

The City has entered into capitalized leases for ten Ford Crown Victorias, one International dump truck, and two cemetery mowers. These leases meet the criteria for a capital lease as defined by the Statement of Financial Accounting Standards No. 13 “Accounting for Lease” and have been recorded on the governmental-wide statements. The original amounts capitalized for the capital leases and the book value as of December 31, 2009 for governmental activities follows:

	Governmental Activities
Asset:	
Equipment	\$29,196
Vehicles	474,347
Total Capitalized	503,543
Less: Accumulated depreciation	247,734
Current Book Value	\$255,809

The following is a schedule of the future minimum leases payments required under the capital lease and the present value of the minimum lease payments as of December 31, 2009.

	Governmental Activities
2010	\$84,142
2011	46,780
2012	19,616
2013	19,618
Total Minimum Lease Payments	170,156
Less: Amount Representing Interest	(11,810)
Present Value of Minimum Lease Payments	\$158,346

Note 18 - 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 2009, the City contracted with Love Insurance Company for various types of insurance as follows:

Type of Coverage	Coverage
Property/Boilers and Machinery	\$21,752,900
Inland Marine	1,811,163
Vehicles	
Comprehensive	3,000,000
Valuable Papers and Records	100,000
Police	3,000,000
Public Officials	3,000,000
Business Electronics Equipment	188,022
Fire Vehicles and Ambulances	200,000

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

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

Worker's Compensation

For fiscal year 2009, the City participated in the Ohio Rural Water Association Worker's Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 14). The intent of the GRP is to achieve the benefit of a reduced premium for the City by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating city is calculated as one experience and a common premium rate is applied to all cities in the GRP. Each participant pays its worker's compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall percentage of the GRP.

A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm Comp Management provides administrative, cost control and actuarial services to the GRP.

Note 19 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2009, the members in state and local classifications contributed 10.0 percent of covered payroll and public safety and law enforcement members contributed 10.1 percent.

The City's 2009 contribution rate was 14.0 percent. For the period January 1 through March 31, a portion of the City's contribution equal to 7.0 percent of covered payroll was allocated to fund the post-employment health care plan; for the period April 1 through December 31, 2009 this amount was decreased to 5.5 percent. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the City of 14.0 percent.

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2009, 2008, and 2007 were \$126,980, \$209,321 and \$265,010, respectively; 73 percent has been contributed for 2009 and 100 percent for 2008 and 2007. Contributions to the member-directed plan for 2009 were \$535 made by the City and \$749 made by the plan members.

Ohio Police and Fire Pension Fund

Plan Description - The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability 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 for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy - Plan members are required to contribute 10.0 percent of their annual covered salary, while employers are required to contribute 19.5 percent for police officers and 24.0 percent for firefighters. The City's contributions to OP&F for police and firefighters were \$111,687 and \$95,754 for the year ended December 31, 2009, \$109,338 and \$104,745 for the year ended December 31, 2008, and \$115,113 and \$109,070 for the year ended December 31, 2007. 73 percent has been contributed for police and 75 percent for firefighters has been contributed for 2009. The full amount has been contributed for 2008 and 2007.

Note 20 - Postemployment Benefits

Ohio Public Employees Retirement System

Plan Description – Ohio Public Employees Retirement System (OPERS) maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

In order to qualify for post-employment health care coverage, age and service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not require, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). State statute requires that public employers fund post-employment health care through contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care.

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2009, state and local government employers contributed at a rate of 14.0 percent of covered payroll, and public safety and law enforcement employers contributed at 17.63 percent. Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. The amount of employer contributions which were allocated to fund post-employment health care was 7.0 percent from January 1 through March 31, 2009, and 5.5 percent from April 1 through December 31, 2009.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment health care plan.

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2009, 2008, and 2007 were \$107,866, \$209,321 and \$149,723 respectively; 73 percent has been contributed for 2009 and 100 percent for 2008 and 2007.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1 of each year from 2006 to 2008. Rates for law and public safety employers increased over a six year period beginning on January 1, 2006, with a final rate increase on January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

Ohio Police and Fire Pension Fund

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

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45.

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5 percent and 24.0 percent of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24.0 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

OP&F 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 OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2009, the employer contribution allocated to the health care plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Section 115 and 401(h).

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

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$59,128 and \$37,469 for the year ended December 31, 2009, \$72,117 and \$49,955 for the year ended December 31, 2008, and \$60,942 and \$42,680 for the year ended December 31, 2007. The full amount has been contributed for 2008 and 2007. 73 percent has been contributed for police and 75 percent has been contributed for firefighters for 2009.

Note 21 – Subsequent Event

On February 8, 2010, the City retired \$130,000 in general obligation bond anticipation notes and issued \$111,000 in new notes. The new notes have a maturity date of February 8, 2011 and an interest rate of 2.25 percent. The following table summarizes the activity.

Note Issuance	Retired	Issued
Street Equipment	\$90,000	\$76,000
Street Equipment	40,000	35,000
Total Notes	<u>\$130,000</u>	<u>\$111,000</u>

On June 18, 2010, the City retired \$675,000 in general obligation bond anticipation notes and issued \$580,000 in new notes. The new notes have a maturity date of June 17, 2011 and an interest rate of 2.03 percent. The following table summarizes the activity.

Note Issuance	Retired	Issued
Prison Land	\$60,000	\$50,000
Madison Street Storm Sewer	115,000	100,000
Street Equipment	45,000	40,000
Waste Water Improvement	130,000	110,000
Sewer Jet	325,000	280,000
Total Notes	<u>\$675,000</u>	<u>\$580,000</u>

Combining and Individual Fund Statements and Schedules
Combining Statements – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

To account for the proceeds of specific revenue sources (other than major capital projects) that are restricted by law and administrative action to expenditures for specified purposes.

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

State Highway Fund The State Highway Fund accounts for 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 implementing state programs for retail food establishments and for service operations, including vending.

Marina Fund The Marina Fund accounts for the implementation of State programs for licensing and inspecting Marinas.

Enforcement and Education Fund The Enforcement and Education Fund accounts for 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 the additional fees levied 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 for the operation and maintenance of City owned cemeteries.

Police Levy Fund The Police Levy Fund accounts for a voted property tax operating levy which pays for police officer wages and vehicle acquisition.

Fire Levy Fund The Fire Levy Fund accounts for a voted property tax operating levy which pays for fire fighters wages.

Litter Control Fund The Litter Control Fund accounts for implementing programs to pick up litter and provide recycling services for the citizens.

Indigent Monitoring Fund The Indigent Monitoring Fund accounts for municipal court interlock alcohol monitoring for indigent offenders.

DARE Grant Fund The DARE Grant Fund accounts for the implementation of the Drug Abuse Resistance Education program and pays for a police officer to conduct the training.

OPOTA Grant Fund The OPOTA Grant Fund accounts for the reimbursement for the training of police officers through the Ohio Police Officers Training Academy.

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

Tree Commission Fund The Tree Commission Fund accounts for monies received from residents, plus City matching funds, which are used to plant trees and maintain an arboretum within the City.

(continued)

Combining Statements – Nonmajor Governmental Funds (continued)

Demolition Fund The Demolition Fund accounts for money used to demolish dilapidated structures within the City.

Community Housing Fund The Community Housing Fund accounts for repayments of CHIP loans and is used to reinvest in community housing for qualified applicants.

Economic Development Fund The Economic Development Fund makes loans to businesses who wish to expand or purchase new equipment that would create new jobs.

USEPA Grant Fund The USEPA Grant Fund accounts for Brownfield Hazardous Substance Assessment Grant monies received to inventory, characterize, assess, and conduct planning and community involvement related to brownfield sites.

CHIPS Fund The CHIPS Fund accounts for CDBG, HOME, and OHTF funds to provide emergency home repairs, home rehabilitation, down payment assistance, and new construction for qualified applicants.

Ambulance Fund The Ambulance Fund accounts for funds used to operate an ambulance and provide EMS to the citizens of the City.

Recreation Fund The Recreation Fund accounts for funds that are 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 the accumulation of property taxes levied for the payment of current employer's pension contributions and the long-term accounting liability.

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

Nonmajor Debt Service Fund

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term and special assessment principal, interest, and related costs.

General Obligation Bond Retirement Fund The General Obligation Bond Retirement Fund accounts for resources used for the payment of principal and interest and fiscal charges on general obligation debt.

Nonmajor Capital Projects Funds

Capital Projects Funds are established to account for financial resources to be used for the construction or acquisition of major capital facilities.

Street Improvement Fund The Street Improvement Fund accounts for a special property tax levy collected for the improvement of streets and curbs within the City.

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

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

(continued)

Combining Statements – Nonmajor Governmental Funds (continued)

Gateway Signal Fund The Gateway Signal Fund accounts for monies received from grants and expenditures to install new light poles and traffic signals.

Roadway Safety Improvement Fund The Road Safety Improvement Fund accounts for grant monies received from the Ohio Public Works Commission for roadway safety improvements on Lake Erie Street and Brown Avenue.

Formula Grant Fund The Formula Grant Fund accounts for funds used to construct a new water chlorination system for the water treatment plant.

FEMA Grant Fund The FEMA Grant Fund accounts for monies received from the Federal Emergency Management Agency as a reimbursement of salaries and benefits of firefighters who volunteered to provide assistance in New Orleans after Hurricane Katrina.

Capital Improvement Fund The Capital Improvement Fund accounts for expenditures designated for capital construction and the acquisition of capital assets.

EDA Grant Fund The EDA Grant Fund accounts for grant monies received to assist with the construction of the East Conneaut Industrial Park.

USDA Grant Fund The USDA Grant Fund accounts for grant monies received to assist with the construction of the East Conneaut Industrial Park.

Industrial Park Fund The Industrial Park Fund accounts for loan monies received and expenditures to develop the industrial park.

City of Conneaut, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2009

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$441,193	\$449,671	\$1,009,149	\$1,900,013
Materials and Supplies Inventory	2,600	0	0	2,600
Accounts Receivable	55,218	0	4,544	59,762
Intergovernmental Receivable	349,073	14,490	409,641	773,204
Municipal Income Taxes Receivable	15,680	0	88,431	104,111
Property Taxes Receivable	684,698	205,184	0	889,882
Loans Receivable	20,742	0	0	20,742
<i>Total Assets</i>	<u>\$1,569,204</u>	<u>\$669,345</u>	<u>\$1,511,765</u>	<u>\$3,750,314</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$78,654	\$0	\$1,360	\$80,014
Contracts Payable	5,167	0	23,849	29,016
Accrued Wages	1,281	0	0	1,281
Intergovernmental Payable	81,423	0	0	81,423
Deferred Revenue	1,097,285	219,674	446,222	1,763,181
Notes Payable	2,395	0	158,510	160,905
<i>Total Liabilities</i>	<u>1,266,205</u>	<u>219,674</u>	<u>629,941</u>	<u>2,115,820</u>
Fund Balances				
Reserved for Encumbrances	6,660	0	8,176	14,836
Reserved for Loans Receivable	5,420	0	0	5,420
Unreserved				
Undesignated, Reported in:				
Special Revenue Funds	290,919	0	0	290,919
Debt Service Fund	0	449,671	0	449,671
Capital Projects Funds	0	0	873,648	873,648
<i>Total Fund Balances</i>	<u>302,999</u>	<u>449,671</u>	<u>881,824</u>	<u>1,634,494</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,569,204</u>	<u>\$669,345</u>	<u>\$1,511,765</u>	<u>\$3,750,314</u>

City of Conneaut, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2009

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	\$634,290	\$212,383	\$0	\$846,673
Municipal Income Taxes	47,634	0	224,808	272,442
Intergovernmental	322,039	10,040	444,681	776,760
Fees, Licenses and Permits	108,102	0	0	108,102
Fines and Forfeitures	3,378	0	68,127	71,505
Rentals	33,050	0	0	33,050
Charges for Services	120,092	0	0	120,092
Contributions and Donations	10,370	0	0	10,370
Interest	416	0	2,776	3,192
Other	5,857	0	0	5,857
<i>Total Revenues</i>	<u>1,285,228</u>	<u>222,423</u>	<u>740,392</u>	<u>2,248,043</u>
Expenditures				
Current:				
General Government	0	5,404	0	5,404
Security of Persons and Property	1,243,947	0	0	1,243,947
Leisure Time Activities	65,514	0	0	65,514
Community Development	87,354	0	0	87,354
Basic Utility Services	149,308	0	0	149,308
Transportation	167,245	0	0	167,245
Capital Outlay	0	0	952,076	952,076
Debt Service:				
Principal Retirement	9,724	205,000	0	214,724
Interest and Fiscal Charges	618	73,650	130	74,398
<i>Total Expenditures</i>	<u>1,723,710</u>	<u>284,054</u>	<u>952,206</u>	<u>2,959,970</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(438,482)</u>	<u>(61,631)</u>	<u>(211,814)</u>	<u>(711,927)</u>
Other Financing Sources				
Loans Issued	0	0	153,334	153,334
Transfers In	77,265	0	0	77,265
<i>Total Other Financing Sources</i>	<u>77,265</u>	<u>0</u>	<u>153,334</u>	<u>230,599</u>
<i>Net Change in Fund Balances</i>	(361,217)	(61,631)	(58,480)	(481,328)
<i>Fund Balances Beginning of Year</i>	<u>664,216</u>	<u>511,302</u>	<u>940,304</u>	<u>2,115,822</u>
<i>Fund Balances End of Year</i>	<u>\$302,999</u>	<u>\$449,671</u>	<u>\$881,824</u>	<u>\$1,634,494</u>

City of Conneaut, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2009

	Auto Permissive Tax	State Highway	Restaurant Vending	Marina	Enforcement and Education
Assets					
Equity in Pooled Cash and					
Cash Equivalents	\$2,623	\$4,063	\$3,299	\$4,735	\$2,523
Materials and Supplies Inventory	0	0	0	0	0
Accounts Receivable	0	0	0	0	110
Intergovernmental Receivable	69,619	17,417	0	0	0
Municipal Income Taxes Receivable	0	0	0	0	0
Property Taxes Receivable	0	0	0	0	0
Loans Receivable	0	0	0	0	0
<i>Total Assets</i>	<u>\$72,242</u>	<u>\$21,480</u>	<u>\$3,299</u>	<u>\$4,735</u>	<u>\$2,633</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$0	\$462	\$0	\$0	\$0
Contracts Payable	0	0	0	0	0
Accrued Wages	0	0	0	0	0
Intergovernmental Payable	0	0	373	0	0
Deferred Revenue	77,502	11,614	0	0	0
Notes Payable	0	0	0	0	0
<i>Total Liabilities</i>	<u>77,502</u>	<u>12,076</u>	<u>373</u>	<u>0</u>	<u>0</u>
Fund Balances					
Reserved for Encumbrances	1,886	1,403	0	0	0
Reserved for Loans Receivable	0	0	0	0	0
Unreserved, Undesignated (Deficit)	<u>(7,146)</u>	<u>8,001</u>	<u>2,926</u>	<u>4,735</u>	<u>2,633</u>
<i>Total Fund Balances (Deficit)</i>	<u>(5,260)</u>	<u>9,404</u>	<u>2,926</u>	<u>4,735</u>	<u>2,633</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$72,242</u>	<u>\$21,480</u>	<u>\$3,299</u>	<u>\$4,735</u>	<u>\$2,633</u>

<u>Indigent Drivers</u>	<u>Cemetery</u>	<u>Police Levy</u>	<u>Fire Levy</u>	<u>Litter Control</u>	<u>Indigent Monitoring</u>	<u>OPOTA Grant</u>
\$44,739	\$47,743	\$16,106	\$6,415	\$8,822	\$1,218	\$2,080
0	0	0	0	0	0	0
110	0	0	0	0	50	0
0	0	26,083	13,042	0	0	0
0	0	0	0	0	0	0
0	0	280,901	140,450	0	0	0
0	0	0	0	0	0	0
<u>\$44,849</u>	<u>\$47,743</u>	<u>\$323,090</u>	<u>\$159,907</u>	<u>\$8,822</u>	<u>\$1,268</u>	<u>\$2,080</u>
\$0	\$292	\$0	\$0	\$1,849	\$0	\$0
0	5,167	0	0	0	0	0
0	1,281	0	0	0	0	0
0	1,003	0	0	0	0	0
0	0	306,984	153,492	0	0	0
0	0	0	0	0	0	0
<u>0</u>	<u>7,743</u>	<u>306,984</u>	<u>153,492</u>	<u>1,849</u>	<u>0</u>	<u>0</u>
0	0	0	0	1,944	0	0
0	0	0	0	0	0	0
<u>44,849</u>	<u>40,000</u>	<u>16,106</u>	<u>6,415</u>	<u>5,029</u>	<u>1,268</u>	<u>2,080</u>
<u>44,849</u>	<u>40,000</u>	<u>16,106</u>	<u>6,415</u>	<u>6,973</u>	<u>1,268</u>	<u>2,080</u>
<u>\$44,849</u>	<u>\$47,743</u>	<u>\$323,090</u>	<u>\$159,907</u>	<u>\$8,822</u>	<u>\$1,268</u>	<u>\$2,080</u>

(continued)

City of Conneaut, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2009

	<u>Street Lighting</u>	<u>Tree Commission</u>	<u>Demolition</u>	<u>Community Housing</u>	<u>Economic Development</u>
Assets					
Equity in Pooled Cash and Cash Equivalents	\$6,181	\$61	\$255	\$12,013	\$202,559
Materials and Supplies Inventory	0	0	0	0	0
Accounts Receivable	0	0	0	0	0
Intergovernmental Receivable	0	0	0	0	0
Municipal Income Taxes Receivable	8,493	0	0	0	0
Property Taxes Receivable	0	0	0	0	0
Loans Receivable	0	0	0	0	20,742
<i>Total Assets</i>	<u>\$14,674</u>	<u>\$61</u>	<u>\$255</u>	<u>\$12,013</u>	<u>\$223,301</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$71,239	\$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
Deferred Revenue	3,513	0	0	0	0
Notes Payable	0	0	0	0	0
<i>Total Liabilities</i>	<u>74,752</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances					
Reserved for Encumbrances	0	0	0	0	0
Reserved for Loans Receivable	0	0	0	0	5,420
Unreserved, Undesignated (Deficit)	(60,078)	61	255	12,013	217,881
<i>Total Fund Balances (Deficit)</i>	<u>(60,078)</u>	<u>61</u>	<u>255</u>	<u>12,013</u>	<u>223,301</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$14,674</u>	<u>\$61</u>	<u>\$255</u>	<u>\$12,013</u>	<u>\$223,301</u>

USEPA Grant	Ambulance	Recreation	Police Pension	Fire Pension	Total Nonmajor Special Revenue Funds
	\$3,916	\$15,239	\$56,572	\$31	\$441,193
0	2,600	0	0	0	2,600
0	54,948	0	0	0	55,218
200,000	0	0	16,574	6,338	349,073
0	0	7,187	0	0	15,680
0	0	0	192,259	71,088	684,698
0	0	0	0	0	20,742
<u>\$200,000</u>	<u>\$61,464</u>	<u>\$22,426</u>	<u>\$265,405</u>	<u>\$77,457</u>	<u>\$1,569,204</u>
\$4,410	\$0	\$402	\$0	\$0	\$78,654
0	0	0	0	0	5,167
0	0	0	0	0	1,281
0	0	81	46,080	33,886	81,423
200,000	54,948	2,973	208,833	77,426	1,097,285
2,395	0	0	0	0	2,395
<u>206,805</u>	<u>54,948</u>	<u>3,456</u>	<u>254,913</u>	<u>111,312</u>	<u>1,266,205</u>
0	0	1,427	0	0	6,660
0	0	0	0	0	5,420
(6,805)	6,516	17,543	10,492	(33,855)	290,919
<u>(6,805)</u>	<u>6,516</u>	<u>18,970</u>	<u>10,492</u>	<u>(33,855)</u>	<u>302,999</u>
<u>\$200,000</u>	<u>\$61,464</u>	<u>\$22,426</u>	<u>\$265,405</u>	<u>\$77,457</u>	<u>\$1,569,204</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, 2009

	Auto Permissive Tax	State Highway	Restaurant Vending	Marina	Enforcement and Education
Revenues					
Property Taxes	\$0	\$0	\$0	\$0	\$0
Municipal Income Taxes	0	0	0	0	0
Intergovernmental	107,665	36,340	0	0	0
Fees, Licenses and Permits	0	0	18,485	585	0
Fines and Forfeitures	0	0	0	0	1,185
Rentals	0	0	0	0	0
Charges for Services	0	0	0	0	0
Contributions and Donations	0	0	0	0	0
Interest	38	20	0	0	0
Other	0	0	0	0	0
<i>Total Revenues</i>	<u>107,703</u>	<u>36,360</u>	<u>18,485</u>	<u>585</u>	<u>1,185</u>
Expenditures					
Current:					
Security of Persons and Property	0	0	0	0	0
Leisure Time Activities	0	0	0	150	0
Community Development	0	0	18,234	0	0
Basic Utility Services	0	0	0	0	0
Transportation	131,767	35,478	0	0	0
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0
<i>Total Expenditures</i>	<u>131,767</u>	<u>35,478</u>	<u>18,234</u>	<u>150</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(24,064)	882	251	435	1,185
Other Financing Sources					
Transfers In	0	0	0	0	0
<i>Net Change in Fund Balances</i>	(24,064)	882	251	435	1,185
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>18,804</u>	<u>8,522</u>	<u>2,675</u>	<u>4,300</u>	<u>1,448</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$5,260)</u>	<u>\$9,404</u>	<u>\$2,926</u>	<u>\$4,735</u>	<u>\$2,633</u>

Indigent Drivers	Cemetery	Police Levy	Fire Levy	Litter Control	Indigent Monitoring	DARE Grant
\$0	\$0	\$266,409	\$119,372	\$0	\$0	\$0
0	0	0	0	0	0	0
0	0	56,600	42,137	23,669	0	0
0	8,195	0	0	0	0	0
1,278	0	0	0	0	915	0
0	0	0	0	0	0	0
0	29,583	0	0	0	0	0
0	0	0	0	0	0	0
0	104	0	0	0	0	0
1,865	2,000	0	0	0	353	0
3,143	39,882	323,009	161,509	23,669	1,268	0
0	0	334,800	169,012	0	0	15,232
0	0	0	0	0	0	0
0	23,261	0	0	20,629	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	9,724	0	0	0	0	0
0	618	0	0	0	0	0
0	33,603	334,800	169,012	20,629	0	15,232
3,143	6,279	(11,791)	(7,503)	3,040	1,268	(15,232)
0	0	0	0	0	0	0
3,143	6,279	(11,791)	(7,503)	3,040	1,268	(15,232)
41,706	33,721	27,897	13,918	3,933	0	15,232
\$44,849	\$40,000	\$16,106	\$6,415	\$6,973	\$1,268	\$0

(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, 2009

	OPOTA Grant	Street Lighting	Tree Commission	Demolition	Community Housing
Revenues					
Property Taxes	\$0	\$0	\$0	\$0	\$0
Municipal Income Taxes	0	25,881	0	0	0
Intergovernmental	2,080	0	0	0	3,234
Fees, Licenses and Permits	0	69,157	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	6,550	0	0
Interest	0	0	0	0	42
Other	0	1,571	0	0	0
<i>Total Revenues</i>	<u>2,080</u>	<u>96,609</u>	<u>6,550</u>	<u>0</u>	<u>3,276</u>
Expenditures					
Current:					
Security of Persons and Property	0	0	0	0	0
Leisure Time Activities	0	0	0	0	0
Community Development	0	0	8,050	0	1,368
Basic Utility Services	0	149,308	0	0	0
Transportation	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0
<i>Total Expenditures</i>	<u>0</u>	<u>149,308</u>	<u>8,050</u>	<u>0</u>	<u>1,368</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	2,080	(52,699)	(1,500)	0	1,908
Other Financing Sources					
Transfers In	0	0	750	0	0
<i>Net Change in Fund Balances</i>	2,080	(52,699)	(750)	0	1,908
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>0</u>	<u>(7,379)</u>	<u>811</u>	<u>255</u>	<u>10,105</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$2,080</u>	<u>(\$60,078)</u>	<u>\$61</u>	<u>\$255</u>	<u>\$12,013</u>

Economic Development	USEPA Grant	Ambulance	Recreation	Police Pension	Fire Pension	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$181,427	\$67,082	\$634,290
0	0	0	21,753	0	0	47,634
0	0	0	0	36,672	13,642	322,039
0	0	0	11,680	0	0	108,102
0	0	0	0	0	0	3,378
0	0	0	33,050	0	0	33,050
0	0	90,509	0	0	0	120,092
0	0	3,820	0	0	0	10,370
212	0	0	0	0	0	416
0	0	23	45	0	0	5,857
<u>212</u>	<u>0</u>	<u>94,352</u>	<u>66,528</u>	<u>218,099</u>	<u>80,724</u>	<u>1,285,228</u>
0	0	358,826	0	209,051	157,026	1,243,947
0	0	0	65,364	0	0	65,514
9,007	6,805	0	0	0	0	87,354
0	0	0	0	0	0	149,308
0	0	0	0	0	0	167,245
0	0	0	0	0	0	9,724
0	0	0	0	0	0	618
<u>9,007</u>	<u>6,805</u>	<u>358,826</u>	<u>65,364</u>	<u>209,051</u>	<u>157,026</u>	<u>1,723,710</u>
(8,795)	(6,805)	(264,474)	1,164	9,048	(76,302)	(438,482)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>76,515</u>	<u>77,265</u>
(8,795)	(6,805)	(264,474)	1,164	9,048	213	(361,217)
<u>232,096</u>	<u>0</u>	<u>270,990</u>	<u>17,806</u>	<u>1,444</u>	<u>(34,068)</u>	<u>664,216</u>
<u>\$223,301</u>	<u>(\$6,805)</u>	<u>\$6,516</u>	<u>\$18,970</u>	<u>\$10,492</u>	<u>(\$33,855)</u>	<u>\$302,999</u>

City of Conneaut, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2009

	Street Improvement	Office of Justice Grant	Municipal Court Improvement	Gateway Signal
Assets				
Equity in Pooled Cash and Cash Equivalents	\$105,833	\$0	\$158,657	\$0
Accounts Receivable	0	0	4,544	0
Intergovernmental Receivable	0	23,313	0	19,561
Municipal Income Taxes Receivable	75,365	0	0	0
<i>Total Assets</i>	<u>\$181,198</u>	<u>\$23,313</u>	<u>\$163,201</u>	<u>\$19,561</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$312	\$0	\$1,048	\$0
Contracts Payable	0	0	0	0
Deferred Revenue	31,176	23,313	0	19,561
Notes Payable	0	0	0	9,062
<i>Total Liabilities</i>	<u>31,488</u>	<u>23,313</u>	<u>1,048</u>	<u>28,623</u>
Fund Balances				
Reserved for Encumbrances	6,223	0	216	0
Unreserved, Undesignated (Deficit)	143,487	0	161,937	(9,062)
<i>Total Fund Balances (Deficit)</i>	<u>149,710</u>	<u>0</u>	<u>162,153</u>	<u>(9,062)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$181,198</u>	<u>\$23,313</u>	<u>\$163,201</u>	<u>\$19,561</u>

Roadway Safety Improvement	Formula Grant	Capital Improvement	Industrial Park	Total Nonmajor Capital Projects Funds
\$0	\$1,400	\$184,251	\$559,008	\$1,009,149
0	0	0	0	4,544
0	366,767	0	0	409,641
0	0	13,066	0	88,431
<u>\$0</u>	<u>\$368,167</u>	<u>\$197,317</u>	<u>\$559,008</u>	<u>\$1,511,765</u>
\$0	\$0	\$0	\$0	\$1,360
0	0	0	23,849	23,849
0	366,767	5,405	0	446,222
10,144	139,304	0	0	158,510
<u>10,144</u>	<u>506,071</u>	<u>5,405</u>	<u>23,849</u>	<u>629,941</u>
0	0	0	1,737	8,176
(10,144)	(137,904)	191,912	533,422	873,648
<u>(10,144)</u>	<u>(137,904)</u>	<u>191,912</u>	<u>535,159</u>	<u>881,824</u>
<u>\$0</u>	<u>\$368,167</u>	<u>\$197,317</u>	<u>\$559,008</u>	<u>\$1,511,765</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, 2009

	<u>Street Improvement</u>	<u>Municipal Court Improvement</u>	<u>Gateway Signal</u>	<u>Roadway Safety Improvement</u>
Revenues				
Municipal Income Taxes	\$185,162	\$0	\$0	\$0
Intergovernmental	45,505	0	124,939	0
Fines and Forfeitures	0	68,127	0	0
Interest	0	0	0	0
<i>Total Revenues</i>	<u>230,667</u>	<u>68,127</u>	<u>124,939</u>	<u>0</u>
Expenditures				
Capital Outlay	134,102	89,264	134,001	10,144
Debt Service:				
Interest and Fiscal Charges	130	0	0	0
<i>Total Expenditures</i>	<u>134,232</u>	<u>89,264</u>	<u>134,001</u>	<u>10,144</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	96,435	(21,137)	(9,062)	(10,144)
Other Financing Sources				
Loans Issued	0	0	0	0
<i>Net Change in Fund Balances</i>	96,435	(21,137)	(9,062)	(10,144)
<i>Fund Balances Beginning of Year</i>	<u>53,275</u>	<u>183,290</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$149,710</u>	<u>\$162,153</u>	<u>(\$9,062)</u>	<u>(\$10,144)</u>

Formula Grant	FEMA Grant	Capital Improvement	Industrial Park	Total Nonmajor Capital Projects Funds
\$0	\$0	\$39,646	\$0	\$224,808
124,630	149,607	0	0	444,681
0	0	0	0	68,127
0	0	0	2,776	2,776
124,630	149,607	39,646	2,776	740,392
262,534	149,607	74,151	98,273	952,076
0	0	0	0	130
262,534	149,607	74,151	98,273	952,206
(137,904)	0	(34,505)	(95,497)	(211,814)
0	0	153,334	0	153,334
(137,904)	0	118,829	(95,497)	(58,480)
0	0	73,083	630,656	940,304
(\$137,904)	\$0	\$191,912	\$535,159	\$881,824

Combining Statement – Fiduciary Funds

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. 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, 2009

	Beginning Balance 12/31/08	Additions	Deductions	Ending Balance 12/31/09
<i>Deposits Fund</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$11,748	\$66,853	\$52,486	\$26,115
Cash and Cash Equivalents In Segregated Accounts	12,680	440,932	437,032	16,580
<i>Total Assets</i>	<u>\$24,428</u>	<u>\$507,785</u>	<u>\$489,518</u>	<u>\$42,695</u>
Liabilities				
Deposits Held and Due to Others	\$24,428	\$507,785	\$489,518	\$42,695

**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, 2009

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$331,000	\$331,000	\$350,248	\$19,248
Municipal Income Taxes	2,010,400	2,010,400	1,836,688	(173,712)
Hotel Taxes	15,000	15,000	16,197	1,197
Special Assessments	0	0	1,066	1,066
Intergovernmental	967,747	978,547	853,176	(125,371)
Fees, Licenses and Permits	90,350	640,350	710,888	70,538
Fines and Forfeitures	183,550	179,550	176,428	(3,122)
Rentals	20,000	20,000	20,000	0
Contributions and Donations	11,500	11,500	16,842	5,342
Interest	36,000	36,000	5,500	(30,500)
Franchise Taxes	142,500	142,500	121,647	(20,853)
Other	22,857	16,057	24,827	8,770
Total Revenues	3,830,904	4,380,904	4,133,507	(247,397)
Expenditures				
Current:				
General Government:				
Council				
Personal Services	51,600	51,600	51,474	126
Materials and Supplies	700	700	675	25
Contractual Services	4,387	4,387	3,346	1,041
Total Council	56,687	56,687	55,495	1,192
Clerk of Council				
Personal Services	7,327	7,327	7,106	221
City Manager				
Personal Services	98,273	96,326	91,388	4,938
Materials and Supplies	2,818	2,818	2,009	809
Contractual Services	3,573	3,573	2,810	763
Total City Manager	104,664	102,717	96,207	6,510
Finance Office				
Personal Services	148,296	153,491	153,274	217
Materials and Supplies	18,277	18,577	16,709	1,868
Contractual Services	3,800	3,305	2,983	322
Capital Outlay	500	500	168	332
Total Finance Office	\$170,873	\$175,873	\$173,134	\$2,739

(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, 2009

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Law Director				
Personal Services	\$172,040	\$172,356	\$167,947	\$4,409
Materials and Supplies	2,474	2,774	2,416	358
Contractual Services	4,300	3,800	2,426	1,374
Total Law Director	178,814	178,930	172,789	6,141
Civil Service				
Personal Services	5,470	5,470	5,415	55
Materials and Supplies	1,000	2,500	1,876	624
Contractual Services	1,300	1,885	1,881	4
Total Civil Service	7,770	9,855	9,172	683
Court				
Personal Services	359,595	351,595	331,888	19,707
Materials and Supplies	16,770	16,770	16,067	703
Contractual Services	22,250	22,250	15,115	7,135
Purchased Services	1,100	1,100	1,016	84
Capital Outlay	2,000	2,000	145	1,855
Total Court	401,715	393,715	364,231	29,484
City Hall				
Personal Services	18,065	18,508	18,462	46
Materials and Supplies	19,945	21,945	17,926	4,019
Contractual Services	11,000	9,000	8,426	574
Purchased Services	7,000	7,000	7,000	0
Capital Outlay	500	500	0	500
Total City Hall	56,510	56,953	51,814	5,139
Planning Commission				
Personal Services	5,200	5,200	4,517	683
Materials and Supplies	600	600	329	271
Total Planning Commission	5,800	5,800	4,846	954
Reserve Fund				
Contractual Services	30,200	30,200	25,884	4,316
Purchased Services	76,683	76,683	76,652	31
Capital Outlay	6,000	6,000	2,781	3,219
Total Reserve Fund	\$112,883	\$112,883	\$105,317	\$7,566

(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, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
General Services				
Contractual Services	\$29,439	\$48,639	\$41,782	\$6,857
Other	52,001	95,851	91,747	4,104
Total General Services	<u>81,440</u>	<u>144,490</u>	<u>133,529</u>	<u>10,961</u>
Total General Government	<u>1,184,483</u>	<u>1,245,230</u>	<u>1,173,640</u>	<u>71,590</u>
Security of Persons and Property				
Police Department:				
Personal Services	1,192,005	1,199,219	1,164,287	34,932
Materials and Supplies	85,225	85,225	52,834	32,391
Contractual Services	42,809	51,460	30,634	20,826
Purchased Services	32,961	32,961	30,910	2,051
Capital Outlay	12,248	14,538	4,367	10,171
Other	1,000	1,000	0	1,000
Total Police Department	<u>1,366,248</u>	<u>1,384,403</u>	<u>1,283,032</u>	<u>101,371</u>
Jail				
Personal Services	15,500	17,500	16,058	1,442
Materials and Supplies	2,500	2,500	1,766	734
Purchased Services	17,283	17,283	10,530	6,753
Capital Outlay	0	3,500	1,418	2,082
Other	7,500	4,100	4,024	76
Total Jail	<u>42,783</u>	<u>44,883</u>	<u>33,796</u>	<u>11,087</u>
Fire Department:				
Fire Department #1				
Personal Services	643,400	941,814	861,258	80,556
Materials and Supplies	26,764	72,764	54,486	18,278
Contractual Services	12,388	54,788	34,444	20,344
Purchased Services	23,163	78,163	62,319	15,844
Capital Outlay	2,500	20,100	19,741	359
Total Fire Department #1	<u>708,215</u>	<u>1,167,629</u>	<u>1,032,248</u>	<u>135,381</u>
Fire Department #3				
Personal Services	40,000	0	0	0
Materials and Supplies	2,861	1,461	1,451	10
Purchased Services	2,000	0	0	0
Total Fire Department #3	<u>\$44,861</u>	<u>\$1,461</u>	<u>\$1,451</u>	<u>\$10</u>

(continued)

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Fire Department #4				
Personal Services	\$37,900	\$0	\$0	\$0
Materials and Supplies	8,523	1,523	950	573
Contractual Services	2,351	51	51	0
Purchased Services	19,000	0	0	0
Capital Outlay	2,000	0	0	0
	<u>69,774</u>	<u>1,574</u>	<u>1,001</u>	<u>573</u>
Total Fire Department #4				
Total Security of Persons and Property	<u>2,231,881</u>	<u>2,599,950</u>	<u>2,351,528</u>	<u>248,422</u>
Public Health Services				
Health Department				
Personal Services	155,953	158,078	147,244	10,834
Materials and Supplies	3,800	4,758	3,797	961
Contractual Services	27,700	38,487	28,779	9,708
Purchased Services	13,000	13,000	11,368	1,632
	<u>200,453</u>	<u>214,323</u>	<u>191,188</u>	<u>23,135</u>
Total Public Health Services				
Leisure Time Activities:				
Museum Railroad				
Purchased Service	4,000	4,000	3,108	892
Bureau of Tourism				
Materials and Supplies	3,715	3,715	2,887	828
Purchased Services	10,000	10,000	9,970	30
Contractual Services	2,000	2,000	2,000	0
	<u>15,715</u>	<u>15,715</u>	<u>14,857</u>	<u>858</u>
Total Bureau of Tourism				
Cable Advisory Board				
Personal Services	20,540	20,540	20,500	40
Materials and Supplies	549	549	366	183
Contractual Services	350	350	288	62
Capital Outlay	6,999	6,999	5,651	1,348
	<u>28,438</u>	<u>28,438</u>	<u>26,805</u>	<u>1,633</u>
Total Cable Advisory Board				
Total Leisure Time Activities	<u>\$48,153</u>	<u>\$48,153</u>	<u>\$44,770</u>	<u>\$3,383</u>

(continued)

City of Conneaut, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2009*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Community Development:				
Housing and Zoning:				
Personal Services	\$70,355	\$68,925	\$68,611	\$314
Materials and Supplies	3,320	3,320	1,449	1,871
Contractual Services	1,174	1,174	1,073	101
Purchased Services	4,400	4,400	3,154	1,246
Total Community Development	<u>79,249</u>	<u>77,819</u>	<u>74,287</u>	<u>3,532</u>
Debt Service				
Principal Retirement	260,000	260,000	260,000	0
Interest and Fiscal Charges	8,480	8,480	8,293	187
Total Debt Service	<u>268,480</u>	<u>268,480</u>	<u>268,293</u>	<u>187</u>
<i>Total Expenditures</i>	<u>4,012,699</u>	<u>4,453,955</u>	<u>4,103,706</u>	<u>350,249</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(181,795)</u>	<u>(73,051)</u>	<u>29,801</u>	<u>102,852</u>
Other Financing Sources (Uses)				
General Obligation Notes Issued	175,000	175,000	175,000	0
Sale of Capital Assets	60,000	60,000	10,800	(49,200)
Transfers Out	(108,750)	(258,750)	(77,265)	181,485
<i>Total Other Financing Sources (Uses)</i>	<u>126,250</u>	<u>(23,750)</u>	<u>108,535</u>	<u>132,285</u>
<i>Net Change in Fund Balance</i>	<u>(55,545)</u>	<u>(96,801)</u>	<u>138,336</u>	<u>235,137</u>
<i>Fund Balance Beginning of Year</i>	87,206	87,206	87,206	0
Prior Year Encumbrances Appropriated	<u>20,410</u>	<u>20,410</u>	<u>20,410</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$52,071</u>	<u>\$10,815</u>	<u>\$245,952</u>	<u>\$235,137</u>

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$696,000	\$696,000	\$597,323	(\$98,677)
Special Assessments	10,000	10,000	17,689	7,689
Intergovernmental	468,000	468,000	450,041	(17,959)
Fees, Licenses and Permits	14,000	14,000	34,020	20,020
Interest	300	300	89	(211)
Other	20,000	20,000	26,458	6,458
<i>Total Revenues</i>	1,208,300	1,208,300	1,125,620	(82,680)
Expenditures				
Current:				
Transportation:				
Street Department				
Personal Services	917,721	904,721	775,698	129,023
Materials and Supplies	178,744	181,244	141,678	39,566
Purchased Services	98,185	102,185	81,343	20,842
Contractual Services	20,761	20,761	17,299	3,462
Capital Outlay	8,500	8,500	7,990	510
Other	9,001	18,001	4,001	14,000
<i>Total Transportation</i>	1,232,912	1,235,412	1,028,009	207,403
Debt Service:				
Principal Retirement	424,431	424,431	256,095	168,336
Interest and Fiscal Charges	10,476	10,476	9,034	1,442
<i>Total Debt Service</i>	434,907	434,907	265,129	169,778
<i>Total Expenditures</i>	1,667,819	1,670,319	1,293,138	377,181
<i>Excess of Revenues Under Expenditures</i>	(459,519)	(462,019)	(167,518)	294,501
Other Financing Sources				
Loans Issued	200,000	200,000	31,664	(168,336)
General Obligation Notes Issued	175,000	175,000	175,000	0
<i>Total Other Financing Sources</i>	375,000	375,000	206,664	(168,336)
<i>Net Change in Fund Balance</i>	(84,519)	(87,019)	39,146	126,165
<i>Fund Balance Beginning of Year</i>	73,498	73,498	73,498	0
Prior Year Encumbrances Appropriated	16,971	16,971	16,971	0
<i>Fund Balance End of Year</i>	\$5,950	\$3,450	\$129,615	\$126,165

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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Special Assessments	\$127,000	\$127,000	\$121,271	(\$5,729)
Expenditures				
Current:				
General Government:				
Special Assessment Bond Retirement				
Other	5,500	5,500	3,841	1,659
Debt Service:				
Principal Retirement	115,696	115,696	115,690	6
Interest and Fiscal Charges	43,460	43,460	43,453	7
Total Debt Service	159,156	159,156	159,143	13
<i>Total Expenditures</i>	164,656	164,656	162,984	1,672
<i>Net Change in Fund Balance</i>	(37,656)	(37,656)	(41,713)	(4,057)
<i>Fund Balance Beginning of Year</i>	164,390	164,390	164,390	0
<i>Fund Balance End of Year</i>	\$126,734	\$126,734	\$122,677	(\$4,057)

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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$2,213,050	\$2,213,050	\$2,047,101	(\$165,949)
Tap-In Fees	15,000	15,000	7,123	(7,877)
Special Assessments	4,000	4,000	3,688	(312)
Intergovernmental	599,532	599,532	178,560	(420,972)
General Obligation Notes Issued	0	0	68,260	68,260
Loans Issued	0	0	153,333	153,333
Capital Lease Issued	0	1,400,000	0	(1,400,000)
Rentals	2,500	2,500	3,784	1,284
Sale of Capital Assets	0	0	165	165
Other	1,000	1,000	1,404	404
<i>Total Revenues</i>	<u>2,835,082</u>	<u>4,235,082</u>	<u>2,463,418</u>	<u>(1,771,664)</u>
Expenses				
Personal Services	1,270,789	1,305,512	1,168,710	136,802
Purchased Services	893,572	905,072	524,553	380,519
Contractual Services	119,365	117,898	90,388	27,510
Materials and Supplies	197,352	208,352	169,260	39,092
Capital Outlay	404,365	1,811,865	209,247	1,602,618
Other	2,400	2,400	1,264	1,136
Debt Service:				
Principal Retirement	125,396	125,396	123,642	1,754
Interest and Fiscal Charges	45,968	45,968	45,966	2
<i>Total Expenses</i>	<u>3,059,207</u>	<u>4,522,463</u>	<u>2,333,030</u>	<u>2,189,433</u>
<i>Net Change in Fund Equity</i>	(224,125)	(287,381)	130,388	417,769
<i>Fund Equity Beginning of Year</i>	309,613	309,613	309,613	0
Prior Year Encumbrances Appropriated	<u>131,188</u>	<u>131,188</u>	<u>131,188</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$216,676</u></u>	<u><u>\$153,420</u></u>	<u><u>\$571,189</u></u>	<u><u>\$417,769</u></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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$2,164,403	\$2,164,403	\$2,001,595	(\$162,808)
Tap-In Fees	5,000	5,000	2,250	(2,750)
Special Assessments	10,000	10,000	4,886	(5,114)
Intergovernmental	560,623	560,623	118,292	(442,331)
General Obligation Notes Issued	130,000	455,000	510,835	55,835
Loans Issued	0	0	153,333	153,333
Other	1,200	1,200	2,173	973
<i>Total Revenues</i>	<u>2,871,226</u>	<u>3,196,226</u>	<u>2,793,364</u>	<u>(402,862)</u>
Expenses				
Personal Services	833,904	864,989	851,377	13,612
Purchased Services	790,065	784,407	556,158	228,249
Contractual Services	81,111	82,442	68,512	13,930
Materials and Supplies	121,297	137,297	120,370	16,927
Capital Outlay	60,250	392,750	378,664	14,086
Other	4,250	5,050	3,616	1,434
Debt Service:				
Principal Retirement	600,943	600,943	599,806	1,137
Interest and Fiscal Charges	181,904	178,504	178,446	58
<i>Total Expenses</i>	<u>2,673,724</u>	<u>3,046,382</u>	<u>2,756,949</u>	<u>289,433</u>
<i>Net Change in Fund Equity</i>	197,502	149,844	36,415	(113,429)
<i>Fund Equity Beginning of Year</i>	81,143	81,143	81,143	0
Prior Year Encumbrances Appropriated	58,522	58,522	58,522	0
<i>Fund Equity End of Year</i>	<u>\$337,167</u>	<u>\$289,509</u>	<u>\$176,080</u>	<u>(\$113,429)</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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$138,000	\$138,000	\$134,352	(\$3,648)
Interest	200	200	38	(162)
<i>Total Revenues</i>	138,200	138,200	134,390	(3,810)
Expenditures				
Current:				
Transportation:				
Auto Permissive				
Personal Services	131,700	131,700	130,200	1,500
Materials and Supplies	6,500	6,500	3,453	3,047
<i>Total Expenditures</i>	138,200	138,200	133,653	4,547
<i>Net Change in Fund Balance</i>	0	0	737	737
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$737	\$737

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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$38,200	\$38,200	\$36,490	(\$1,710)
Interest	100	100	20	(80)
<i>Total Revenues</i>	38,300	38,300	36,510	(1,790)
Expenditures				
Current:				
Transportation:				
State Highway				
Personal Services	34,300	34,300	34,300	0
Materials and Supplies	1,500	1,500	0	1,500
Capital Outlay	2,770	2,770	2,501	269
<i>Total Expenditures</i>	38,570	38,570	36,801	1,769
<i>Net Change in Fund Balance</i>	(270)	(270)	(291)	(21)
<i>Fund Balance Beginning of Year</i>	2,299	2,299	2,299	0
Prior Year Encumbrances Appropriated	270	270	270	0
<i>Fund Balance End of Year</i>	\$2,299	\$2,299	\$2,278	(\$21)

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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fees, Licenses and Permits	\$17,760	\$17,760	\$18,485	\$725
Expenditures				
Current:				
Community Development:				
Restaurant Vending				
Personal Services	16,743	16,743	15,923	820
Materials and Supplies	200	200	152	48
Contractual Services	3,700	3,700	2,178	1,522
Purchased Services	150	150	0	150
<i>Total Expenditures</i>	20,793	20,793	18,253	2,540
<i>Net Change in Fund Balance</i>	(3,033)	(3,033)	232	3,265
<i>Fund Balance Beginning of Year</i>	3,067	3,067	3,067	0
<i>Fund Balance End of Year</i>	\$34	\$34	\$3,299	\$3,265

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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fees, Licenses and Permits	\$585	\$585	\$585	\$0
Expenditures				
Current:				
Leisure Time Activities:				
Marina				
Contractual Services	500	500	150	350
<i>Net Change in Fund Balance</i>	85	85	435	350
<i>Fund Balance Beginning of Year</i>	4,300	4,300	4,300	0
<i>Fund Balance End of Year</i>	\$4,385	\$4,385	\$4,735	\$350

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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$1,700	\$1,700	\$1,195	(\$505)
Expenditures				
Current:				
Community Development:				
Enforcement and Education				
Contractual Services	1,000	1,000	0	1,000
<i>Net Change in Fund Balance</i>	700	700	1,195	495
<i>Fund Balance Beginning of Year</i>	1,328	1,328	1,328	0
<i>Fund Balance End of Year</i>	<u>\$2,028</u>	<u>\$2,028</u>	<u>\$2,523</u>	<u>\$495</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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$1,900	\$1,900	\$1,398	(\$502)
Other	1,400	1,400	1,865	465
<i>Total Revenues</i>	3,300	3,300	3,263	(37)
Expenditures				
Current:				
Public Health Services:				
Indigent Drivers				
Contractual Services	1,000	1,000	0	1,000
<i>Net Change in Fund Balance</i>	2,300	2,300	3,263	963
<i>Fund Balance Beginning of Year</i>	41,476	41,476	41,476	0
<i>Fund Balance End of Year</i>	<u>\$43,776</u>	<u>\$43,776</u>	<u>\$44,739</u>	<u>\$963</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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fees, Licenses and Permits	\$100	\$100	\$8,195	\$8,095
Charges for Services	29,000	29,000	29,583	583
Interest	300	300	104	(196)
Other	0	0	2,000	2,000
<i>Total Revenues</i>	<u>29,400</u>	<u>29,400</u>	<u>39,882</u>	<u>10,482</u>
Expenditures				
Current:				
Community Development:				
Cemetery				
Personal Services	15,233	15,233	15,233	0
Materials and Supplies	3,000	3,000	2,814	186
Contractual Services	1,050	1,950	1,383	567
Purchased Services	5,000	5,000	3,920	1,080
Total Community Development	<u>24,283</u>	<u>25,183</u>	<u>23,350</u>	<u>1,833</u>
Debt Service:				
Principal Retirement	9,962	9,962	9,724	238
Interest and Fiscal Charges	618	618	618	0
Total Debt Service	<u>10,580</u>	<u>10,580</u>	<u>10,342</u>	<u>238</u>
<i>Total Expenditures</i>	<u>34,863</u>	<u>35,763</u>	<u>33,692</u>	<u>2,071</u>
<i>Net Change in Fund Balance</i>	(5,463)	(6,363)	6,190	12,553
<i>Fund Balance at Beginning of Year</i>	<u>41,578</u>	<u>41,578</u>	<u>41,578</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$36,115</u></u>	<u><u>\$35,215</u></u>	<u><u>\$47,768</u></u>	<u><u>\$12,553</u></u>

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Levy Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$256,000	\$256,000	\$266,409	\$10,409
Intergovernmental	82,500	82,500	84,274	1,774
<i>Total Revenues</i>	338,500	338,500	350,683	12,183
Expenditures				
Current:				
Security of Persons and Property:				
Police Levy				
Personal Services	250,000	250,000	250,000	0
Other	88,500	88,500	84,800	3,700
<i>Total Expenditures</i>	338,500	338,500	334,800	3,700
<i>Net Change in Fund Balance</i>	0	0	15,883	15,883
<i>Fund Balance Beginning of Year</i>	223	223	223	0
<i>Fund Balance End of Year</i>	\$223	\$223	\$16,106	\$15,883

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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$127,400	\$127,400	\$133,204	\$5,804
Intergovernmental	41,800	41,800	42,137	337
<i>Total Revenues</i>	<u>169,200</u>	<u>169,200</u>	<u>175,341</u>	<u>6,141</u>
Expenditures				
Current:				
Security of Persons and Property:				
Fire Levy				
Personal Services	166,000	166,000	166,000	0
Other	3,200	3,200	3,012	188
<i>Total Expenditures</i>	<u>169,200</u>	<u>169,200</u>	<u>169,012</u>	<u>188</u>
<i>Net Change in Fund Balance</i>	0	0	6,329	6,329
<i>Fund Balance Beginning of Year</i>	<u>86</u>	<u>86</u>	<u>86</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$86</u></u>	<u><u>\$86</u></u>	<u><u>\$6,415</u></u>	<u><u>\$6,329</u></u>

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Litter Control Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$21,600	\$21,600	\$23,669	\$2,069
Expenditures				
Current:				
Community Development:				
Litter Control				
Personal Services	19,100	19,100	19,100	0
Materials and Supplies	6,436	6,436	5,555	881
Purchased Services	1,000	1,000	1,000	0
<i>Total Expenditures</i>	<u>26,536</u>	<u>26,536</u>	<u>25,655</u>	<u>881</u>
<i>Net Change in Fund Balance</i>	(4,936)	(4,936)	(1,986)	2,950
<i>Fund Balance Beginning of Year</i>	6,079	6,079	6,079	0
Prior Year Encumbrances Appropriated	936	936	936	0
<i>Fund Balance End of Year</i>	<u>\$2,079</u>	<u>\$2,079</u>	<u>\$5,029</u>	<u>\$2,950</u>

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Indigent Monitoring Fund
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$700	\$700	\$865	\$165
Other	0	0	353	353
<i>Total Revenues</i>	700	700	1,218	518
Expenditures	0	0	0	0
<i>Net Change in Fund Balance</i>	700	700	1,218	518
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$700</u>	<u>\$700</u>	<u>\$1,218</u>	<u>\$518</u>

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
DARE Grant Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Security of Persons and Property:				
DARE Grant				
Personal Services	15,232	15,232	15,232	0
<i>Net Change in Fund Balance</i>	(15,232)	(15,232)	(15,232)	0
<i>Fund Balance Beginning of Year</i>	15,232	15,232	15,232	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
OPOTA Grant Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$2,100	\$2,100	\$2,080	(\$20)
Expenditures				
Current:				
Security of Persons and Property:				
OPOTA Grant				
Contractual Services	2,080	2,080	0	2,080
<i>Net Change in Fund Balance</i>	20	20	2,080	2,060
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$20</u>	<u>\$20</u>	<u>\$2,080</u>	<u>\$2,060</u>

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Lighting Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$28,700	\$28,700	\$25,853	(\$2,847)
Fees, Licenses and Permits	0	60,000	69,157	9,157
Other	1,700	1,700	1,571	(129)
<i>Total Revenues</i>	30,400	90,400	96,581	6,181
Expenditures				
Current:				
Basic Utility Services:				
Street Lighting				
Purchased Services	30,400	90,400	90,400	0
<i>Net Change in Fund Balance</i>	0	0	6,181	6,181
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$6,181	\$6,181

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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Contributions and Donations	\$1,000	\$6,500	\$6,550	\$50
Expenditures				
Current:				
Community Development:				
Tree Commission				
Materials and Supplies	1,600	1,600	1,600	0
Other	950	6,450	6,450	0
<i>Total Expenditures</i>	<u>2,550</u>	<u>8,050</u>	<u>8,050</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	(1,550)	(1,550)	(1,500)	50
Other Financing Sources				
Transfers In	750	750	750	0
<i>Net Change in Fund Balance</i>	(800)	(800)	(750)	50
<i>Fund Balance Beginning of Year</i>	<u>811</u>	<u>811</u>	<u>811</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$11</u></u>	<u><u>\$11</u></u>	<u><u>\$61</u></u>	<u><u>\$50</u></u>

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Demolition Fund
For the Year Ended December 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues	\$0	\$0	\$0	\$0
Expenditures	0	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	255	255	255	0
<i>Fund Balance End of Year</i>	\$255	\$255	\$255	\$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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$1,000	\$1,000	\$3,234	\$2,234
Interest	200	200	42	(158)
<i>Total Revenues</i>	1,200	1,200	3,276	2,076
Expenditures				
Current:				
Community Development:				
Community Housing				
Contractual Services	2,500	2,500	2,452	48
<i>Net Change in Fund Balance</i>	(1,300)	(1,300)	824	2,124
<i>Fund Balance Beginning of Year</i>	11,189	11,189	11,189	0
<i>Fund Balance End of Year</i>	<u>\$9,889</u>	<u>\$9,889</u>	<u>\$12,013</u>	<u>\$2,124</u>

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Economic Development Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$17,700	\$17,700	\$15,988	(\$1,712)
Interest	2,000	2,000	212	(1,788)
<i>Total Revenues</i>	19,700	19,700	16,200	(3,500)
Expenditures				
Current:				
Community Development:				
Economic Development				
Contractual Services	79,000	202,500	0	202,500
<i>Net Change in Fund Balance</i>	(59,300)	(182,800)	16,200	199,000
<i>Fund Balance Beginning of Year</i>	186,359	186,359	186,359	0
<i>Fund Balance End of Year</i>	<u>\$127,059</u>	<u>\$3,559</u>	<u>\$202,559</u>	<u>\$199,000</u>

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
USEPA Grant Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$200,000	\$200,000	\$0	(\$200,000)
Expenditures				
Current:				
Community Development:				
USEPA Grant				
Personal Services	200,000	200,000	2,395	197,605
<i>Excess of Revenues Under Expenditures</i>	0	0	(2,395)	(2,395)
Other Financing Sources				
General Obligation Notes Issued	0	0	2,395	2,395
<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
CHIPS Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$497,000	\$497,000	\$0	(\$497,000)
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	497,000	497,000	0	(497,000)
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$497,000</u></u>	<u><u>\$497,000</u></u>	<u><u>\$0</u></u>	<u><u>(\$497,000)</u></u>

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Ambulance Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$293,000	\$293,000	\$90,509	(\$202,491)
Contributions and Donations	7,000	7,000	3,820	(3,180)
Other	0	0	23	23
<i>Total Revenues</i>	300,000	300,000	94,352	(205,648)
Expenditures				
Current:				
Security of Persons and Property:				
Ambulance				
Personal Services	127,850	373,215	373,215	0
Materials and Supplies	52,957	2,457	597	1,860
Contractual Services	46,500	0	0	0
Purchased Services	63,610	2,610	1,837	773
Capital Outlay	16,000	10,000	1,300	8,700
<i>Total Expenditures</i>	306,917	388,282	376,949	11,333
<i>Net Change in Fund Balance</i>	(6,917)	(88,282)	(282,597)	(194,315)
<i>Fund Balance Beginning of Year</i>	281,431	281,431	281,431	0
Prior Year Encumbrances Appropriated	5,082	5,082	5,082	0
<i>Fund Balance End of Year</i>	\$279,596	\$198,231	\$3,916	(\$194,315)

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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$24,300	\$24,300	\$21,729	(\$2,571)
Fees, Licenses and Permits	9,000	9,000	11,680	2,680
Charges for Services	150	150	0	(150)
Rentals	33,450	33,450	33,050	(400)
Contributions and Donations	500	500	0	(500)
Other	50	50	45	(5)
<i>Total Revenues</i>	67,450	67,450	66,504	(946)
Expenditures				
Current:				
Leisure Time Activities:				
Recreation				
Personal Services	12,665	16,965	15,432	1,533
Materials and Supplies	7,725	9,025	8,862	163
Contractual Services	270	270	227	43
Purchased Services	12,566	7,266	6,821	445
Other	0	2,400	2,375	25
Total Recreation	33,226	35,926	33,717	2,209
Parks				
Personal Services	20,150	20,150	17,191	2,959
Materials and Supplies	6,800	6,800	6,368	432
Contractual Services	1,900	1,900	1,706	194
Purchased Services	10,676	10,676	10,194	482
Capital Outlay	2,000	2,000	0	2,000
Total Parks	41,526	41,526	35,459	6,067
<i>Total Expenditures</i>	74,752	77,452	69,176	8,276
<i>Net Change in Fund Balance</i>	(7,302)	(10,002)	(2,672)	7,330
<i>Fund Balance Beginning of Year</i>	15,254	15,254	15,254	0
Prior Year Encumbrances Appropriated	1,176	1,176	1,176	0
<i>Fund Balance End of Year</i>	\$9,128	\$6,428	\$13,758	\$7,330

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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$169,500	\$169,500	\$181,427	\$11,927
Intergovernmental	48,500	48,500	50,504	2,004
<i>Total Revenues</i>	218,000	218,000	231,931	13,931
Expenditures				
Current:				
Security of Persons and Property:				
Police Pension				
Personal Services	225,000	225,000	205,676	19,324
Other	4,635	4,635	4,060	575
<i>Total Expenditures</i>	229,635	229,635	209,736	19,899
<i>Net Change in Fund Balance</i>	(11,635)	(11,635)	22,195	33,830
<i>Fund Balance Beginning of Year</i>	34,377	34,377	34,377	0
<i>Fund Balance End of Year</i>	\$22,742	\$22,742	\$56,572	\$33,830

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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$62,200	\$62,200	\$67,082	\$4,882
Intergovernmental	20,000	20,000	19,733	(267)
<i>Total Revenues</i>	82,200	82,200	86,815	4,615
Expenditures				
Current:				
Security of Persons and Property:				
Fire Pension				
Personal Services	188,000	162,257	162,257	0
Other	1,500	1,500	1,500	0
<i>Total Expenditures</i>	189,500	163,757	163,757	0
<i>Excess of Revenues Under Expenditures</i>	(107,300)	(81,557)	(76,942)	4,615
Other Financing Sources				
Transfers In	108,000	108,000	76,515	(31,485)
<i>Net Change in Fund Balance</i>	700	26,443	(427)	(26,870)
<i>Fund Balance Beginning of Year</i>	458	458	458	0
<i>Fund Balance End of Year</i>	\$1,158	\$26,901	\$31	(\$26,870)

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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$196,233	\$0	\$212,383	\$212,383
Intergovernmental	10,040	0	10,040	10,040
<i>Total Revenues</i>	206,273	0	222,423	222,423
Expenditures				
Current:				
General Government:				
General Obligation Bond Retirement				
Contractual Services	4,120	4,120	1,070	3,050
Other	8,240	8,240	4,334	3,906
Total General Government	12,360	12,360	5,404	6,956
Debt Service:				
Principal Retirement	205,000	205,000	205,000	0
Interest and Fiscal Charges	73,650	73,650	73,650	0
Total Debt Service	278,650	278,650	278,650	0
<i>Total Expenditures</i>	291,010	291,010	284,054	6,956
<i>Net Change in Fund Balance</i>	(84,737)	(291,010)	(61,631)	229,379
<i>Fund Balance Beginning of Year</i>	511,302	511,302	511,302	0
<i>Fund Balance End of Year</i>	\$426,565	\$220,292	\$449,671	\$229,379

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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$254,700	\$254,700	\$229,102	(\$25,598)
Intergovernmental	51,500	51,500	51,316	(184)
<i>Total Revenues</i>	<u>306,200</u>	<u>306,200</u>	<u>280,418</u>	<u>(25,782)</u>
Expenditures				
Capital Outlay:				
Street Improvement				
Capital Outlay	255,493	255,493	141,015	114,478
Debt Service:				
Principal Retirement	50,000	50,000	50,000	0
Interest and Fiscal Charges	1,500	1,500	1,316	184
Total Debt Service	<u>51,500</u>	<u>51,500</u>	<u>51,316</u>	<u>184</u>
<i>Total Expenditures</i>	<u>306,993</u>	<u>306,993</u>	<u>192,331</u>	<u>114,662</u>
<i>Net Change in Fund Balance</i>	(793)	(793)	88,087	88,880
<i>Fund Balance Beginning of Year</i>	10,718	10,718	10,718	0
Prior Year Encumbrances Appropriated	<u>493</u>	<u>493</u>	<u>493</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$10,418</u>	<u>\$10,418</u>	<u>\$99,298</u>	<u>\$88,880</u>

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Office of Justice Grant Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$23,313	\$23,313	\$0	(\$23,313)
Expenditures				
Capital Outlay:				
Office of Justice Grant				
Capital Outlay	23,313	23,313	0	23,313
<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
Municipal Court Improvement Fund
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$41,500	\$41,500	\$68,079	\$26,579
Expenditures				
Capital Outlay:				
Municipal Court Improvement				
Capital Outlay	155,250	155,250	90,045	65,205
<i>Net Change in Fund Balance</i>	(113,750)	(113,750)	(21,966)	91,784
<i>Fund Balance Beginning of Year</i>	179,269	179,269	179,269	0
Prior Year Encumbrances Appropriated	250	250	250	0
<i>Fund Balance End of Year</i>	<u>\$65,769</u>	<u>\$65,769</u>	<u>\$157,553</u>	<u>\$91,784</u>

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Gateway Signal Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$167,200	\$167,200	\$124,939	(\$42,261)
Expenditures				
Capital Outlay:				
Gateway Signal				
Capital Outlay	167,200	167,200	134,001	33,199
<i>Excess of Revenues Under Expenditures</i>	0	0	(9,062)	(9,062)
Other Financing Sources				
General Obligation Notes Issued	0	0	9,062	9,062
<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
Roadway Safety Improvement Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$199,900	\$199,900	\$0	(\$199,900)
Expenditures				
Capital Outlay:				
Road Safety Improvement				
Capital Outlay	186,240	186,240	10,144	176,096
<i>Excess of Revenues Over (Under) Expenditures</i>	13,660	13,660	(10,144)	(23,804)
Other Financing Sources				
General Obligation Notes Issued	0	0	10,144	10,144
<i>Net Change in Fund Balance</i>	13,660	13,660	0	(13,660)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$13,660</u>	<u>\$13,660</u>	<u>\$0</u>	<u>(\$13,660)</u>

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Formula Grant Fund
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$491,397	\$491,397	\$124,630	(\$366,767)
Expenditures				
Capital Outlay:				
Formula Grant				
Capital Outlay	491,397	491,397	262,534	228,863
<i>Excess of Revenues Under Expenditures</i>	0	0	(137,904)	(137,904)
Other Financing Sources				
General Obligation Notes Issued	0	0	139,304	139,304
<i>Net Change in Fund Balance</i>	0	0	1,400	1,400
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$1,400	\$1,400

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
FEMA Grant Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$149,625	\$149,625	\$149,607	(\$18)
Expenditures				
Capital Outlay:				
FEMA Grant				
Capital Outlay	149,625	149,625	149,607	18
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Capital Improvement Fund
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Municipal Income Taxes	\$44,150	\$44,150	\$39,603	(\$4,547)
Expenditures				
Capital Outlay:				
Capital Improvement				
Capital Outlay	83,773	83,773	74,151	9,622
<i>Excess of Revenues Under Expenditures</i>	(39,623)	(39,623)	(34,548)	5,075
Other Financing Sources				
Loans Issued	0	0	153,334	153,334
<i>Net Change in Fund Balance</i>	(39,623)	(39,623)	118,786	158,409
<i>Fund Balance Beginning of Year</i>	30,650	30,650	30,650	0
Prior Year Encumbrances Appropriated	34,815	34,815	34,815	0
<i>Fund Balance End of Year</i>	<u>\$25,842</u>	<u>\$25,842</u>	<u>\$184,251</u>	<u>\$158,409</u>

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
EDA Grant Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$365,000	\$365,000	\$0	(\$365,000)
Expenditures				
Capital Outlay:				
EDA Grant				
Capital Outlay	365,000	365,000	0	(365,000)
<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>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
USDA Grant Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$165,000	\$165,000	\$0	(\$165,000)
Expenditures				
Capital Outlay:				
USDA Grant				
Capital Outlay	165,000	165,000	0	(165,000)
<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
Industrial Park Fund
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$9,000	\$9,000	\$3,707	(\$5,293)
Expenditures				
Capital Outlay:				
Rural Industrial Park				
Capital Outlay	638,000	638,000	100,000	538,000
<i>Net Change in Fund Balance</i>	(629,000)	(629,000)	(96,293)	532,707
<i>Fund Balance Beginning of Year</i>	629,725	629,725	629,725	0
<i>Fund Balance End of Year</i>	<u>\$725</u>	<u>\$725</u>	<u>\$533,432</u>	<u>\$532,707</u>

STATISTICAL SECTION

Statistical Section

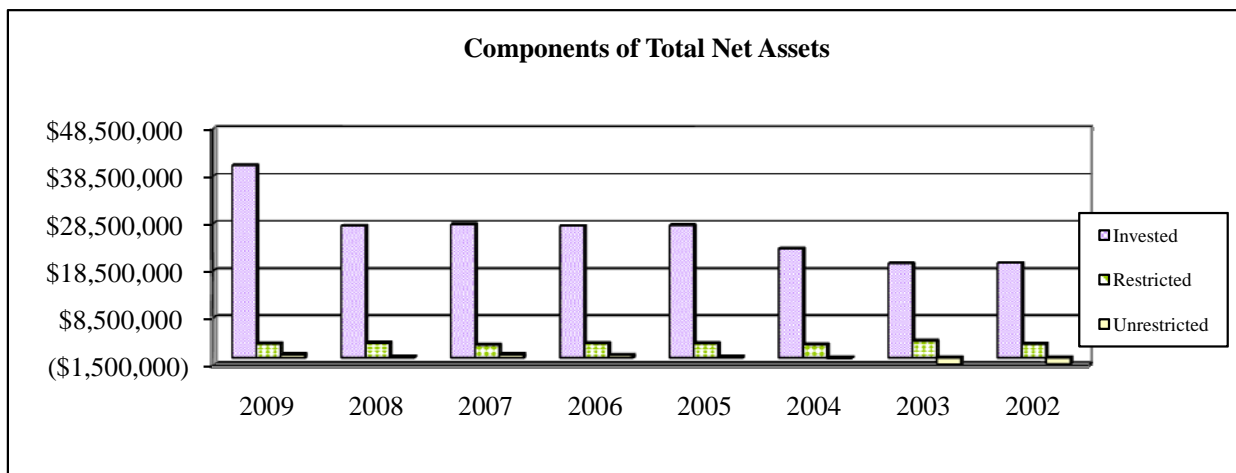
This part of the City of Conneaut, Ohio's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

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

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The City implemented GASB Statement No. 34 in 2003; schedules presenting government-wide information include information beginning in that year.

City of Conneaut, Ohio
Net Assets By Component
Last Eight Years
(Accrual Basis of Accounting)

	2009	2008	2007	2006
Governmental Activities				
Invested in Capital Assets	\$29,749,095	\$17,147,964	\$17,632,445	\$17,359,101
Restricted:				
Capital Projects	996,700	1,086,874	328,198	300,157
Debt Service	686,581	784,246	875,896	924,154
Street Construction, Maintenance and Repair	357,308	328,839	262,384	355,363
Community Housing	12,013	10,105	53,730	153,734
Economic Development	223,301	232,096	324,232	494,102
Ambulance Services	57,306	312,684	246,531	348,878
USEPA	193,195	0	0	0
Other Purposes	454,658	424,486	586,281	456,124
Unrestricted (Deficit)	43,144	(412,150)	104,371	204,442
<i>Total Governmental Activities Net Assets</i>	<u>32,773,301</u>	<u>19,915,144</u>	<u>20,414,068</u>	<u>20,596,055</u>
Business Type - Activities				
Invested in Capital Assets, Net of Related Debt	10,970,211	10,794,002	10,543,038	10,515,764
Unrestricted (Deficit)	586,161	618,321	511,375	283,302
<i>Total Business-Type Activities Net Assets</i>	<u>11,556,372</u>	<u>11,412,323</u>	<u>11,054,413</u>	<u>10,799,066</u>
Primary Government				
Invested in Capital Assets, Net of Related Debt	40,719,306	27,941,966	28,175,483	27,874,865
Restricted	2,981,062	3,179,330	2,677,252	3,032,512
Unrestricted (Deficit)	629,305	206,171	615,746	487,744
<i>Total Primary Government Net Assets</i>	<u>\$44,329,673</u>	<u>\$31,327,467</u>	<u>\$31,468,481</u>	<u>\$31,395,121</u>



Note: 2004 was the first year other purposes was further categorized.

2005	2004	2003	2002
\$17,803,818	\$13,885,124	\$14,369,780	\$14,187,443
153,012	165,563	440,452	389,896
1,064,561	978,890	1,723,937	1,259,673
499,673	427,146	0	0
163,939	102,376	0	0
483,025	476,127	0	0
313,409	288,155	0	0
0	0	0	0
352,894	279,820	1,336,163	1,295,364
(108,071)	(461,221)	(1,292,211)	(782,351)
<u>20,726,260</u>	<u>16,141,980</u>	<u>16,578,121</u>	<u>16,350,025</u>
10,235,723	9,226,252	5,527,010	5,787,226
326,986	347,250	(122,561)	(481,075)
<u>10,562,709</u>	<u>9,573,502</u>	<u>5,404,449</u>	<u>5,306,151</u>
28,039,541	23,111,376	19,896,790	19,974,669
3,030,513	2,718,077	3,500,552	2,944,933
218,915	(113,971)	(1,414,772)	(1,263,426)
<u>\$31,288,969</u>	<u>\$25,715,482</u>	<u>\$21,982,570</u>	<u>\$21,656,176</u>

City of Conneaut, Ohio
Changes in Net Assets
Last Seven Years
(Accrual Basis of Accounting)

	2009	2008	2007
Program Revenues			
Governmental Activities:			
Charges for Services:			
General Government	\$426,290	\$158,783	\$176,418
Security of Persons and Property	658,859	530,394	508,332
Public Health Services	39,544	34,644	38,655
Leisure Time Activities	56,026	49,113	47,501
Community Development	75,456	57,247	65,921
Transportation	54,333	44,742	67,008
Subtotal - Charges for Services	<u>1,310,508</u>	<u>874,923</u>	<u>903,835</u>
Operating Grants and Contributions:			
General Government	0	4,578	5,649
Security of Persons and Property	189,911	220,073	18,655
Public Health Services	22,879	1,385	4,716
Leisure Time Activities	0	4,395	1,878
Community Development	230,219	226,539	106,897
Transportation	591,731	684,981	702,427
Subtotal - Operating Grants and Contributions	<u>1,034,740</u>	<u>1,141,951</u>	<u>840,222</u>
Capital Grants and Assessments:			
General Government	219,607	721,800	82,883
Security of Persons and Property	23,313	0	0
Public Health Services	0	0	0
Leisure Time Activities	0	0	0
Community Development	0	0	0
Transportation (1)	45,505	148,737	5,759
Subtotal - Capital Grants and Assessments	<u>288,425</u>	<u>870,537</u>	<u>88,642</u>
<i>Total Governmental Activities Program Revenues</i>	<u>2,633,673</u>	<u>2,887,411</u>	<u>1,832,699</u>
Business-Type Activities:			
Charges for Services:			
Water	2,077,360	1,951,756	1,922,216
Sewer	2,001,905	2,003,945	1,944,689
Operating Grants and Contributions			
Sewer	0	0	0
Capital Grants and Assessments			
Water	178,560	4,040	13,383
Sewer	118,292	16,478	29,859
<i>Total Business-Type Activities Program Revenues</i>	<u>4,376,117</u>	<u>3,976,219</u>	<u>3,910,147</u>
<i>Total Primary Government Program Revenues</i>	<u>\$7,009,790</u>	<u>\$6,863,630</u>	<u>\$5,742,846</u>

2006	2005	2004	2003
\$186,469	\$177,001	\$219,503	\$173,490
453,497	442,365	420,384	419,527
37,551	41,523	38,628	27,573
43,313	39,984	38,274	38,016
55,708	59,353	58,627	54,662
4,300	0	0	3,817
780,838	760,226	775,416	717,085
6,995	6,721	7,216	10,310
48,451	21,894	29,577	19,143
16,231	60,738	47,785	27,494
13,941	54,191	331	1,608
249,202	326,568	388,570	237,914
657,215	693,931	625,609	573,917
992,035	1,164,043	1,099,088	870,386
159,621	98,004	0	5,803
25,319	141,361	0	0
0	23,767	0	0
0	596	0	0
0	8,830	156,358	215,639
5,800	4,614,458	3,843,114	1,792
190,740	4,887,016	3,999,472	223,234
1,963,613	6,811,285	5,873,976	1,810,705
1,785,302	1,802,540	1,842,561	1,604,060
1,879,332	1,847,344	1,706,244	1,500,517
0	0	10,003	0
30,075	0	0	9,938
10,615	504,342	0	137,903
3,705,324	4,154,226	3,558,808	3,252,418
\$5,668,937	\$10,965,511	\$9,432,784	\$5,063,123

(continued)

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

	2009	2008	2007
Expenses			
<i>Governmental Activities:</i>			
General Government	\$1,167,792	\$1,254,299	\$1,308,725
Security of Persons and Property	3,590,030	3,888,488	3,527,501
Public Health Services	148,494	359,428	432,807
Leisure Time Activities	131,575	77,711	115,777
Community Development	150,557	501,093	294,546
Basic Utility Services	149,308	43,877	31,975
Transportation	1,917,512	2,376,287	2,420,821
Interest and Fiscal Charges	135,715	157,917	178,252
<i>Total Governmental Activities Expenses</i>	<u>7,390,983</u>	<u>8,659,100</u>	<u>8,310,404</u>
<i>Business-Type Activities</i>			
Water	2,350,298	1,755,161	1,763,839
Sewer	1,899,102	1,865,615	1,769,365
<i>Total Business-Type Activities Expenses</i>	<u>4,249,400</u>	<u>3,620,776</u>	<u>3,533,204</u>
<i>Total Primary Government Program Expenses</i>	<u>11,640,383</u>	<u>12,279,876</u>	<u>11,843,608</u>
Net (Expense)/Revenue			
Governmental Activities	(4,757,310)	(5,771,689)	(6,477,705)
Business-Type Activities	126,717	355,443	376,943
<i>Total Primary Government Net Expense</i>	<u>(\$4,630,593)</u>	<u>(\$5,416,246)</u>	<u>(\$6,100,762)</u>

2006	2005	2004	2003
\$1,406,409	\$1,183,087	\$1,463,838	\$998,850
3,387,785	3,299,875	3,039,526	3,097,076
374,896	355,171	320,256	353,790
94,657	94,950	92,522	100,480
467,034	411,062	583,977	437,292
32,500	32,500	32,500	0
2,449,845	2,232,242	2,265,269	1,677,028
195,947	191,188	229,363	259,709
<u>8,409,073</u>	<u>7,800,075</u>	<u>8,027,251</u>	<u>6,924,225</u>
1,711,495	1,653,560	1,627,086	1,560,300
<u>1,802,037</u>	<u>1,517,578</u>	<u>1,400,021</u>	<u>1,622,502</u>
<u>3,513,532</u>	<u>3,171,138</u>	<u>3,027,107</u>	<u>3,182,802</u>
<u>11,922,605</u>	<u>10,971,213</u>	<u>11,054,358</u>	<u>10,107,027</u>
(6,445,460)	(988,790)	(2,153,275)	(5,113,520)
<u>191,792</u>	<u>983,088</u>	<u>531,701</u>	<u>69,616</u>
<u>(\$6,253,668)</u>	<u>(\$5,702)</u>	<u>(\$1,621,574)</u>	<u>(\$5,043,904)</u>

(continued)

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

	2009	2008	2007
General Revenues and Other Changes in Net Assets			
Governmental Activities			
Taxes:			
Property Taxes Levied For:			
General Purposes	\$357,971	\$327,807	\$401,371
Debt Service	214,134	226,055	275,546
Other Purposes	648,490	635,997	707,006
Municipal Income Taxes levied for:			
General Purposes	1,953,905	1,791,008	2,030,350
Capital Outlay	230,716	278,447	317,487
Street Construction, Maintenance and Repair	536,238	731,338	845,549
Other Purposes	48,681	45,113	56,221
Hotel Taxes	18,902	0	0
Grants and Entitlements not Restricted to			
Specific Programs	800,550	1,157,451	1,122,971
Franchise Taxes	152,708	0	0
Investment Earnings	7,655	51,195	139,919
Gain on Sale of Capital Assets	6,469	7,953	7,303
Miscellaneous	57,142	20,401	56,620
Special Item - Capital Contribution (2)	12,595,661	0	0
Transfers	(13,755)	0	0
<i>Total Governmental Activities</i>	<u>17,615,467</u>	<u>5,272,765</u>	<u>5,960,343</u>
Business-Type Activities			
Gain on Sale of Capital Assets	0	0	239
Miscellaneous	3,577	2,467	10,877
Transfers	13,755	0	0
<i>Total Business-Type Activities</i>	<u>17,332</u>	<u>2,467</u>	<u>11,116</u>
<i>Total Primary Government General Revenues and Other Changes in Net Assets</i>	<u>17,632,799</u>	<u>5,275,232</u>	<u>5,971,459</u>
Change in Net Assets			
Governmental Activities	12,858,157	(498,924)	(517,362)
Business-Type Activities	144,049	357,910	388,059
<i>Total Primary Government Change in Net Assets</i>	<u>\$13,002,206</u>	<u>(\$141,014)</u>	<u>(\$129,303)</u>

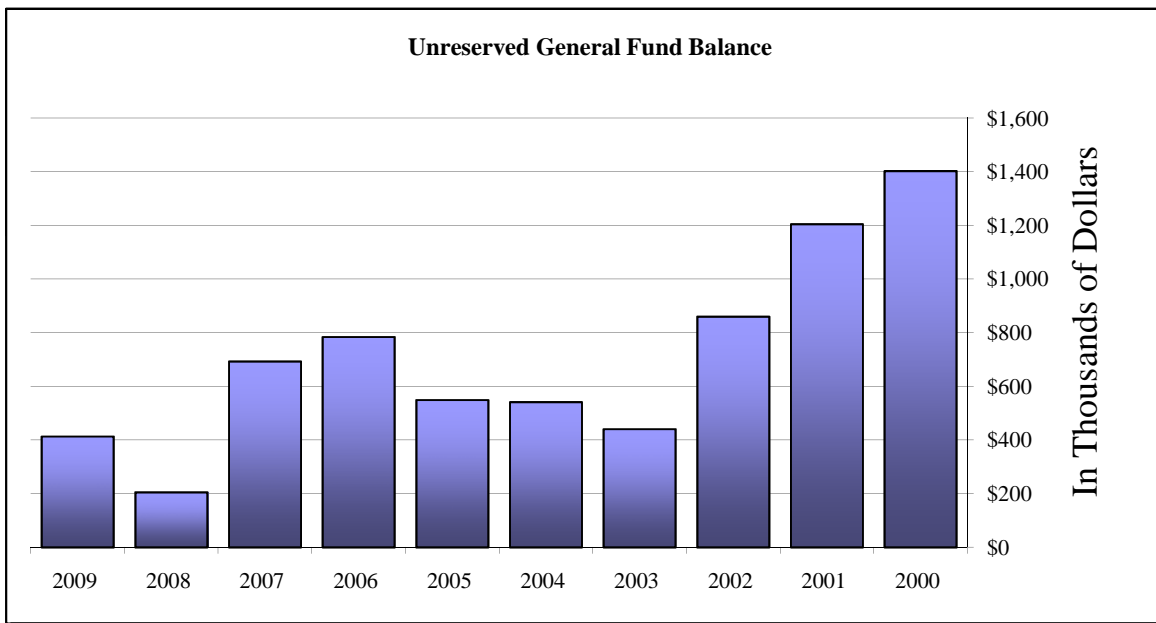
(1) During 2005 and 2004, the State contributed 80 percent of the funding for the U.S. route 20 and State Route 7 paving projects.

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

2006	2005	2004	2003
\$419,938	\$390,798	\$311,222	\$279,872
316,107	312,684	309,290	564,949
721,649	666,808	719,660	552,003
2,015,340	2,035,114	1,960,666	1,948,508
309,969	47,183	45,457	45,174
839,298	847,493	816,488	0
55,850	56,441	54,374	862,927
0	0	0	0
1,196,117	1,045,596	937,225	1,015,299
0	0	0	0
147,560	73,016	25,400	20,472
0	3,593	0	8,277
293,427	94,344	170,568	55,158
0	0	0	0
0	0	0	(11,023)
6,315,255	5,573,070	5,350,350	5,341,616
0	0	0	0
44,565	6,119	4,136	17,659
0	0	0	11,023
44,565	6,119	4,136	28,682
6,359,820	5,579,189	5,354,486	5,370,298
(130,205)	4,584,280	3,197,075	228,096
236,357	989,207	535,837	98,298
\$106,152	\$5,573,487	\$3,732,912	\$326,394

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

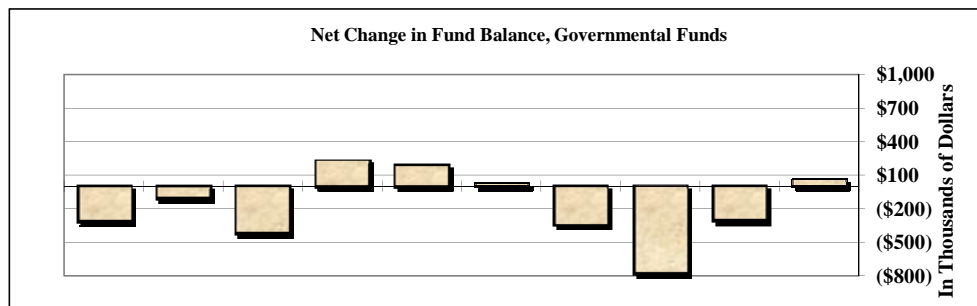
	2009	2008	2007	2006
General Fund				
Reserved	\$9,478	\$10,063	\$12,326	\$31,333
Unreserved	412,981	205,180	692,944	783,991
Total General Fund	<u>422,459</u>	<u>215,243</u>	<u>705,270</u>	<u>815,324</u>
All Other Governmental Funds				
Reserved	24,228	57,471	111,035	347,586
Unreserved, Undesignated, Reported in:				
Special Revenue funds	559,643	909,427	972,650	1,216,277
Debt Service funds	572,348	675,692	764,661	799,830
Capital Projects funds	873,648	904,996	313,671	254,831
Total All Other Governmental Funds	<u>2,029,867</u>	<u>2,547,586</u>	<u>2,162,017</u>	<u>2,618,524</u>
Total Governmental Funds	<u><u>\$2,452,326</u></u>	<u><u>\$2,762,829</u></u>	<u><u>\$2,867,287</u></u>	<u><u>\$3,433,848</u></u>



2005	2004	2003	2002	2001	2000
\$37,837	\$18,093	\$37,759	\$55,890	\$105,632	\$192,067
549,024	541,313	440,468	860,023	1,204,410	1,402,455
586,861	559,406	478,227	915,913	1,310,042	1,594,522
335,390	318,871	357,704	397,945	328,576	369,855
1,122,472	880,223	697,461	1,190,000	1,333,532	1,395,282
812,744	823,267	1,019,542	987,926	1,116,240	942,616
347,238	430,440	432,388	(160,321)	22,804	117,330
2,617,844	2,452,801	2,507,095	2,415,550	2,801,152	2,825,083
\$3,204,705	\$3,012,207	\$2,985,322	\$3,331,463	\$4,111,194	\$4,419,605

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

	2009	2008	2007	2006
Revenues				
Property Taxes	\$1,196,921	\$1,200,633	\$1,374,642	\$1,428,751
Municipal Income Taxes	2,709,105	2,966,852	3,264,412	3,134,220
Hotel Taxes	18,902	0	0	0
Special Assessments	140,026	156,324	160,405	166,702
Intergovernmental	2,065,713	2,564,852	2,024,833	2,340,638
Fees, Licenses and Permits	822,684	204,923	342,916	240,568
Fines and Forfeitures	249,793	203,988	209,448	228,014
Rentals	53,050	53,985	53,525	49,750
Charges for Services	120,092	327,059	288,911	271,371
Contributions and Donations	27,212	36,335	34,114	46,641
Interest	7,655	51,195	139,919	147,560
Franchise Taxes	139,594	0	0	0
Other	57,142	20,401	56,620	293,427
<i>Total Revenues</i>	<u>7,607,889</u>	<u>7,786,547</u>	<u>7,949,745</u>	<u>8,347,642</u>
Expenditures				
Current:				
General Government	1,103,255	1,189,657	1,187,788	1,279,596
Security of Persons and Property	3,589,404	3,679,873	3,680,658	3,330,567
Public Health Services	192,405	334,167	429,521	368,283
Leisure Time Activities	107,704	95,067	141,403	93,265
Community Development	161,431	485,474	318,168	473,387
Basic Utilities Services	149,308	43,877	31,975	32,500
Transportation	1,174,475	1,543,137	1,592,808	1,714,041
Capital Outlay	952,076	482,922	418,959	445,600
Debt Service:				
Principal Retirement	477,512	447,015	412,952	315,870
Principal Retirement - Current Refunding	34,000	87,000	82,000	90,500
Interest and Fiscal Charges	140,956	167,254	189,969	193,157
<i>Total Expenditures</i>	<u>8,082,526</u>	<u>8,555,443</u>	<u>8,486,201</u>	<u>8,336,766</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(474,637)</u>	<u>(768,896)</u>	<u>(536,456)</u>	<u>10,876</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	10,800	39,439	7,303	10,000
Loans Issued	153,334	500,000	0	0
General Obligation Notes Issued	151,000	185,000	203,500	297,000
OPWC Loans Issued	0	0	0	0
OWDA Loans Issued	0	0	0	0
Inception of Capital Lease	0	74,999	103,764	208,267
Current Refunding	(151,000)	(135,000)	(203,500)	(297,000)
Transfers In	77,265	100,350	116,750	104,750
Transfers Out	(77,265)	(100,350)	(116,750)	(104,750)
<i>Total Other Financing Sources (Uses)</i>	<u>164,134</u>	<u>664,438</u>	<u>111,067</u>	<u>218,267</u>
<i>Net Change in Fund Balances</i>	<u>(\$310,503)</u>	<u>(\$104,458)</u>	<u>(\$425,389)</u>	<u>\$229,143</u>
Debt Service as a Percentage of Noncapital Expenditures	9.8%	8.8%	8.9%	8.0%



2005	2004	2003	2002	2001	2000
\$1,363,150	\$1,337,280	\$1,384,418	\$1,167,642	\$1,505,844	\$1,748,186
2,943,847	2,923,195	2,853,586	2,915,116	2,478,260	2,825,034
0	0	0	0	0	0
189,379	180,452	192,303	193,627	281,762	116,085
2,216,747	2,229,617	2,061,404	2,382,224	2,097,717	2,090,096
220,080	215,398	203,354	160,328	255,063	151,922
242,279	266,244	205,562	316,122	300,675	293,085
50,300	48,175	50,650	53,700	55,450	85,575
271,404	206,512	215,756	299,190	231,127	236,494
31,183	31,101	21,796	15,693	0	0
73,016	25,400	20,472	49,366	184,173	304,892
0	0	0	0	0	0
94,344	170,568	55,158	125,119	349,235	170,625
7,695,729	7,633,942	7,264,459	7,678,127	7,739,306	8,021,994
1,151,220	1,327,360	933,160	1,229,947	1,030,226	911,328
3,237,997	2,956,531	2,893,422	3,157,782	3,007,278	2,855,072
353,791	316,299	345,026	309,837	208,721	187,764
123,314	73,907	81,764	89,930	82,593	75,854
405,487	526,196	419,650	435,169	609,272	201,486
32,500	32,500	0	0	137,159	115,150
1,390,496	1,496,163	1,486,627	1,634,703	1,591,213	1,524,804
81,983	291,904	706,298	856,052	559,806	1,491,760
434,866	1,180,444	1,226,119	461,268	493,541	610,537
0	0	0	0	0	0
199,533	225,379	246,288	283,170	345,733	326,766
7,411,187	8,426,683	8,338,354	8,457,858	8,065,542	8,300,521
284,542	(792,741)	(1,073,895)	(779,731)	(326,236)	(278,527)
13,456	0	8,277	0	1,825	49,275
0	0	0	0	0	0
387,500	788,000	730,500	0	0	0
0	31,626	0	0	0	0
0	0	0	0	16,000	295,090
0	0	0	0	0	0
(493,000)	0	0	0	0	0
143,406	279,950	312,411	314,800	455,906	473,326
(143,406)	(279,950)	(323,434)	(314,800)	(455,906)	(476,318)
(92,044)	819,626	727,754	0	17,825	341,373
\$192,498	\$26,885	(\$346,141)	(\$779,731)	(\$308,411)	\$62,846
9.5%	20.9%	23.9%	10.9%	12.6%	16.0%

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
2009	\$131,441,760	\$35,607,370	\$477,283,229	\$5,304,940	\$6,028,341
2008	131,378,020	34,138,410	472,904,086	5,451,860	6,195,295
2007	124,585,680	31,434,560	445,772,114	5,487,170	6,235,420
2006	123,245,560	31,401,020	441,847,371	9,571,180	10,876,341
2005	122,461,990	32,194,020	441,874,314	9,628,160	10,941,091
2004	109,856,550	29,606,730	398,466,514	10,951,410	12,444,784
2003	109,067,100	29,429,220	395,703,771	11,255,570	12,790,420
2002	108,672,030	29,298,090	394,200,343	11,317,330	12,860,602
2001	89,226,340	24,606,000	325,235,257	9,291,890	10,558,966
2000	88,265,910	24,088,920	321,013,800	11,449,120	13,010,364

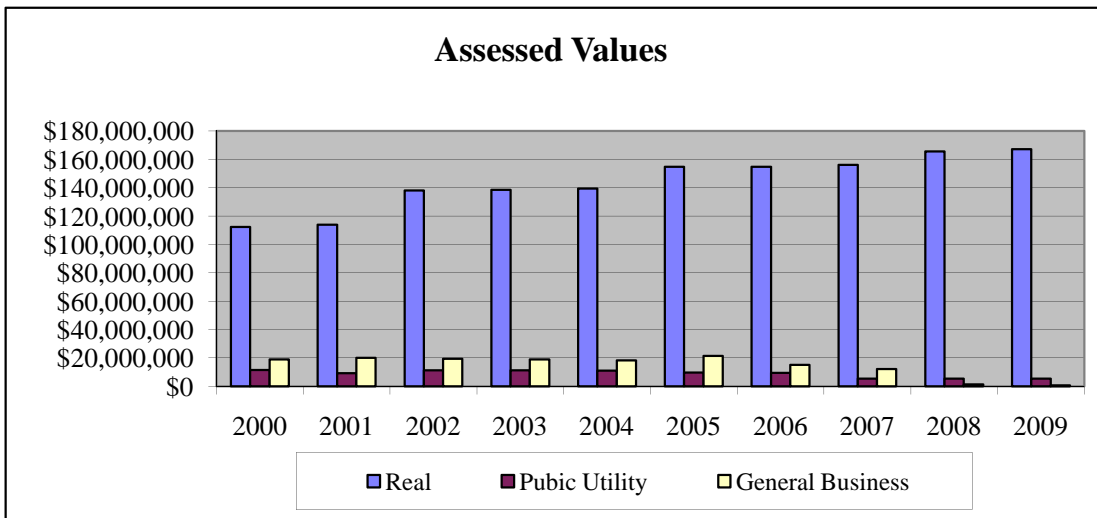
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax was phased out beginning in 2006. Both types of general business tangible personal property were assessed at 12.5 for 2007, 6.25 percent for 2008 and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local and inter-exchange telephone companies. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers (except telephone companies whose last year to pay tangible personal property tax is 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 was eliminated in 2006.

Source: Ashtabula County, Ohio; County Auditor

Tangible Personal Property					Weighted Average Tax Rate (per \$1,000 of Assessed Value)
General Business		Total			
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio	
\$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	7.62
15,050,190	60,200,760	179,267,950	512,924,472	34.95	8.07
21,491,570	85,966,280	185,775,740	538,781,685	34.48	9.37
18,222,780	72,891,120	168,637,470	483,802,418	34.86	9.37
19,020,650	76,082,600	168,772,540	484,576,791	34.83	9.48
19,503,980	78,015,920	168,791,430	485,076,865	34.80	9.49
20,105,970	80,423,880	143,230,200	416,218,103	34.41	11.99
18,973,930	75,895,720	142,777,880	409,919,884	34.83	11.91



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

	2009	2008	2007	2006	2005
Unvoted Millage					
Operating	\$2.0000	\$2.0000	\$2.0000	\$2.1900	\$2.1900
Fire Pension	0.4400	0.4400	0.4400	0.4400	0.4400
Police Pension	1.1900	1.1900	1.1900	1.0000	1.0000
Bond Sinking Fund	0.0000	0.0000	0.0000	0.0000	0.0000
Parks	0.0000	0.0000	0.0000	0.0000	0.0000
<i>Total Unvoted Millage</i>	3.6300	3.6300	3.6300	3.6300	3.6300
Voted Millage - by levy					
1977 Bond	0.0000	0.0000	0.0000	0.0000	0.0000
1977 Police					
Residential/Agricultural Real	0.0000	0.0000	0.0000	0.0000	0.0000
Commercial/Industrial and Public Utility Real	0.0000	0.0000	0.0000	0.0000	0.0000
General Business and Public Utility Personal	0.0000	0.0000	0.0000	0.0000	0.0000
1986 Bond	0.4400	0.4400	0.6400	0.7400	0.9500
1995 Library Bond	0.8300	0.8300	0.8300	0.9300	1.0900
1996 Fire					
Residential/Agricultural Real	0.0000	0.0000	0.0000	0.0000	0.0000
Commercial/Industrial and Public Utility Real	0.0000	0.0000	0.0000	0.0000	0.0000
General Business and Public Utility Personal	0.0000	0.0000	0.0000	0.0000	0.0000
1997 Park District					
Residential/Agricultural Real	0.0000	0.0000	0.0000	0.0000	0.0000
Commercial/Industrial and Public Utility Real	0.0000	0.0000	0.0000	0.0000	0.0000
General Business and Public Utility Personal	0.0000	0.0000	0.0000	0.0000	0.0000
2000 Fire					
Residential/Agricultural Real	0.0000	0.0000	0.0000	0.0000	0.8273
Commercial/Industrial and Public Utility Real	0.0000	0.0000	0.0000	0.0000	0.8491
General Business and Public Utility Personal	0.0000	0.0000	0.0000	0.0000	1.0000
2003 Police Operating					
Residential/Agricultural Real	1.72480	1.7236	1.8075	1.8070	2.0000
Commercial/Industrial and Public Utility Real	1.73520	1.7606	1.9114	1.9075	2.0000
General Business and Public Utility Personal	2.00000	2.0000	2.0000	2.0000	2.0000
2005 Fire					
Residential/Agricultural Real	0.8624	0.8618	0.9038	0.9035	0.8273
Commercial/Industrial and Public Utility Real	0.8676	0.8803	0.9557	0.9538	0.8491
General Business and Public Utility Personal	1.0000	1.0000	1.0000	1.0000	1.0000
<i>Total Voted Millage by Type of Property</i>					
Residential/Agricultural Real	\$3.8572	\$3.8554	\$4.1813	\$4.3805	\$5.6946
Commercial/Industrial and Public Utility Real	3.8728	3.9109	4.3371	4.5313	5.7382
General Business and Public Utility Personal	4.2700	4.2700	4.4700	4.6700	6.0400

2004	2003	2002	2001	2000
\$1.7900	\$1.5900	\$1.5900	\$1.5900	\$1.5900
0.4400	0.4400	0.4400	0.4400	0.4400
1.4000	1.4000	1.4000	1.4000	1.4000
0.0000	0.2000	0.2000	0.2000	0.2000
0.0000	0.0000	0.0000	0.1500	0.1500
3.6300	3.6300	3.6300	3.7800	3.7800
0.0000	1.0500	1.0500	1.3700	1.7000
0.0000	0.6137	0.6137	0.7419	0.7416
0.0000	0.7790	0.7790	0.9194	0.9185
0.0000	2.0000	2.0000	2.0000	2.0000
0.9500	1.0500	1.0500	1.4000	1.8000
1.0900	1.2400	1.2400	1.5700	2.0000
0.0000	0.0000	0.0000	0.0000	0.6794
0.0000	0.0000	0.0000	0.0000	0.8601
0.0000	0.0000	0.0000	0.0000	1.0000
0.0000	0.0000	0.0000	0.8651	0.8647
0.0000	0.0000	0.0000	0.9900	0.9899
0.0000	0.0000	0.0000	0.9900	0.9900
0.8273	0.8270	0.8270	1.0000	0.0000
0.8488	0.8472	0.8472	1.0000	0.0000
1.0000	1.0000	1.0000	1.0000	0.0000
2.0000	0.0000	0.0000	0.0000	0.0000
2.0000	0.0000	0.0000	0.0000	0.0000
2.0000	0.0000	0.0000	0.0000	0.0000
0.8273	0.8270	0.8270	1.0000	0.0000
0.8488	0.8472	0.8472	1.0000	0.0000
1.0000	1.0000	1.0000	1.0000	0.0000
\$5.6946	\$5.6077	\$5.6077	\$7.9470	\$7.7857
5.7376	5.8134	5.8134	8.2494	8.2685
6.0400	7.3400	7.3400	9.3300	9.4900

(continued)

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

	2009	2008	2007	2006	2005
<i>Total Millage by Type of Property</i>					
Residential/Agricultural Real	\$7.4872	\$7.4854	\$7.8113	\$8.0105	\$9.3246
Commercial/Industrial and Public Utility Real	7.5028	7.5409	7.9671	8.1613	9.3682
General Business and Public Utility Personal	7.9000	7.9000	8.1000	8.3000	9.6700

Overlapping Rates by Taxing District

Conneaut City School District					
Residential/Agricultural Real	\$24.4735	\$24.4579	\$24.5244	\$24.5371	\$26.0001
Commercial/Industrial and Public Utility Real	24.5103	24.5311	24.7382	24.6535	28.3117
General Business and Public Utility Personal	37.6300	37.6300	37.6300	37.6300	45.8300
Ashtabula County					
Residential/Agricultural Real	8.5335	8.5375	8.9780	8.4057	9.0059
Commercial/Industrial and Public Utility Real	9.2994	9.2655	9.7795	9.4488	9.8486
General Business and Public Utility Personal	11.0200	11.0300	11.0300	11.0300	11.0300
Special Taxing Districts (1)					
Residential/Agricultural Real	3.2237	3.2207	3.7273	3.4773	3.6199
Commercial/Industrial and Public Utility Real	3.2468	3.2461	3.8383	3.6471	3.8448
General Business and Public Utility Personal	5.2500	5.2500	5.7500	5.7500	5.7500

Source: Ashtabula County Auditor

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

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

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

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

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

(1) Park District, Joint Vocational School

2004	2003	2002	2001	2000
\$9.3246	\$9.2377	\$9.2377	\$11.7270	\$11.5657
9.3676	9.4434	9.4434	12.0294	12.0485
9.6700	10.9700	10.9700	13.1100	13.2700

\$25.9999	\$25.9940	\$25.9940	\$27.1228	\$23.8502
28.3061	28.2686	28.2686	31.0717	27.9141
45.8300	45.8300	45.8300	45.8300	42.8400

9.0043	7.6712	7.6712	8.5833	7.5805
9.8242	8.4814	8.4814	9.4864	8.4853
11.0300	9.7000	9.7000	9.7000	8.7000

3.6197	3.1184	3.1184	2.1762	2.1760
3.8353	3.3287	3.3287	2.7205	2.7176
5.7500	5.2500	5.2500	4.1100	4.1100

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

Year	Total Tax Levy	Current Tax Collections	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections (1)
2009	\$1,361,376	\$1,234,909	90.71 %	\$81,875	\$1,316,784
2008	1,366,449	1,250,191	91.49	56,280	1,306,471
2007	1,487,924	1,473,441	99.03	76,271	1,549,712
2006	1,584,667	1,404,523	88.63	87,005	1,491,528
2005	1,462,087	1,431,518	97.91	56,018	1,487,536
2004	1,463,258	1,401,487	95.78	58,205	1,459,692
2003	1,682,851	1,437,095	85.40	60,626	1,497,721
2002	1,428,005	1,241,322	86.93	56,236	1,297,558
2001	1,566,273	1,395,931	89.12	42,731	1,438,662
2000	1,698,126	1,491,712	87.84	52,627	1,544,339

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.

<u>Percent of Total Tax Collections To Tax Levy</u>	<u>Accumulated Outstanding Delinquent Taxes</u>	<u>Percentage of Delinquent Taxes to Total Tax Levy</u>
96.72 %	\$147,644	10.85 %
95.61	123,970	9.07
104.15	134,745	9.06
94.12	138,160	8.72
101.74	106,404	7.28
99.76	130,407	8.91
89.00	88,892	5.28
90.87	85,187	5.97
91.85	75,630	4.83
90.94	77,706	4.58

City of Conneaut, Ohio
Principal Real Property Taxpayers
 2009 and 2000

2009		
Taxpayer	Real Property Assessed Valuation	Percentage of Total Real Assessed Valuation
Cleveland Electric Illuminating Company	\$4,508,200	2.70 %
Millwork Properties	1,909,410	1.14
Navigroup Venture I	1,563,140	0.94
CSP of Ohio	1,418,280	0.85
Highland Place	1,274,640	0.76
Emster XV, LLC	1,256,900	0.75
CVS	1,008,670	0.60
Mobile Grove Limited	964,160	0.58
Inn Conn Health	952,850	0.57
Kolman Enterprise	944,800	0.57
Total	\$15,801,050	9.46 %
Total Real Assessed Valuation	\$167,049,130	

2000		
Taxpayer	Real Property Assessed Valuation	Percentage of Total Real Assessed Valuation
Cleveland Electric Illuminating Company	\$5,429,950	4.84 %
Conneaut Telephone	2,460,670	2.19
Inn At The Lake	1,432,210	1.27
Cascade Ohio , Inc	1,386,560	1.23
Theresa Talarico	1,214,090	1.08
East Ohio Gas	1,208,460	1.08
CSP of Ohio	1,032,150	0.92
Highland Place	980,560	0.87
Norfolk Southern Rail Road	897,840	0.80
Bessemer and Lake Erie Railroad	873,760	0.78
Total	\$16,916,250	15.06 %
Total Real Assessed Valuation	\$112,354,830	

Source: Ashtabula County Auditor

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

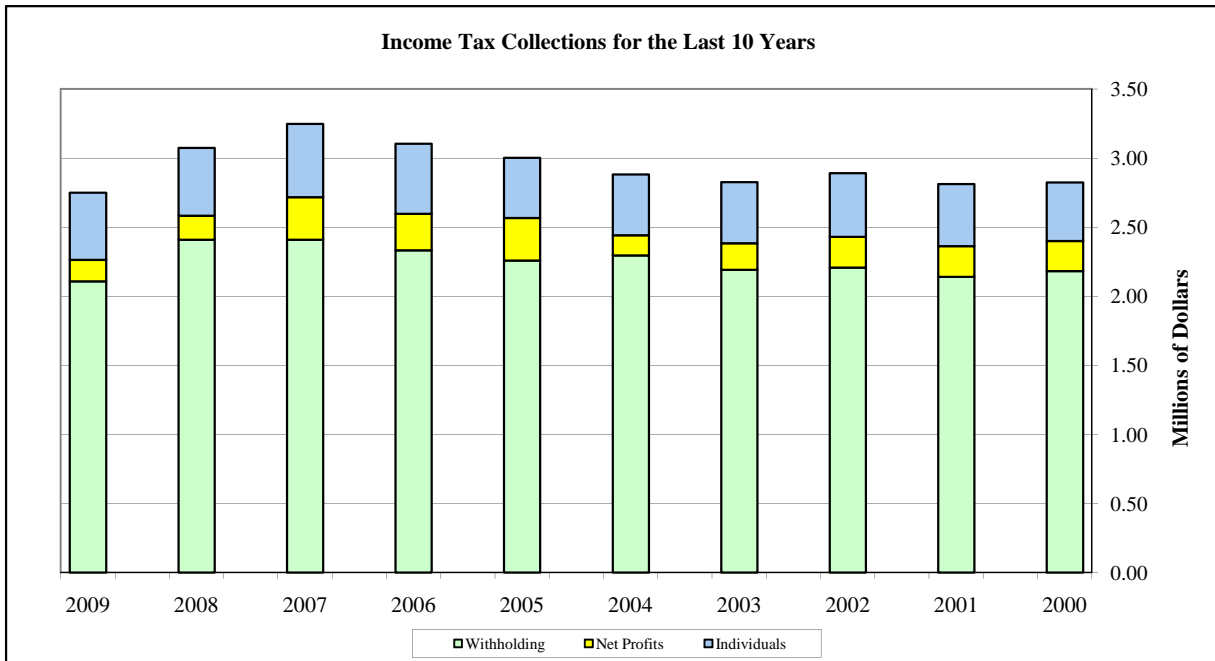
Tax Year	Tax Rate (2)	Total Tax Collected (1)	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individuals	Percentage of Taxes from Individuals
2009	1.80%	\$2,750,298	\$2,108,614	76.67%	\$154,590	5.62%	\$487,094	17.71%
2008	1.80	3,073,413	2,410,323	78.42	172,210	5.60	490,880	15.97
2007	1.80	3,248,649	2,408,804	74.15	307,928	9.48	531,917	16.37
2006	1.80	3,103,824	2,333,543	0.75	263,019	0.08	507,252	16.34
2005	1.65	3,002,703	2,258,747	75.22	308,814	10.28	435,241	14.49
2004	1.65	2,881,056	2,296,181	79.70	145,282	5.04	439,593	15.26
2003	1.65	2,825,316	2,190,711	77.54	193,293	6.84	441,312	15.62
2002	1.65	2,891,951	2,207,448	76.33	221,900	7.67	462,603	16.00
2001	1.65	2,811,397	2,140,404	76.13	223,122	7.94	447,871	15.93
2000	1.65	2,823,337	2,183,448	77.34	216,967	7.68	422,922	14.98

(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.

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	Special Assessment Bonds	OWDA Loans	OPWC Loans	Bond Anticipation Notes	Capital Leases	Loans
2009	\$1,145,000	\$0	\$999,827	\$24,511	\$151,000	\$158,346	\$653,334
2008	1,350,000	0	1,115,517	26,092	242,000	256,587	500,000
2007	1,555,000	0	1,226,509	27,673	329,000	261,030	0
2006	1,760,000	0	1,332,998	29,254	467,000	201,148	0
2005	1,965,000	0	1,435,168	30,835	557,500	0	0
2004	2,170,000	0	1,539,243	31,626	788,000	0	0
2003	2,525,000	0	1,634,187	0	730,500	0	0
2002	2,880,000	0	1,713,717	0	0	0	0
2001	3,235,000	22,000	1,797,985	0	0	0	0
2000	3,595,000	43,000	1,960,356	0	0	0	0

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

Source: City Financial Records

Business-Type Activities

General Obligation Bonds	OWDA Loans	OPWC Loans	Bond Anticipation Notes	Loans	Capital Leases	Total Debt	Percentage of Personal Income (1)	Per Capita (1)
\$601,018	\$4,236,568	\$345,077	\$280,000	\$306,666	\$0	\$8,901,347	4.85%	\$712.96
671,141	4,700,557	384,536	0	0	0	9,246,430	5.04	740.60
741,264	5,143,931	423,995	10,000	0	34,751	9,753,153	5.31	781.19
811,387	5,402,913	464,225	20,000	0	68,570	10,557,495	5.75	845.61
880,000	5,030,125	504,456	20,000	0	0	10,423,084	5.67	834.85
950,000	2,788,046	528,865	30,000	0	0	8,825,780	4.81	706.91
1,020,000	3,039,770	530,142	40,000	0	0	9,519,599	5.19	762.48
1,090,000	3,262,042	451,445	50,000	0	0	9,447,204	5.15	756.68
1,160,000	3,487,830	491,232	60,000	0	0	10,254,047	5.59	821.31
1,230,000	3,652,728	539,623	60,000	0	0	11,080,707	6.04	887.52

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*

<u>Year</u>	<u>Population (1)</u>	<u>Estimated True Values of Taxable Property (2)</u>	<u>Gross Bonded Debt</u>	<u>Ratio of Bonded Debt to Estimated True Values of Taxable Property</u>	<u>Bonded Debt Per Capital</u>
2009	12,485	\$493,583,169	\$1,145,000	0.23%	\$91.71
2008	12,485	500,824,181	1,350,000	0.27	108.13
2007	12,485	548,969,294	1,555,000	0.28	124.55
2006	12,485	512,924,472	1,760,000	0.34	140.97
2005	12,485	538,781,685	1,965,000	0.36	157.39
2004	12,485	483,802,418	2,170,000	0.45	173.81
2003	12,485	484,576,791	2,525,000	0.52	202.24
2002	12,485	485,076,865	2,880,000	0.59	230.68
2001	12,485	416,218,103	3,235,000	0.78	259.11
2000	12,485	409,919,884	3,595,000	0.88	287.95

Sources:

(1) U. S. Bureau of Census, 2000 Federal Census of Population.

(2) Ashtabula County Auditor

City of Conneaut, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2009

Jurisdiction	Governmental Activites Debt	Percentage Applicable to City (1)	Amount Applicable to City of Conneaut
Direct			
General Obligation Bonds	\$1,145,000	100.00 %	\$1,145,000
OWDA Loans	999,827	100.00	999,827
OPWC Loans	24,511	100.00	24,511
Bond Anticipation Notes	151,000	100.00	151,000
Loans	653,334	100.00	653,334
Capital Leases	158,346	100.00	158,346
<i>Total Direct Debt</i>	<u>3,132,018</u>		<u>3,132,018</u>
Overlapping			
Ashtabula County			
General Obligation Bonds	3,523,007	9.83	346,312
OWDA Loans	15,907,118	9.83	1,563,670
OPWC Loans	1,377,456	9.83	135,404
Notes Payable	29,418	9.83	2,892
Private Activity Bond	84,657	9.83	8,322
Capital Leases	450,291	9.83	44,264
Conneaut City School District			
General Obligation Bonds	<u>5,116,385</u>	88.27	<u>4,516,233</u>
<i>Total Overlapping Debt</i>	<u>26,488,332</u>		<u>6,617,097</u>
Total	<u><u>\$29,620,350</u></u>		<u><u>\$9,749,115</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

	2009	2008	2007	2006
Total Assessed Property Value	<u>\$172,996,045</u>	<u>\$172,326,090</u>	<u>\$173,627,630</u>	<u>\$179,267,950</u>
General Bonded Debt Outstanding:				
General Obligation Bonds	\$1,745,000	\$2,020,000	\$2,295,000	\$2,570,000
Special Assessment Bonds	0	0	0	0
OWDA Loans	5,236,395	5,816,074	6,370,440	6,735,911
OPWC Loans	369,588	410,628	451,668	493,479
Bond Anticipation Notes	1,090,000	667,000	796,000	1,007,500
Loans	<u>960,000</u>	<u>500,000</u>	<u>0</u>	<u>0</u>
Total Gross Indebtedness	9,400,983	9,413,702	9,913,108	10,806,890
Less:				
Bond Anticipation Notes	(510,905)	(517,000)	(621,000)	(857,500)
Special Assessment Bonds	0	0	0	0
OWDA Loans	(5,236,395)	(5,816,074)	(6,370,440)	(6,735,911)
General Obligation Bond Retirement Fund Balance	<u>(449,671)</u>	<u>(511,302)</u>	<u>(563,506)</u>	<u>(568,788)</u>
Total Net Debt Applicable to Debt Limit	<u>3,204,012</u>	<u>2,569,326</u>	<u>2,358,162</u>	<u>2,644,691</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>18,164,585</u>	<u>18,094,239</u>	<u>18,230,901</u>	<u>18,823,135</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$14,960,573</u>	<u>\$15,524,913</u>	<u>\$15,872,739</u>	<u>\$16,178,444</u>
Legal Debt Margin as a Percentage of the Debt Limit	82.36%	85.80%	87.07%	85.95%
Unvoted Debt Limitation 5 ½ % of Assessed Valuation	<u>\$9,514,782</u>	<u>\$9,477,935</u>	<u>\$9,549,520</u>	<u>\$9,859,737</u>
Total Gross Indebtedness	9,400,983	9,413,702	9,913,108	10,806,890
Less:				
Bond Anticipation Notes	(510,905)	(517,000)	(621,000)	(857,500)
Special Assessment Bonds	0	0	0	0
OWDA Loans	(5,236,395)	(5,816,074)	(6,370,440)	(6,735,911)
General Obligation Bond Retirement Fund Balance	<u>(449,671)</u>	<u>(511,302)</u>	<u>(563,506)</u>	<u>(568,788)</u>
Net Debt Within 5 ½ % Limitations	<u>3,204,012</u>	<u>2,569,326</u>	<u>2,358,162</u>	<u>2,644,691</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$6,310,770</u>	<u>\$6,908,609</u>	<u>\$7,191,358</u>	<u>\$7,215,046</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	66.33%	72.89%	75.31%	73.18%

Source: City Financial Records

2005	2004	2003	2002	2001	2000
<u>\$185,775,740</u>	<u>\$168,637,470</u>	<u>\$168,772,540</u>	<u>\$168,791,430</u>	<u>\$143,230,200</u>	<u>\$142,777,880</u>
\$2,845,000	\$3,120,000	\$3,545,000	\$3,970,000	\$4,395,000	\$4,825,000
0	0	0	0	22,000	43,000
6,465,293	4,327,289	4,673,957	4,975,759	5,285,815	5,613,084
535,291	560,491	530,142	451,445	491,232	539,623
1,168,000	1,358,000	1,390,500	2,067,000	1,190,000	1,379,000
0	0	0	0	0	0
11,013,584	9,365,780	10,139,599	11,464,204	11,384,047	12,399,707
(1,168,000)	(1,358,000)	(1,390,500)	(2,067,000)	(1,190,000)	(1,379,000)
0	0	0	0	(22,000)	(43,000)
(6,465,293)	(4,327,289)	(4,673,957)	(4,975,759)	(5,285,815)	(5,613,084)
(548,375)	(529,397)	(691,568)	(649,469)	(1,477,897)	(721,881)
<u>2,831,916</u>	<u>3,151,094</u>	<u>3,383,574</u>	<u>3,771,976</u>	<u>3,408,335</u>	<u>4,642,742</u>
19,506,453	17,706,934	17,721,117	17,723,100	15,039,171	14,991,677
<u>\$16,674,537</u>	<u>\$14,555,840</u>	<u>\$14,337,543</u>	<u>\$13,951,124</u>	<u>\$11,630,836</u>	<u>\$10,348,935</u>
85.48%	82.20%	80.91%	78.72%	77.34%	69.03%
<u>\$10,217,666</u>	<u>\$9,275,061</u>	<u>\$9,282,490</u>	<u>\$9,283,529</u>	<u>\$7,877,661</u>	<u>\$7,852,783</u>
11,013,584	9,365,780	10,139,599	11,464,204	11,384,047	12,399,707
(1,168,000)	(1,358,000)	(1,390,500)	(2,067,000)	(1,190,000)	(1,379,000)
0	0	0	0	(22,000)	(43,000)
(6,465,293)	(4,327,289)	(4,673,957)	(4,975,759)	(5,285,815)	(5,613,084)
(548,375)	(529,397)	(691,568)	(649,469)	(1,477,897)	(721,881)
<u>2,831,916</u>	<u>3,151,094</u>	<u>3,383,574</u>	<u>3,771,976</u>	<u>3,408,335</u>	<u>4,642,742</u>
<u>\$7,385,750</u>	<u>\$6,123,967</u>	<u>\$5,898,916</u>	<u>\$5,511,553</u>	<u>\$4,469,326</u>	<u>\$3,210,041</u>
72.28%	66.03%	63.55%	59.37%	56.73%	40.88%

City of Conneaut, Ohio
Pledged Revenue Coverage
Revenue Debt - Water Fund
*Last Seven Years **

Year	Operating Revenue	Expenses, Net of Depreciation **	Net Revenue Available for Debt Service	Principal ***	Coverage
2009	\$2,078,764	\$2,092,618	(\$13,854)	\$25,174	(0.55)
2008	1,953,085	1,504,597	448,488	25,174	1.16
2007	1,927,268	1,518,447	408,821	25,174	1.05
2006	1,789,744	1,463,394	326,350	25,174	0.84
2005	1,806,950	1,502,413	304,537	15,549	0.80
2004	1,845,374	1,409,385	435,989	25,174	1.12
2003	1,607,215	1,359,943	247,272	19,250	0.65

* Information prior to 2003 is not available.

** Total operating expenses exclusive of depreciation.

*** This debt is interest free.

Source: City Financial Records

City of Conneaut, Ohio
Pledged Revenue Coverage
Revenue Debt - Sewer Fund
*Last Seven Years **

Year	Operating Revenue	Expenses, Net of Depreciation **	Net Revenue Available for Debt Service	Principal***	Coverage
2009	\$2,004,078	\$1,372,948	\$631,130	\$14,285	44.18
2008	2,005,083	1,376,937	628,146	14,285	1.67
2007	1,950,514	1,267,503	683,011	15,056	1.81
2006	1,919,455	1,379,547	539,908	15,057	1.43
2005	1,849,053	1,313,869	535,184	8,860	1.44
2004	1,707,567	1,112,494	595,073	13,936	1.58
2003	1,515,021	1,302,451	212,570	20,537	0.55

* Information prior to 2003 is not available.

** Total operating expenses exclusive of depreciation.

*** This debt is interest free.

Source: City Financial Records

City of Conneaut, Ohio
Principal Employers
Current Year and Nine Years Ago

2009

Employer	Employees	Percentage of Total City Employment
Conneaut Schools	357	7.86%
University Heights Hospital System	320	7.04
Management Training Corporation	230	5.06
Cascade Ohio	226	4.97
Ashtabula County	185	4.07
City of Conneaut	184	4.05
CSP	182	4.01
General Aluminum	177	3.90
Lukjan Metal Products	155	3.41
Wayne Dalton	45	0.99
Total	<u>2,061</u>	<u>45.36%</u>
Total Employment within the City	<u>4,544</u>	

2000

Employer	Employees	Percentage of Total City Employment
General Aluminum	543	10.46%
Conneaut Schools	471	9.07
Venture Holdings	330	6.35
Cascade Ohio	326	6.28
Brown Memorial Hospital	304	5.85
City of Conneaut	232	4.47
Management Training Corporation	225	4.33
Lukjan Metal Products	221	4.26
General Electric	212	4.08
Ashtabula County	177	3.41
Total	<u>3,041</u>	<u>58.56%</u>
Total Employment within the City	<u>5,193</u>	

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

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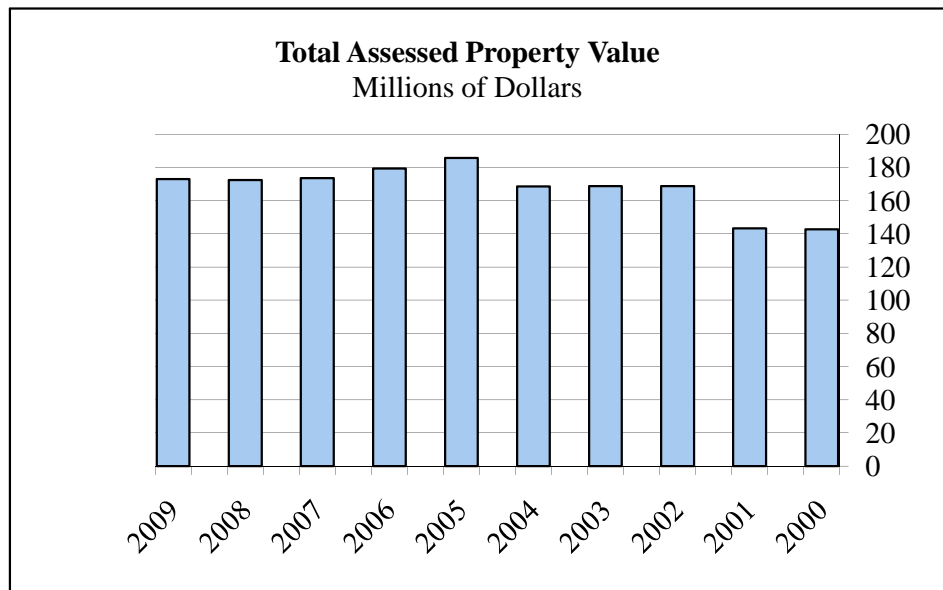
City of Conneaut, Ohio
Demographic and Economic Statistics
Last Ten Years

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (3)</u>	<u>Personal Income Per Capita (1)</u>	<u>Median Household Income (1)</u>	<u>Median Age (1)</u>
2009	12,485	\$183,566,955	\$14,703	\$31,717	38
2008	12,485	183,566,955	14,703	31,717	38
2007	12,485	183,566,955	14,703	31,717	38
2006	12,485	183,566,955	14,703	31,717	38
2005	12,485	183,566,955	14,703	31,717	38
2004	12,485	183,566,955	14,703	31,717	38
2003	12,485	183,566,955	14,703	31,717	38
2002	12,485	183,566,955	14,703	31,717	38
2001	12,485	183,566,955	14,703	31,717	38
2000	12,485	183,566,955	14,703	31,717	38

(1) U. S. Bureau of Census, 2000 Federal Census

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

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



Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Ashtabula County Unemployment Rate	Average Sales Price of Residential Property	Total Assessed Property Value
9.9%	2,242	14.2%	\$54,542	\$172,996,045
9.9	2,316	10.4	70,800	172,326,090
9.9	2,332	6.4	75,442	173,627,630
9.9	2,462	6.6	67,929	179,267,950
9.9	2,508	7.2	72,549	185,775,740
9.9	2,547	7.3	69,336	168,637,470
9.9	2,547	8.1	74,034	168,772,540
9.9	2,528	8.1	64,925	168,791,430
9.9	2,585	7.2	69,060	143,230,200
9.9	2,608	5.5	61,341	142,777,880



City of Conneaut, Ohio
Full-Time Equivalent City Government Employees by Function/Program
Last Seven Years (1)

Function/Program	2009	2008	2007
General Government			
Council	7.00	7.00	7.00
Clerk of Council	1.00	1.00	1.00
City Manager	2.00	2.00	2.00
Finance	3.50	4.00	4.00
Law	2.50	2.50	2.50
Court	6.00	6.00	6.00
Public Building	0.00	1.00	1.00
Security of Persons and Property			
Police	19.00	20.00	20.00
Police - Dispatchers	4.00	4.00	4.00
Police - Jailers	0.00	2.00	2.00
Fire	10.00	12.00	12.00
Ambulance	5.00	5.00	5.00
Public Health Services			
Health	3.00	4.00	4.00
Cemetery	1.00	1.00	1.00
Leisure Time Activities			
Recreation	1.50	1.50	1.50
Community Environment			
Litter Control/Recycling	1.00	1.00	1.00
Housing/Zoning	1.00	1.00	1.00
Transportation			
Street/Public Works	17.00	17.00	18.00
Basic Utility Services			
Water	16.00	16.00	16.00
Sewer	12.00	12.00	12.00
Totals:	<u>112.50</u>	<u>120.00</u>	<u>121.00</u>

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

(1) Information prior to 2003 is not available

Source: City Financial Records

2006	2005	2004	2003
7.00	7.00	7.00	7.00
1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00
4.00	4.00	4.00	4.00
2.50	2.50	2.50	2.50
6.00	6.00	6.00	6.00
1.00	1.00	1.00	1.00
20.00	20.00	21.00	20.00
4.00	4.00	4.00	4.00
2.00	2.00	2.00	2.00
12.00	12.00	12.00	12.00
5.00	5.00	5.00	5.00
4.00	4.00	4.00	4.00
1.00	1.00	1.00	1.00
1.50	1.50	2.50	2.50
1.00	1.00	1.50	1.50
1.00	1.00	1.00	1.00
19.00	19.00	20.00	21.00
16.00	16.00	17.00	17.00
12.00	12.00	12.00	13.00
<u>122.00</u>	<u>122.00</u>	<u>126.50</u>	<u>127.50</u>

City of Conneaut, Ohio
Operating Indicators by Function/Program
Last Eight Years (1)

Function/Program	2009	2008	2007
General Government			
<i>Council and Clerk</i>			
Number of Ordinances Passed	123	109	137
Number of Resolutions Passed	19	11	11
<i>Finance Department</i>			
Number of checks/vouchers issued	3,530	4,185	4,151
Amount of checks written	\$13,559,134	\$13,537,185	\$13,307,015
Interest earnings for fiscal year (cash basis)	\$6,005	\$39,844	\$137,706
Number of Receipts issued	492	557	601
Number of Budget Adjustments issued	6	10	8
Agency Ratings - Moody's Financial Services	Aaa	Aaa	Aaa
Health Insurance Costs vs General Fund Expenditures %	11.50%	14.47%	11.69%
General Fund Receipts (cash basis)	\$4,212,709	\$4,094,106	\$4,013,767
General Fund Expenditures (cash basis)	\$4,057,218	\$4,406,869	\$4,377,923
General Fund Cash Balances	\$250,054	\$108,742	\$428,286
<i>Income Tax Department</i>			
Number of Individual Returns	4,274	4,239	4,525
Number of Business Returns	436	406	459
Number of business withholding accounts	458	433	498
Amount of Penalties and Interest Collected	\$31,843	\$25,959	\$28,968
Annual number of Corporate withholding forms processed	2,024	1,914	2,201
Annual number of balance due statements forms processed	838	734	537
Annual number of estimated payment forms processed	1,366	1,441	1,446
Annual number of reconciliations of withholdings processed	451	433	498
<i>Engineer Contracted Services</i>			
Dollar amount of Construction overseen by Engineer	\$808,877	\$241,089	\$231,566
<i>Municipal Court</i>			
Number of Civil Cases	359	413	352
Number of Criminal cases	1,011	915	1,143
<i>Vital Statistics</i>			
<i>Certificates Filed</i>			
Number of Births	0	2	1
Number of Deaths	95	144	133
<i>Certificates Issued</i>			
Number of Births	542	652	754
Number of Deaths	486	857	578
Burial Permits Issued	127	151	146
<i>Civil Service</i>			
Number of police entry tests administered	1	0	0
Number of fire entry tests administered	0	1	1
Number of police promotional tests administered	0	0	1
Number of fire promotional tests administered	0	0	0
Number of hires of Police Officers from certified lists	1	0	2
Number of promotions from police certified lists	0	0	1
Number of promotions from fire certified lists	0	0	0

2006	2005	2004	2003	2002
119	103	113	71	107
11	14	15	25	14
4,180	4,028	4,057	4,261	4,349
\$13,826,892	\$14,585,601	\$12,809,304	\$12,324,078	\$12,784,149
\$147,999	\$72,406	\$25,819	\$21,034	\$46,589
625	605	647	690	632
199	228	153	104	176
Aaa	Aaa	Aaa	Aaa	Aaa
12.09%	27.08%	22.24%	15.81%	17.09%
\$4,121,658	\$4,285,854	\$4,359,963	\$4,147,920	\$3,831,131
\$4,162,789	\$4,220,797	\$4,548,212	\$4,218,236	\$4,348,569
\$634,371	\$475,564	\$410,507	\$598,756	\$612,777
4,420	4,690	4,502	4,408	4,500
442	549	527	516	528
461	402	411	390	394
\$28,833	\$13,628	\$17,483	\$16,724	\$20,403
2,036	2,188	2,214	2,228	2,228
533	560	543	527	511
134	130	126	122	119
461	402	411	390	394
\$672,773	\$3,101,284	\$216,293	\$220,197	\$438,302
245	377	323	357	356
1,051	648	638	559	493
0	2	148	357	204
140	129	109	559	137
754	641	854	768	853
673	643	662	505	611
170	163	161	166	180
0	1	0	1	0
0	0	1	0	1
0	0	0	0	0
0	0	1	0	0
0	0	0	0	0
2	0	0	0	0
0	0	1	0	0

(continued)

City of Conneaut, Ohio
Operating Indicators by Function/Program (continued)
Last Eight Years (1)

Function/Program	2009	2008	2007
<i>Building Department Indicators</i>			
Construction Permits			
Estimated Value of Construction	\$1,605,848	\$1,470,693	\$541,353
Number of permits issued	121	126	171
Amount of Revenue generated from permits	\$4,504	\$4,523	\$8,074
Security of Persons and Property			
<i>Police</i>			
Total Calls for Services	25,400	25,976	26,233
911 Calls Answered	6,982	7,093	5,784
Arrests/Citations	908	2,058	223
Community Policing Hours	9,258	7,100	5,950
DARE Graduates	0	0	0
Investigations	2,895	3,332	3,284
Jail Inmates	241	337	331
Vehicle Crashes	322	345	329
Prisoner costs	\$9,850	\$14,191	\$13,591
Gasoline costs of fleet	\$25,690	\$50,417	\$38,313
<i>Fire</i>			
EMS Calls	1,429	1,728	1,744
Fire Calls	85	78	89
Fires with Loss	36	36	33
Fires with Losses exceeding \$10K	3	3	11
Fire Losses \$	\$505,200	\$613,695	\$613,695
Fire Safety Inspections	69	35	170
Number of times Mutual Aid given to Fire and EMS	54	18	32
Number of times Mutual Aid received for Fire and EMS	7	12	30
Public Health Services			
Cemetery burials	50	56	69
Cemetery sale of lots	18	14	24
Cemetery receipts	\$38,115	\$31,531	\$38,278
Leisure Time Activities			
<i>Recreation</i>			
City Tax	\$24,300	\$24,282	\$25,665
Softball Fees	7,000	8,010	7,200
Facilities rentals	33,450	9,985	33,525
Total Recreation Department receipts	<u>\$64,750</u>	<u>\$42,277</u>	<u>\$66,390</u>

2006	2005	2004	2003	2002
\$4,786,353	\$5,670,500	\$12,043,897	\$32,931,058	\$15,212,407
222	174	203	245	264
\$10,395	\$12,012	\$12,572	\$16,061	\$20,174
28,480	20,700	19,542	19,315	19,875
4,700	4,000	3,315	3,300	3,250
2,539	2,558	2,525	2,440	2,907
6,042	4,872	5,875	6,371	4,822
0	250	225	275	280
3,384	3,709	3,301	3,549	4,623
339	404	459	552	618
415	343	337	340	365
\$14,314	\$12,190	\$10,631	\$11,352	\$10,152
\$34,977	\$30,705	\$23,548	\$24,147	\$19,709
1,504	2,228	1,930	1,901	2,222
130	120	136	92	104
34	22	35	25	23
9	6	5	7	9
\$338,450	\$325,300	\$167,105	\$546,150	\$500,005
190	90	105	110	130
16	5	12	16	20
30	10	10	12	15
59	50	52	44	54
16	27	22	26	26
\$29,180	\$32,552	\$32,449	\$30,333	\$34,496
\$25,375	\$26,123	\$25,065	\$24,581	\$25,160
6,538	830	900	450	900
32,600	33,300	31,175	32,400	34,300
<u>\$64,513</u>	<u>\$60,253</u>	<u>\$57,140</u>	<u>\$57,431</u>	<u>\$60,360</u>

(continued)

City of Conneaut, Ohio
Operating Indicators by Function/Program (continued)
Last Eight Years (1)

Function/Program	2009	2008	2007
Transportation			
Street Improvements - asphalt overlay (linear feet)	7,985	13,800	23,800
Crackseal Coating Program (Miles)	0	6	5
Street Repair (Curbs, aprons, berms, asphalt) (hours)	2,441	1,032	1,780
Paint Striping (hours)	145	350	400
Street Sweeper (hours)	303	156	640
Cold Patch (hours)	651	554	1,100
Snow and Ice Removal regular hours	1,616	7,960	8,950
Snow and Ice Removal overtime hours	239	737	732
Storm Sewer Calls for Service - Sewer Jet Regular Hours	203	2,080	2,080
Sewer Crew (hours)	415	707	1,700
Landscaping Stump-Chipper service (hours)	0	100	150
Leaf collection (hours)	652	96	3,200
Holiday lights setup (hours)	16	16	16
Street/Traffic Signs (Hours)	464	394	240
Equipment repair/body shop (hours)	6,240	6,240	6,240
Number of Trees Planted per year	0	0	0
Tons of snow melting salt purchased (Nov-Mar)	773	1,100	1,450
Cost of salt purchased	\$48,842	\$43,115	\$48,560
Water Department			
Water Rates per 1st 2,000 gallons of water	\$17.24	\$16.29	\$15.84
Avg. number of water accounts billed monthly (Cubic Feet)	4,900	4,900	4,900
Total Water Collections Annually (Including Principal and Interest)	\$2,215,799	\$1,947,755	\$1,904,311
Wastewater Department			
Wastewater Rates per 1st 300 Cubic feet of water used	\$17.18	\$16.74	\$15.82
Total flow of wastewater treatment plant (Billions of Gallons)	0.846	0.992	0.876
Average daily flow (Millions of gallons per day)	2.324	2.713	2.402
Tons of dry sludge removed	281.39	299.30	197.46

(1) Information prior to 2002 is not available

Source: City Financial Records and Departments

2006	2005	2004	2003	2002
23,940	55,940	3,700	21,950	39,750
18	20	20	15	10
1,360	864	768	672	576
400	400	400	400	400
520	480	490	450	370
880	900	1,020	1,180	1,120
8,320	9,600	10,240	10,880	11,520
705	641	580	670	502
2,080	2,080	2,080	2,080	2,080
1,500	1,500	1,500	1,500	1,500
120	130	90	120	100
3,400	3,100	3,400	3,500	3,800
16	16	16	16	16
240	240	240	240	240
6,240	6,240	6,240	6,240	6,240
450	0	400	0	0
1,475	1,000	1,350	1,400	1,700
\$54,058	\$44,304	\$42,655	\$36,291	\$54,152
\$14.94	\$14.37	\$13.82	\$13.82	\$11.18
4,880	4,880	4,880	4,875	4,862
\$1,831,609	\$1,754,163	\$1,734,988	\$1,690,796	\$1,445,843
\$15.22	\$13.98	\$12.84	\$12.47	\$11.64
0.918	0.916	0.927	0.954	0.750
2.516	2.515	2.539	2.608	2.476
295.78	599.16	452.42	364.00	250.82

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

Function/Program	2009	2008	2007	2006
General Government				
Square Footage Occupied	11,580	11,580	11,580	11,580
Inspection Vehicles	1	1	1	1
Police				
Stations	1	1	1	1
Square Footage Occupied	8,944	8,944	8,944	8,944
Vehicles	20	20	20	20
Fire				
Stations	2	3	3	3
Square Footage Occupied	12,880	14,880	14,880	14,880
Vehicles	10	10	10	10
Recreation				
Number of Parks	5	5	5	5
Number of Tennis Courts	2	2	2	2
Number of Skateboarding Areas	1	1	1	1
Number of Baseball Diamonds	2	2	2	2
Square Footage Occupied	1,790	1,790	1,790	1,790
Vehicles	2	2	2	2
Other Public Works				
Streets (lane miles)	565	565	565	565
Service Vehicles	22	22	22	22
Wastewater				
Sanitary Sewers (miles)	60.00	60.00	60.00	60.00
Storm Sewers (miles)	35.00	35.00	35.00	35.00
Water Department				
Water Lines (miles)	91	91	91	91
Vehicles	9	9	9	9

Source: City Financial Records

2005	2004	2003	2002	2001	2000
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	22	19	21	20	20
3	3	3	3	3	3
14,880	14,880	14,880	14,880	14,880	14,880
10	10	10	10	10	11
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	564	564	564	564
22	23	23	23	22	22
60.00	60.00	60.00	60.00	60.00	57.50
35.00	35.00	35.00	35.00	35.00	35.00
91	91	91	91	91	91
9	9	9	10	10	10



Mary Taylor, CPA
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
JULY 15, 2010