



**CITY OF CONNEAUT
ASHTABULA COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2018

OHIO AUDITOR OF STATE
KEITH FABER



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Columbus, Ohio 43215
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Members of City Council
City of Conneaut
294 Main Street
Conneaut, Ohio 44030

We have reviewed the *Independent Auditor's Report* of the City of Conneaut, Ashtabula County, prepared by Canter & Associates, for the audit period January 1, 2018 through December 31, 2018. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

September 9, 2019

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CITY OF CONNEAUT

Ashtabula County

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

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

To the Members of City Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Conneaut, Ashtabula County (the City), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's financial statements and have issued our report thereon dated June 28, 2019, wherein we noted the City adopted new accounting guidance in Governmental Accounting Standards Board Statement 75 "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*".

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.

However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

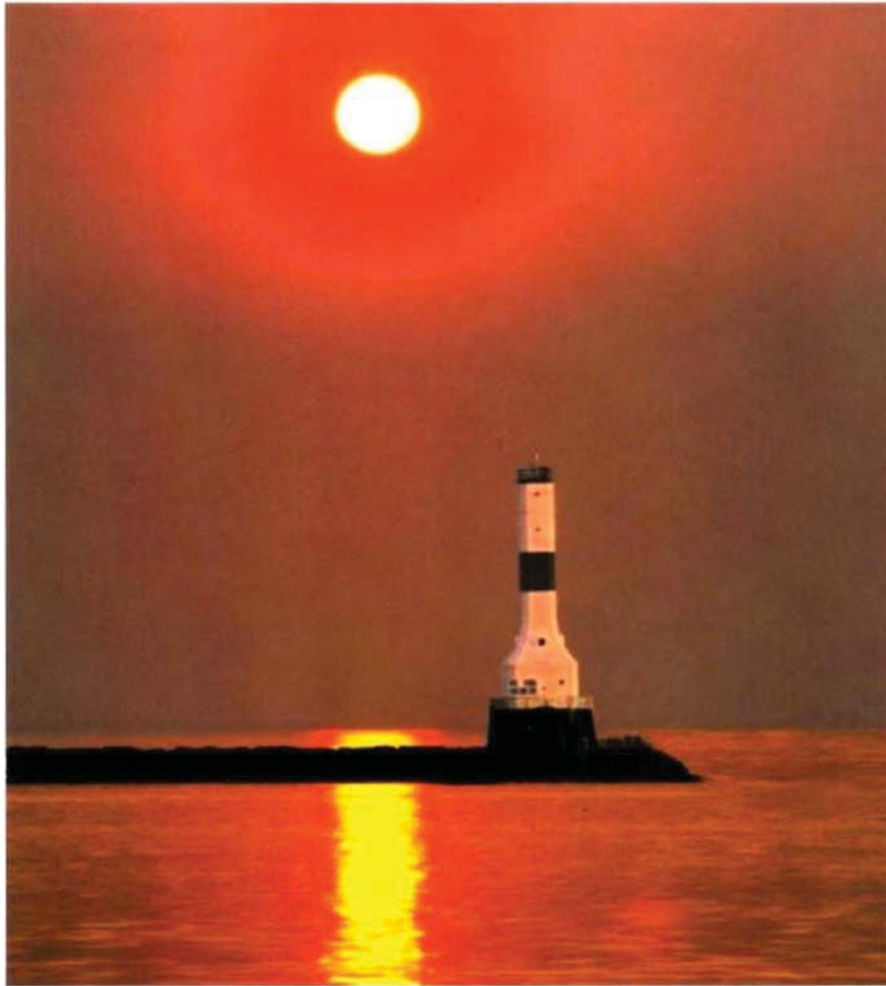


CANTER & ASSOCIATES

Poland, Ohio

June 28, 2019

CITY OF CONNEAUT, OHIO



Comprehensive Annual Financial Report
For The Year Ended December 31, 2018

INTRODUCTORY SECTION

CITY OF CONNEAUT, OHIO

COMPREHENSIVE

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2018

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, 2018
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CITY OF CONNEAUT
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June 28, 2019

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

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

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

Canter & Associates, Certified Public Accountants, has issued an unmodified ("clean") opinion of the City of Conneaut's financial statements for the year ended December 31, 2018. Canter & Associates' report is located at the front of this financial report.

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

Profile of Government

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

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

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

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

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

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

Local Economy

As part of a collaborative effort to facilitate economic development within the City, the City of Conneaut, the Conneaut Port Authority, and the Conneaut Foundation, Inc. have entered into an economic development consulting agreement whereby they would jointly hire an economic development director for a twelve month term in an amount not to exceed \$60,000 and each entity would contribute one-third of the cost. The parties agreed that they will collectively seek a person or firm to be retained as a Consultant. The Consultant will be an independent contractor. The terms of such Consultant agreement designate the Port as the contracting party and will identify and prioritize the economic development projects in the City of Conneaut on which the Consultant shall work; and provide the names of those representatives and/or positions of each of the parties with whom the Consultant will collaborate on any or all of those projects, among other things. The Consultant agreement further provides that the Consultant will serve as a contractor only for those projects upon which all of the parties unanimously agree and for no other purpose, and will not engage in any economic development projects for which any party has started on their own, except with the consent and under the direction of remaining parties. The Consultant agreement will provide further that the parties and the Consultant shall meet on a periodic basis as unanimously agreed to between them, ensuring that all parties are available to attend such meetings.

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

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

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

The local economy continues to improve, as several of the City's largest employers that are affiliated with the automotive industry continued to improve most dramatically over the past several years, increasing sales, profit, and employment. Most of the City's largest employers have returned to pre-recession employment levels, particularly those employers that are affiliated with the automotive industry. Unemployment in Ashtabula County decreased from 5.9 percent in 2017 to 5.3 percent in 2018, representing a 10.17 percent decrease, while the average home sold within the City increased from \$99,000 in 2017 to \$105,500 in 2018, or a 6.56 percent increase from the prior year. While the recovery has been slower than anticipated, the effects of the recession have largely dissipated, as income tax collections have markedly improved over the last five years.

The value of new construction was \$2,868,702 for 2018, which is \$877,327 more than 2017 and represents a 44.06 percent increase from the prior year, and the number of zoning permits slightly decreased to 145, down from 147 in 2017. New commercial development projects are pending that will increase real estate valuation, including a new auto parts store in the downtown district, and a new truck stop at the I-90/Route 7 interchange. Real estate assessed valuation decreased slightly from \$186,848,220 in 2017 to \$185,669,200 in 2018, which is an overall decrease of \$1,179,020 or .63 percent. While the agricultural/residential property class decreased by \$274,490, and the commercial industrial real estate decreased by \$1,834,170, the public utility class properties increased by \$380,660.

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

Long-Term Financial Planning

Meeting the City's capital needs is critical to the successful operation of the City. The administration, with the assistance of City Council, has created a long-term capital improvement plan to address ageing vehicles, equipment, and infrastructure, while attempting to find innovative ways to fund these capital requirements. Securing grants through CDBG, OPWC, and other agencies has been essential to funding most of the capital

needs of the City. Funding from the City's income tax supported capital improvement fund is being utilized to help fund capital needs as well. Issues with ageing storm water pipes are plaguing the City and assessments are being evaluated as a means to replace this ageing infrastructure. The City is considering other ways of funding the long-term capital requirements, including establishing capital improvement funds for the water and sewer departments. Both departments are reviewing the current rate structure annually to assist funding future capital needs.

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

Funding the City's street paving program is a long-term financial planning goal. The City of Conneaut has a large land mass, and it is very difficult to maintain the roads in optimal condition without sufficient revenue. A seven-year street improvement income tax of .15 percent had been approved by the voters, but this tax expired December 31, 2012. Due to the dramatic increase in the price of asphalt over the past several years, combined with a decrease in income tax collections over this same period, the income tax levy is no longer generating sufficient revenue to pave and maintain City streets. In 2013, the City Manager and City Council proposed an alternative method of funding the program with a 2.75 mill, five-year real estate tax levy, which was approved by the voters of Conneaut on November 5, 2013 and then renewed again on November 7, 2017. The levy generates approximately \$513,000 annually, nearly double the revenue of the previous income tax levy.

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

Relevant Financial Policies

Budgetary control is maintained by the encumbrance of purchase order requests. Purchase order requisitions for the expenditure of monies need approval by the department head, which are then forwarded to the City Manager for approval. Once the City Manager has approved the purchase order request, it is then forwarded to the finance department for preparation of a purchase order and certification and returned to the respective departments. The purchase orders are then signed by each department and returned to the finance department to be audited for accuracy and completeness and finally processed for payment. Encumbrances, which would exceed the available appropriation, are not approved or recorded until City Council authorizes additional appropriations. Any changes to an existing purchase for more than fifty dollars, requires approval by the City Manager, if additional appropriations are available. Prior year encumbrances outstanding at the end of the year are carried over to the next year after a thorough review by the Finance Director. Unencumbered appropriations lapse at the end of each year.

Only City Council has the authority to transfer appropriations between line items within a department. Any increase or decrease in an appropriation line must be approved by Council in ordinance form. All City departments, the City Manger and City Council are provided with at least monthly reports that indicate current appropriations, year to date expenditures, outstanding encumbrances and unexpended and unencumbered balances. Monthly revenue reports are provided to the City Council and City Manager.

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

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

The City's largest revenue source is a 1.65 percent income tax. City council can allocate the one percent however they wish, but the .65 percent is allocated by City ordinance, as directed by the voters through specific ballot language. At 1.65 percent the City's income tax on a cash basis generated \$3,208,973 in 2018, which was the highest tax collection on record and represents \$194,483,212 in taxable wages and profits. The income tax collections were allocated as follows: General Fund: 74.79 percent or \$2,400,008 which is used to fund the fire, police, municipal court and administrative offices; Street Department: 17.80 percent or \$571,198 which is used to fund a wide variety of public works' projects, including paving, road maintenance, and storm water management; Reserve Fund: 3.94 percent or \$126,414, which is used for financial support for various programs as determined by city council; Capital Improvement: 1.58 percent or \$50,703, which is used for infrastructure repairs and the acquisition of capital assets; Street Lighting: 1.02 percent or \$32,732, which is used to pay for street lighting along state routes, the downtown district, and traffic lights throughout the city; and Recreation: .87 percent or \$27,918, which is used to maintain the City's seven parks, playgrounds, and other recreational activities. The one percent allocation of the income tax is reviewed by City council on an as needed basis.

Within the City's inside ten mill limitation, the City levies 3.63 mills. The general fund allocation on a cash basis was 2.00 mills or \$322,904, the police pension fund allocation was .90 mills or \$145,259 and the fire pension fund allocation was .73 mills or \$117,822. With regard to outside millage, a permanent 3 mill police levy generated \$521,689, a five-year 2.75 mill street improvement levy generated \$478,221, a permanent 2 mill police levy generated \$307,491, and a five-year 1.5 mill fire levy generated 260,848. Total millage levied by the City in 2018 was 12.88, generating total revenue of \$2,154,234. Inside and debt millage allocations are reviewed by the Finance Department and City Council before the annual tax budget is prepared.

Major Initiatives

For the Year - In 2018, the City of Conneaut completed several major capital projects and embarked on a variety of new capital improvement and infrastructure projects, with the assistance of grants and zero interest loans. Infrastructure repair and replacement is a high priority for the City. Some of the planned and completed projects are:

Chestnut Street Storm Sewer: Replacement of a collapsing storm sewer on Chestnut Street, between Jackson Street and the Norfolk and Southern Railroad tracks, has been a top infrastructure priority. This project replaced a 24 inch VCP storm sewer line, as well as manholes and inlet basins. As construction commenced, deteriorating sewer and water lines were discovered and had to be replaced. Due to the damage to the existing roadway, the entire road had to be resurfaced as well. The entire project cost \$468,936, of which \$70,000 was from a critical infrastructure grant, \$202,049 from OPWC grant and loan funding, \$100,000 from a State Infrastructure Bank Loan and the balance of \$96,887 was paid City funds, primarily water and sewer.

Parrish-Chamberlain Roadwork Development : In early 2019, construction commenced on the Parrish-Chamberlain roadwork project. A proposed expansion by one of the City's largest employers, General Aluminum, will generate significant new semi-truck traffic on an already sub-standard road. Major deficiencies include adequate turn radius for semi-trucks at the Parrish Road and Route 20 as well as Chamberlain and

Parrish. Chamberlain Road is of an insufficient width and configuration for truck docks and approaches. The pedestrian crossing which serves tow-motor and employee traffic between General Aluminum campus facilities is totally inadequate and major safety concern where it crosses Chamberlain. Remaining portions of concrete industrial road were installed in the 1950s and have met service life. The additional traffic resulting from this expansion will make an already compromised road less safe for vehicle traffic. On-time delivery is a major component of automotive industry contracts, having adequate infrastructure to serve General Aluminum will allow them to fulfill their contracts.

The proposed roadwork involves reconstruction of portions of two existing roads, Parrish Road and Chamberlain Boulevard and the addition of a right turn lane on Parrish Road at the US Rt. 20 intersection. The proposed roadwork also includes construction of sidewalks on the west side of Parrish Road from US Rt. 20, extending approximately 600-feet north to connect to an existing sidewalk. The project also includes crosswalks at the intersection of Parrish Road and US Rt. 20, and a pedestrian/commercial crosswalk on Chamberlain Boulevard. The pedestrian/commercial crosswalk on Chamberlain Boulevard connects two existing factories and includes technological upgrades to the pedestrian/commercial crosswalk on Chamberlain Boulevard, in order to improve safety. The cost of this proposed project is \$1,775,300, with \$800,000 in grant funding from Jobs Ohio 629, \$175,000 in grant funding from ODOT Jobs and \$800,300 in loan funding from the State Infrastructure Bank.

City Hall HVAC: The ventilation and air conditioning system for the City Hall had failed in late 2016. With the authorization from City Council, funding was obtained through a General Obligation Bond issued in the amount of \$220,000. The scope of the project replaced the main air conditioning system and chiller unit, as well as installing separate electric units in parts of old city hall and the court. This will greatly improve the cooling of the building, as well improve efficiency. This project was completed at the end of 2018.

U.S. Route 20 Waterline Project : Engineering for this project commenced in 2017. This project was the first phase to replace 1,450 feet of deteriorating transit water lines underneath Rt. 20, starting at the intersection with Gore Road. The project replaced the existing water main, valves, hydrants, and appurtenances. Pavement and sidewalk were replaced where necessary for waterline installation. Total cost of this project was \$360,000, with a \$130,000 grant from OPWC, a \$50,000, 0 percent loan from OPWC, and a local cash match of \$180,000. Phase II of this project will commence in the Spring of 2019 with a similar cost estimate.

Wastewater Treatment Plant Headworks Project: This project was completed at the end of 2018. This extensive improvement project replaced the entire grit removal system, sludge pumps, and chemical feed controls, all of which are original to the 1955 construction of the Conneaut Wastewater Treatment Plant. Although the WWTP capacity will remain 3 million gallons per day, the new system will be automated and much more efficient. The total cost of this project was \$2,634,829, which includes engineering. The project was funded by a \$349,999 OPWC grant, a \$150,000 OPWC 0 percent loan and the balance of \$2,134,830 was be funded by a 20-year, OWDA loan @ 1.55 percent.

Road Paving Improvements: This project consisted of pavement replacement and overlays for ten streets and roads, totaling 9,815 linear feet of roadway. An outside contractor was hired to perform the work, with a total cost of \$382,409. All of the paving and road maintenance has been paid for with tax dollars provided by the 2.75 mill street improvement levy.

Awards and Acknowledgements

The City received the Auditor of State Award (AOS) with Distinction, the highest award the AOS can give for the fiscal year ended December 31, 2017. This is the thirteenth consecutive year that the City of Conneaut received this prestigious award. To be eligible for the award, the following requirements must be met:

- 1) The entity must file timely financial reports with the Auditor of State's office in the form of a CAFR (Comprehensive Annual Financial Report) ;
- 2) The audit report does not contain any findings for recovery, material citations, material weaknesses, significant deficiencies, Single Audit findings or questioned costs;

- 3) The entity's management letter contains no comments related to:
- * Ethics referrals
 - * Questioned Costs less than \$10,000
 - * Lack of timely report submission
 - * Reconciliation
 - * Failure to obtain a timely Single Audit
 - * Findings for recovery less than \$100
 - * Public meetings or public records

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, 2017. This was the thirteenth consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR) that satisfied both generally accepted accounting principles and applicable legal requirements.

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

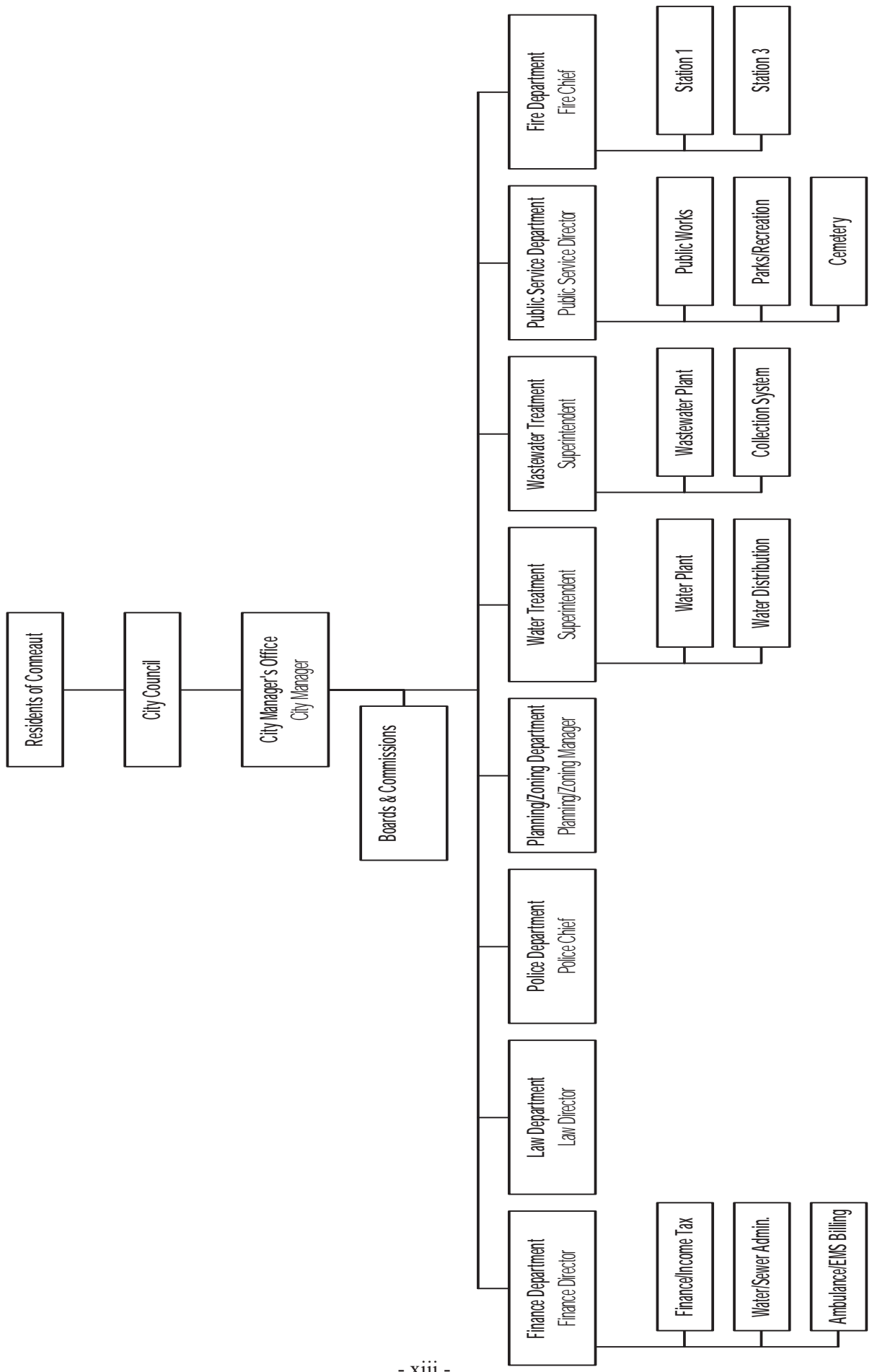
The successful preparation of the Comprehensive Annual Financial Report required the contribution and dedication of the Finance Department. Sincere appreciation is extended to City Council and City Manager Jim Hockaday for their commitment to sound financial reporting. Gratitude is also expressed to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

Respectfully submitted,



John Williams, J.D., CPA
Finance Director

CITY ORGANIZATIONAL CHART - ESTABLISHED BY CITY CHARTER



CITY OF CONNEAUT
ELECTED AND APPOINTED CITY OFFICIALS

CITY COUNCIL

Deborah Newcomb, President

Nicholas Perkoski, At Large

Angel McVoy, At Large

Stephen Gerics, Ward 1

Nicholas Sanford, Ward 2

Joseph Emery, Ward 3

Tom Kozesky, Ward 4

CITY MANAGER

Jim Hockaday

APPOINTED OFFICIALS

John Williams, Director of Finance

Kyle Smith, Director of Law

Michael Colby, Chief of Police

Steve Lee, Chief of Fire

Richard Neubauer, Water Superintendent

Brian Bidwell, Wastewater Superintendent

Joe Dibell, Public Service Director

Janet Brown, Planning Zoning Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Conneaut
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morill

Executive Director/CEO

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FINANCIAL SECTION



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

CERTIFIED PUBLIC ACCOUNTANTS

WWW.CANTERCPA.NET

INDEPENDENT AUDITOR'S REPORT

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

To the Members of City Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Conneaut (the City), Ashtabula County, Conneaut, Ohio as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Conneaut, Ashtabula County, Conneaut, Ohio, as of December 31, 2018, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General and Street Construction Maintenance and Repair funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 3 to the financial statements, in 2018, the City adopted new accounting guidance, *GASBS No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors.

In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2019, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



CANTER & ASSOCIATES

Poland, Ohio
June 28, 2019

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City of Conneaut, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
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, 2018. 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 2018 are as follows:

- In governmental activities, total revenues decreased by \$215,179 or 2.64 percent, primarily due to a decrease in property and income taxes.
- Total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources for 2018 in governmental activities by \$14,884,961, of which (\$10,617,413) was unrestricted. The net position decreased by \$1,620,638 from 2017.
- On a GAAP basis, the City's general fund had a balance of \$1,090,886, which is a decrease of \$404,726 from the prior year. The unassigned fund balance was \$418,490 or 38.36 percent of the total, which is a decrease of \$371,813 from the prior year.
- In governmental activities, long term liabilities of \$15,244,597 decreased by \$387,746 from the prior year, while in business-type activities long term liabilities decreased by \$752,595 for a total of \$10,079,594.

Using this Annual Financial Report

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

The Statement of Net Position and the Statement of Activities provide information from a summary perspective showing the effects of the operations for the year 2018 and how they affected the operations of the City as a whole.

Reporting the City of Conneaut as a Whole

Statement of Net Position and Statement of Activities

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

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

City of Conneaut, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

In the Statement of Net Position and the Statement of Activities, the City is divided into two major activities:

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

Reporting on the Most Significant Funds of the City of Conneaut

Fund Financial Statements

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

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

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

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

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

The City of Conneaut as a Whole

The Statement of Net Position provides an overall view of the City. Table 1 shows a summary of the City's net position for 2018 as compared to 2017.

City of Conneaut, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

(Table 1)
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Assets						
Current and Other Assets	\$6,692,425	\$7,084,249	\$4,117,465	\$4,212,969	\$10,809,890	\$11,297,218
Capital Assets, Net	25,325,984	25,809,641	23,101,203	22,302,385	48,427,187	48,112,026
<i>Total Assets</i>	<u>32,018,409</u>	<u>32,893,890</u>	<u>27,218,668</u>	<u>26,515,354</u>	<u>59,237,077</u>	<u>59,409,244</u>
Deferred Outflows of Resources						
Pension	1,218,311	2,054,169	498,201	965,005	1,597,652	2,829,587
OPEB	547,226	27,361	75,308	12,519	622,534	39,880
<i>Total Deferred Outflows of Resources</i>	<u>1,765,537</u>	<u>2,081,530</u>	<u>573,509</u>	<u>977,524</u>	<u>2,220,186</u>	<u>2,869,467</u>
Liabilities						
Current and Other Liabilities	579,069	433,447	592,100	239,877	1,171,169	673,324
Long-Term Liabilities:						
Due Within One Year	524,272	696,846	564,760	614,923	1,089,032	1,311,769
Due in More than One Year:						
Net Pension Liability	6,772,731	7,850,593	1,385,381	1,929,066	8,158,112	9,779,659
Net OPEB Liability	5,723,046	4,899,708	926,078	851,661	6,649,124	5,751,369
Other Amounts Due in More than One Year	2,224,548	2,185,196	7,203,375	7,436,539	9,427,923	9,621,735
<i>Total Liabilities</i>	<u>15,823,666</u>	<u>16,065,790</u>	<u>10,671,694</u>	<u>11,072,066</u>	<u>26,495,360</u>	<u>27,137,856</u>
Deferred Inflows of Resources						
Property Taxes	2,069,798	2,077,754	0	0	2,069,798	2,077,754
Pension	851,854	326,477	346,447	11,481	1,079,441	148,371
OPEB	153,867	0	68,987	0	222,854	0
<i>Total Deferred Inflows of Resources</i>	<u>3,075,519</u>	<u>2,404,231</u>	<u>415,434</u>	<u>11,481</u>	<u>3,372,093</u>	<u>2,226,125</u>
Net Position						
Net Investment in Capital Assets	23,893,913	24,342,868	15,419,190	14,549,006	39,313,103	38,891,874
Restricted:						
Capital Projects	266,923	167,262	0	0	266,923	167,262
Street Construction,						
Maintenance and Repair	377,934	413,941	0	0	377,934	413,941
Police and Fire Operations	733,662	736,057	0	0	733,662	736,057
Drug and Alcohol						
Enforcement	74,354	69,761	0	0	74,354	69,761
Cemetery Operations	64,073	52,271	0	0	64,073	52,271
Economic Development	19,712	10,436	0	0	19,712	10,436
Other Purposes	71,603	53,926	0	0	71,603	53,926
Unrestricted (Deficit)	(10,617,413)	(9,341,123)	1,285,859	1,860,325	(9,331,554)	(7,480,798)
<i>Total Net Position</i>	<u>\$14,884,761</u>	<u>\$16,505,399</u>	<u>\$16,705,049</u>	<u>\$16,409,331</u>	<u>\$31,589,810</u>	<u>\$32,914,730</u>

The net pension liability (NPL) is one of the largest liabilities reported by the City at December 31, 2018 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—An Amendment of GASB Statement 27." For 2018, the City adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed

City of Conneaut, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting the net pension asset and deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability (asset) and the net OPEB liability to equal the City's proportionate share of each plan's collective:

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

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

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

City of Conneaut, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

In accordance with GASB 68 and GASB 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability (asset) and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

As a result of implementing GASB 75, the City is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2017, from \$21,377,746 to \$16,505,399 for governmental activities and \$17,248,473 to \$16,409,331 for business-type activities.

Governmental activities saw a decrease in net position from \$16,505,399 in 2017 to \$14,884,761 in 2018 due to an increase in deferred inflows related to GASB 68. Business-type activities saw an increase in net position from \$16,409,331 in 2017 to \$16,705,049 in 2018. Assets in the business-type activities had an increase of \$703,314 when compared with 2017, primarily due to the completion of the sewer headworks project. Total liabilities of governmental and business-type activities saw decreases largely due to the continued pay-down on long-term obligations related to debt. Management works diligently to control costs. At the end of the current year, the City of Conneaut was able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

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

(Table 2)
Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues						
Program Revenues						
Charges for Services and Assessments	\$1,095,552	\$1,114,551	\$4,753,017	\$4,756,267	\$5,848,569	\$5,870,818
Operating Grants and Contributions	809,308	773,712	0	0	809,308	773,712
Capital Grants	31,340	20,293	305,252	451,417	336,592	471,710
Total Program Revenues	1,936,200	1,908,556	5,058,269	5,207,684	6,994,469	7,116,240
General Revenues						
Property Taxes	2,061,349	2,204,007	0	0	2,061,349	2,204,007
Municipal Income Taxes	3,030,796	3,211,379	0	0	3,030,796	3,211,379
Hotel Taxes	28,137	22,877	0	0	28,137	22,877
Grants and Entitlements not Restricted to Specific Programs	389,868	418,681	0	0	389,868	418,681
Franchise Taxes	168,471	145,056	0	0	168,471	145,056
Unrestricted Contributions	6,639	24,650	0	0	6,639	24,650
Investment Earnings	95,672	49,920	0	0	95,672	49,920
Gain on Sale of Capital Assets	0	0	0	120,470	0	120,470
Miscellaneous	215,070	162,255	53,686	48,574	268,756	210,829
Total General Revenues	5,996,002	6,238,825	53,686	169,044	6,049,688	6,407,869
Total Revenues	\$7,932,202	\$8,147,381	\$5,111,955	\$5,376,728	\$13,044,157	\$13,524,109

(continued)

City of Conneaut, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

(Table 2)
Change in Net Position (continued)

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Program Expenses						
General Government	\$1,735,723	\$1,623,407	\$0	\$0	(\$1,735,723)	(\$1,623,407)
Security of Persons and Property	4,772,997	4,219,555	0	0	(4,772,997)	(4,219,555)
Public Health Services	232,483	218,089	0	0	(232,483)	(218,089)
Leisure Time Activities	130,195	145,635	0	0	(130,195)	(145,635)
Community Development	181,611	261,048	0	0	(181,611)	(261,048)
Basic Utility Services	204,919	200,724	0	0	(204,919)	(200,724)
Transportation	2,247,526	2,680,196	0	0	(2,247,526)	(2,680,196)
Interest and Fiscal Charges	56,681	70,393	0	0	(56,681)	(70,393)
Water	0	0	2,368,947	2,564,360	(2,368,947)	(2,564,360)
Sewer	0	0	2,437,995	2,458,780	(2,437,995)	(2,458,780)
<i>Total Program Expenses</i>	<u>9,562,135</u>	<u>9,419,047</u>	<u>4,806,942</u>	<u>5,023,140</u>	<u>(14,369,077)</u>	<u>(14,442,187)</u>
<i>Increase (Decrease) in Net Position</i>	<u>(1,629,933)</u>	<u>(1,271,666)</u>	<u>305,013</u>	<u>353,588</u>	<u>(1,324,920)</u>	<u>(918,078)</u>
Transfers	9,295	(2,500)	(9,295)	2,500	0	0
<i>Change in Net Position</i>	<u>(1,620,638)</u>	<u>(1,274,166)</u>	<u>295,718</u>	<u>356,088</u>	<u>(1,324,920)</u>	<u>(918,078)</u>
<i>Net Position Beginning of Year</i>	<u>16,505,399</u>	<u>N/A</u>	<u>16,409,331</u>	<u>N/A</u>	<u>32,914,730</u>	<u>N/A</u>
<i>Net Position End of Year</i>	<u>\$14,884,761</u>	<u>\$16,505,399</u>	<u>\$16,705,049</u>	<u>\$16,409,331</u>	<u>\$31,589,810</u>	<u>(\$918,078)</u>

The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expenses still include OPEB expense of \$39,880 computed under GASB 45. GASB 45 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report negative OPEB expense of \$548,374. Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

	Governmental Activities	Business-Type Activities	Total
Total 2018 program expenses under GASB 75	\$9,562,135	\$4,806,942	\$14,369,077
Negative OPEB expense under GASB 75	(467,161)	(81,213)	(548,374)
2018 contractually required contribution	9,821	598	10,419
Adjusted 2018 program expenses	9,104,795	4,726,327	13,831,122
Total 2017 program expenses under GASB 45	9,419,047	5,023,140	14,442,187
Decrease in program expenses not related to OPEB	<u>(\$314,252)</u>	<u>(\$296,813)</u>	<u>(\$611,065)</u>

Governmental Activities

The City's net position in governmental activities decreased by \$1,620,638 for a net position total of \$14,884,761 in 2018. Total revenues increased by \$215,179 or 2.64 percent, with expenses increasing \$143,088 or 1.52 percent. Funding for governmental activities is derived from many sources, the largest of

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which is the City's municipal income tax, representing more than half of the general fund revenue budget. The City's income tax rate is 1.65 percent. Total income tax collections were \$3,030,796 for 2018, a decrease of \$180,583 from 2017. The revenue collected from the 1.65 percent income tax was recorded into the general fund, street construction maintenance and repair, capital improvement, street lighting and recreation funds. The next largest revenue source of the City is property taxes. Property tax collections saw a decrease of \$142,658 from 2017 collections.

The largest program function for the City is security of persons and property, which includes expenses of the police and fire departments. In 2018, the City spent \$4,772,997 on police and fire protection. The police department employs eighteen officers and four full-time dispatchers. The fire department has ten full-time positions and one permanent part-time position. There are two fire stations within the City, one staffed by the full-time and permanent part-time firefighters, while the other station is staffed by part-time or volunteer personnel. The City also operates its own ambulance service with full-time employees. During 2018, there was an increase in expenses of \$553,442 for the police and fire departments or a 13.12 percent increase from 2017. The increase was attributable to an increase in wages and vehicle purchases.

The City's Public Works Department (transportation) has 12 employees, including one mechanic, ten equipment operators, and one full-time administrative assistant. In 2018, they spent \$2,247,526 in transportation activities. The public works department is responsible for maintaining 565 lane miles of roads, including the paving of local streets, snow plowing, storm sewer and ditch maintenance, tree trimming/removal, park and cemetery maintenance, litter pick up, and various other duties.

Business-Type Activities

The City operates two business-type activities: the water and sewer treatment facilities. Net position increased in business-type activities by \$295,718 to \$16,705,049. Total revenues decreased by \$264,773 or 4.92 percent, and total program expenses decreased by \$216,198 or 4.30 percent. The major revenue sources for these activities are charges for services. There was a decrease in capital contributions with few grant monies received for OPWC projects. The water plant provides water to approximately 4,900 customers. Approximately forty-one million gallons of water and seventy-three million gallons of wastewater are processed each month.

The City's Funds

A review of the City's governmental funds provides information on near-term flows and balances of expendable resources and serves as a useful measure of a government's net resources. In particular, unassigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the year. Information about the City's governmental funds begins on page 20. These funds are accounted for using the modified accrual method of accounting.

The City's major governmental funds are the general fund and the street construction, maintenance and repair special revenue fund. All governmental funds had total revenues of \$8,157,445 and total expenditures of \$8,779,746, resulting in expenditures exceeding revenues by \$622,301. Total revenues remained consistent with the prior year, while the total expenditures increased mainly in general government and security of persons and property. During 2018, there was an increase in general fund revenues as interest on investments increased as well as fines and forfeitures and franchise taxes. General fund expenditures also increased due to an increase in wages, capital improvements, and purchases of equipment and vehicles. Expenditures exceeded revenues in the street construction, maintenance and repair fund due to increased paving projects completed and equipment acquisitions made during the year. The City's funds are monitored consistently with adjustments made throughout the year in budgets to accommodate yearly revenues.

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

Business type funds had GAAP operating revenues of \$4,806,703 and operating expenses of \$4,645,497, generating an operating income of \$161,206. Overall, operating revenues remained consistent with slight increases in charges for water and sewer services, tap-in fees, special assessment collections and rentals. Operating expenses saw a decrease in contractual service costs. The City consistently reviews these funds, and if necessary, rate adjustments are made to ensure strength in our enterprise funds.

General Fund Budgeting Highlights

The general fund is the City's largest and most versatile operating fund. It funds the police and fire departments, and all of the administrative departments, as well as the municipal court, the health department, and general services. Furthermore, it assists other funds, primarily the street department, with cash transfers when necessary. Budgeting is prescribed by the Ohio Revised Code. The City's budgeted appropriations are restricted by the amounts of anticipated revenues certified by the Budget Commission in accordance with the Ohio Revised Code. General fund revenues and expenses are monitored on a monthly basis to ensure that overspending does not occur, and budget adjustments are proposed generally on a quarterly basis or more often if necessary. All changes in appropriation line items, no matter how small, must be authorized by City Council and by ordinance.

In 2018, the general fund's original revenue budget was at \$4,265,598 and the final revenue budget remained the same during 2018. Actual revenues were higher at \$4,381,729 or a \$116,131 positive variance. A large part of the difference was made from more than anticipated municipal income tax, interest, franchise taxes and other revenues. The general fund's original appropriation budget was \$5,021,446, and the final appropriation budget was \$5,072,722. Actual expenditures were substantially less than final budgeted appropriations with a positive variance of \$267,263. This difference is made from the City becoming more conservative in spending due to the current economic conditions that entities are facing State-wide. On a cash basis, the actual net change in fund balance decreased by \$365,484, for an ending fund balance of \$863,066.

Capital Assets and Debt Administration

Capital Assets

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

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$554,972	\$554,972	\$6,880	\$6,880	\$561,852	\$561,852
Construction in Progress	109,058	143,012	171,111	1,858,944	280,169	2,001,956
Buildings and Improvements	173,484	221,218	2,351,619	491,085	2,525,103	712,303
Equipment	1,403,677	1,225,936	3,169,206	2,578,934	4,572,883	3,804,870
Vehicles	704,880	800,033	744,132	808,009	1,449,012	1,608,042
Infrastructure						
Traffic Signals	176,493	183,379	0	0	176,493	183,379
Roads	9,371,807	10,005,326	0	0	9,371,807	10,005,326
Bridges	10,901,031	11,172,002	0	0	10,901,031	11,172,002
Storm Sewers	1,930,582	1,503,763	0	0	1,930,582	1,503,763
Water and Sewer Lines	0	0	16,658,255	16,558,533	16,658,255	16,558,533
Total	\$25,325,984	\$25,809,641	\$23,101,203	\$22,302,385	\$48,427,187	\$48,112,026

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Capital assets of governmental activities saw a decrease in 2018 due to annual depreciation exceeding additions for the year. Additions include completion of a new HVAC and security system at city hall, body cameras for police officers, two new vehicles for the police department, and various road improvements made throughout the City.

The largest increase in business-type capital assets was the completion of the sewer headworks project. Completion of this project included \$1,832,014 in buildings and improvements and \$802,815 in equipment. The route 20 waterline project was completed at a cost of \$419,579.

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

Long-term Obligations

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

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

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
General Obligation Bonds	\$970,875	\$1,225,744	\$656,518	\$807,947	\$1,627,393	\$2,033,691
OWDA Loans	89,638	144,035	6,169,922	6,366,372	6,259,560	6,510,407
Loans Payable	363,142	369,181	30,664	61,331	393,806	430,512
OPWC Loans	20,606	22,899	578,606	517,729	599,212	540,628
Notes Payable	60,000	90,000	0	0	60,000	90,000
Capital Leases	235,750	126,956	0	0	235,750	126,956
Compensated Absences	1,008,809	903,227	332,425	298,083	1,341,234	1,201,310
Net Pension Liability	6,772,731	7,850,593	1,385,381	1,929,066	8,158,112	9,779,659
Net OPEB Liability	5,723,046	4,899,708	926,078	851,661	6,649,124	5,751,369
Total	\$15,244,597	\$15,632,343	\$10,079,594	\$10,832,189	\$25,324,191	\$26,464,532

Total debt in governmental activities decreased by \$387,746, and business-type activities decreased by \$752,595. During 2018, the City issued a State Infrastructure Bank Loan for the Chestnut Street sewer project and entered into a lease agreement for a tractor and trailer. All of the debt service for these new issues are being paid with income and property tax revenues and sewer user fees. In total, there are sixteen OPWC and ten OWDA loans, the majority of which are being funded by special assessments and water and sewer user fees.

The five general obligation bonds outstanding at the end of the year were the Energy Conservation Improvement, Vehicle Acquisition, 2014 and 2017 Various Improvements and Fire Truck bonds. The Energy Conservation Bond will be paid in full in 2022. The Energy Conservation Bond is paid from various funds. The Fire Truck will be paid from the general fund.

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

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

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Current Financial Issues

In 2018, the general fund ended the year with a fund balance of \$1,090,886 on a GAAP basis and of this amount, \$418,490 was unassigned. Overall, this represents a decrease in the general fund balance of \$404,726 or a 27.06 percent decrease from 2017. This decrease was due in part to an increase in capital expenditures, equipment, and vehicles, while revenues remained relatively flat. Efforts by the City Administration and City Council to implement numerous cost savings measures, including staff reductions, changes to health care benefits, and restructuring of departments have had a more positive impact on the general fund budget. There continues to be a concerted effort by the City Manager and staff to curtail spending wherever possible without compromising City services. Since 2008, fund balances have been improving, but in order to add to, or at least maintain, the fund balance, the City must remain diligent in exploring new ways to improve efficiency, cut costs and increase revenue, if possible.

In 2018, all four of the City's unions negotiated three-year contracts effective on January 1, 2019 and will expire on December 31, 2021. Each union agreed to receive a 2 percent annual increase. The estimated incremental annual cost from the prior base year, with benefits, will be \$102,318 in 2019, \$104,364 in 2020 and \$106,451 in 2021, for a total incremental cost of \$313,133 over a three year period. The total cumulative cost for this 3 year contract will be \$622,134. Of this three year cumulative total, \$204,742 will be paid from the General Fund, \$126,927 from safety levies, \$93,270 from the Street Fund, \$88,096 from the Sewer Fund, and \$107,144 from the Water Fund and \$1,955 from the Parks Fund. The City's ability to fund these and future increases, without layoffs, will depend upon the strength of our local economic tax base and our ability to contain other costs.

The Public Works Division includes the Street, Parks, and Cemetery departments. These three departments are the least well funded departments in the City. The Street Department is by far the largest component of the Public Works Division, with an overall budget of nearly \$2.2 million dollars. It is funded primarily by income tax, gas tax, auto permissive fees and vehicle license fees. It also includes a five-year, 2.75 mill road levy that is used for paving and maintaining 560 lane miles of road throughout the 27 square mile city. Despite having such a large revenue source, the division still barely breaks even on an annual basis. Staffing in the division has experienced a decline from 23 in the year 2000 to 13 today, which is almost a 50 percent reduction. This division is also very capital intensive and requires very large and expensive pieces of equipment to operate. About thirty pieces of heavy equipment and trucks are an integral part of the division, including tandem dump trucks that cost approximately \$200,000 per vehicle, trackhoes that cost about \$250,000 a piece, and backhoes that cost nearly \$100,000 a piece. These vehicles and equipment are used intensively and need to be replaced every 5-10 years. Furthermore, aging storm sewers throughout the City are another large outstanding infrastructure liability for the Street Department, as well as the city's share of paving Routes 20, 531, and 7. Although the City continues to struggle to adequately fund the Public Works Division, the State legislature passed House Bill 62, which increased the gas tax. This will generate an additional \$248,000 annually for the City, and the additional revenue will begin in the summer of 2019.

Funding the City's health insurance plan continues to be a financial challenge, as the rate at which medical coverage continues to grow faster than both the rate of inflation and the City's revenue growth. Although there was no health insurance increase in 2018 due to a two year rate guarantee, the City's health insurance rates will increase by 9.9 percent in 2019, with a zero percent increase in 2020. However, cost variability may occur when existing employees move from a single plan to the much more expensive family plan. A single health care plan costs \$8,992 annually versus a family health care plan which costs \$27,981 annually, thus the family plan costs \$18,989 more than the single plan on an annual basis. The total cost of the City's health insurance plan for the seventy full-time employees who utilize the health insurance plan is approximately \$1,558,150 per year. About twelve of the City's full-time employees who are eligible for health insurance choose to take the health insurance stipend or buyout of \$400 per month, costing about \$57,600 annually. All four of the City's

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unions have agreed that each of their members will pay 10 percent of the health insurance premium to help offset the increased cost to the City. Health care contributions by employees total approximately \$155,000 annually.

One of the most critical financial issues for the City remains the reduction of the local government funds provided by the State of Ohio. These funds have accounted for 15 percent of the City's general fund revenues, generating between \$600,000- \$760,000 annually in years 2000 through 2011. As a result, the City experienced a decrease in local government revenue of \$377,590 annually from years 2008 to 2017. After all of the reductions were implemented, the City's local government revenue was reduced from a high of \$760,973 in 2001 to \$328,273 in 2017, resulting in an annual reduction of \$432,700 from the peak collection year. This figure does not factor in any inflation. The City collected \$0.00 in inheritance taxes in 2017 due to the State of Ohio eliminating this revenue source as well. This has reduced general fund revenue by approximately \$100,000 - \$150,000 annually from its average collections. Taken together, these reductions in local government funds and inheritance tax have reduced general fund revenue by approximately twelve percent or about \$520,000 per year in comparison with peak collection years. As a result, the City has had to ask the taxpayers of Conneaut to approve an additional 3 mill police levy, a 1.5 mill fire levy, and a 2.75 mill street improvement levy to help offset the cuts in State revenue sharing. Furthermore, the City is evaluating replacing the 1.5 mill fire levy with a 3 mill permanent levy to help defray some of the fire department's operating and capital costs.

Income tax is the largest revenue source in the general fund and is a critical funding source for many departments, including the City's safety forces. Delinquent income tax accounts represent a very large source of potential revenue that needs to be collected in order to adequately fund critical operations. Although the City continues to be very aggressive in pursuing delinquent income taxpayers, there is a substantial amount of delinquent income tax due to the City for various tax years. The income tax department utilizes a variety of methods to collect delinquent income taxes, including in house collection, the City's municipal court and the Attorney General's Office. In 2018, the City was able to collect \$37,633 in delinquent income tax.

Contacting the City's Finance Department

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

Basic Financial Statements

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City of Conneaut, Ohio
Statement of Net Position
December 31, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total*	Conneaut Port Authority
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,432,048	\$3,182,774	\$5,614,822	\$93,153
Cash and Cash Equivalents				
With Escrow Agents	179,799	0	179,799	0
Accounts Receivable	249,469	633,850	883,319	0
Internal Balances	(72,907)	72,907	0	0
Intergovernmental Receivable	578,832	0	578,832	0
Prepaid Items	0	0	0	10,498
Materials and Supplies Inventory	86,669	200,503	287,172	4,027
Property Taxes Receivable	2,273,167	0	2,273,167	0
Municipal Income Taxes Receivable	589,125	0	589,125	0
Special Assessments Receivable	273,095	18,680	291,775	0
Loans Receivable from Component Unit	90,000	0	90,000	0
Net Pension Asset	13,128	8,751	21,879	0
Nondepreciable Capital Assets	664,030	177,991	842,021	180,901
Depreciable Capital Assets, Net	24,661,954	22,923,212	47,585,166	1,129,328
<i>Total Assets</i>	<u>32,018,409</u>	<u>27,218,668</u>	<u>59,237,077</u>	<u>1,417,907</u>
Deferred Outflows of Resources				
Pension	1,218,311	498,201	1,597,652	78,234
OPEB	547,226	75,308	622,534	8,950
<i>Total Deferred Outflows of Resources</i>	<u>1,765,537</u>	<u>573,509</u>	<u>2,220,186</u>	<u>87,184</u>
Liabilities				
Accounts Payable	69,836	72,314	142,150	17,882
Contracts Payable	206,382	389,639	596,021	0
Accrued Wages	97,401	40,441	137,842	3,625
Intergovernmental Payable	75,637	23,185	98,822	0
Accrued Interest Payable	9,813	66,521	76,334	363
Notes Payable	120,000	0	120,000	0
Due to Primary Government	0	0	0	90,000
Unearned Revenue	0	0	0	118,525
Deposits on Future Revenue	0	0	0	4,005
Long-Term Liabilities:				
Due Within One Year	524,272	564,760	1,089,032	0
Due In More Than One Year:				
Net Pension Liability (See Note 19)	6,772,731	1,385,381	8,158,112	223,935
Net OPEB Liability (See Note 20)	5,723,046	926,078	6,649,124	121,624
Other Amounts Due In More Than One Year	2,224,548	7,203,375	9,427,923	0
<i>Total Liabilities</i>	<u>15,823,666</u>	<u>10,671,694</u>	<u>26,495,360</u>	<u>579,959</u>
Deferred Inflows of Resources				
Property Taxes	2,069,798	0	2,069,798	0
Pension	851,854	346,447	1,079,441	53,848
OPEB	153,867	68,987	222,854	12,692
<i>Total Deferred Inflows of Resources</i>	<u>3,075,519</u>	<u>415,434</u>	<u>3,372,093</u>	<u>66,540</u>
Net Position				
Net Investment in Capital Assets	23,893,913	15,419,190	39,313,103	1,220,229
Restricted for:				
Capital Projects	266,923	0	266,923	0
Street Construction, Maintenance and Repair	377,934	0	377,934	0
Police and Fire Operations	733,662	0	733,662	0
Drug and Alcohol Enforcement	74,354	0	74,354	0
Cemetery Operations	64,073	0	64,073	0
Economic Development	19,712	0	19,712	0
Other Purposes	71,603	0	71,603	0
Unrestricted (Deficit)	(10,617,413)	1,285,859	(9,331,554)	(361,637)
<i>Total Net Position</i>	<u>\$14,884,761</u>	<u>\$16,705,049</u>	<u>\$31,589,810</u>	<u>\$858,592</u>

* After deferred outflows of resources and deferred inflows of resources related to the change in internal proportionate share of pension-related items have been eliminated.

See accompanying notes to the basic financial statements

City of Conneaut, Ohio
Statement of Activities
For the Year Ended December 31, 2018

	Program Revenues			
	Expenses	Charges for Services and Assessments	Operating Grants and Contributions	Capital Grants
Governmental Activities:				
General Government	\$1,735,723	\$336,197	\$0	\$0
Security of Persons and Property	4,772,997	427,336	121,002	0
Public Health Services	232,483	37,927	3,775	0
Leisure Time Activities	130,195	16,189	29,670	6,719
Community Development	181,611	74,660	47,273	0
Basic Utility Services	204,919	161,149	0	0
Transportation	2,247,526	42,094	607,588	24,621
Interest and Fiscal Charges	56,681	0	0	0
<i>Total Governmental Activities</i>	<u>9,562,135</u>	<u>1,095,552</u>	<u>809,308</u>	<u>31,340</u>
Business-Type Activities:				
Water	2,368,947	2,353,501	0	111,853
Sewer	2,437,995	2,399,516	0	193,399
<i>Total Business-Type Activities</i>	<u>4,806,942</u>	<u>4,753,017</u>	<u>0</u>	<u>305,252</u>
<i>Total - Primary Government</i>	<u>\$14,369,077</u>	<u>\$5,848,569</u>	<u>\$809,308</u>	<u>\$336,592</u>
Component Unit				
Conneaut Port Authority	<u>\$535,992</u>	<u>\$483,161</u>	<u>\$20,500</u>	<u>\$0</u>

General Revenues

Property Taxes Levied for:

- General Purposes
- Capital Projects
- Other Purposes

Municipal Income Taxes Levied for:

- General Purposes
- Capital Outlay
- Street Construction, Maintenance and Repair
- Other Purposes

Hotel Taxes

Grants and Entitlements not Restricted to Specific Programs

Franchise Taxes

Unrestricted Contributions

Investment Earnings

Miscellaneous

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

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

Net Position End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Unit
(\$1,399,526)	\$0	(\$1,399,526)	\$0
(4,224,659)	0	(4,224,659)	0
(190,781)	0	(190,781)	0
(77,617)	0	(77,617)	0
(59,678)	0	(59,678)	0
(43,770)	0	(43,770)	0
(1,573,223)	0	(1,573,223)	0
(56,681)	0	(56,681)	0
(7,625,935)	0	(7,625,935)	0
0	96,407	96,407	0
0	154,920	154,920	0
0	251,327	251,327	0
(7,625,935)	251,327	(7,374,608)	0
0	0	0	(32,331)
309,057	0	309,057	0
457,588	0	457,588	0
1,294,704	0	1,294,704	0
2,386,131	0	2,386,131	0
47,895	0	47,895	0
539,489	0	539,489	0
57,281	0	57,281	0
28,137	0	28,137	0
389,868	0	389,868	0
168,471	0	168,471	0
6,639	0	6,639	0
95,672	0	95,672	0
215,070	53,686	268,756	614
5,996,002	53,686	6,049,688	614
9,295	(9,295)	0	0
6,005,297	44,391	6,049,688	614
(1,620,638)	295,718	(1,324,920)	(31,717)
16,505,399	16,409,331	32,914,730	890,309
\$14,884,761	\$16,705,049	\$31,589,810	\$858,592

City of Conneaut, Ohio

Balance Sheet

Governmental Funds

December 31, 2018

	General	Street Construction, Maintenance and Repair	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$925,157	\$23,247	\$1,470,155	\$2,418,559
Cash and Cash Equivalents				
With Escrow Agents	0	179,799	0	179,799
Materials and Supplies Inventory	21,387	65,282	0	86,669
Accounts Receivable	242,984	0	6,485	249,469
Intergovernmental Receivable	188,969	207,679	182,184	578,832
Municipal Income Taxes Receivable	463,859	104,843	20,423	589,125
Property Taxes Receivable	338,628	0	1,934,539	2,273,167
Loans Receivable from Component Unit	0	0	90,000	90,000
Interfund Receivable	24,919	0	0	24,919
Special Assessments Receivable	8,295	115,373	149,427	273,095
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	13,489	0	0	13,489
<i>Total Assets</i>	<u>\$2,227,687</u>	<u>\$696,223</u>	<u>\$3,853,213</u>	<u>\$6,777,123</u>
Liabilities				
Accounts Payable	\$18,251	\$2,106	\$49,479	\$69,836
Contracts Payable	7,924	89,926	108,532	206,382
Accrued Wages	77,262	12,157	7,982	97,401
Intergovernmental Payable	24,994	8,753	41,890	75,637
Interfund Payable	0	0	97,826	97,826
Accrued Interest Payable	493	0	370	863
Notes Payable	30,000	0	90,000	120,000
<i>Total Liabilities</i>	<u>158,924</u>	<u>112,942</u>	<u>396,079</u>	<u>667,945</u>
Deferred Inflows of Resources				
Property Taxes	308,162	0	1,761,636	2,069,798
Unavailable Revenue	669,715	316,520	492,101	1,478,336
<i>Total Deferred Inflows of Resources</i>	<u>977,877</u>	<u>316,520</u>	<u>2,253,737</u>	<u>3,548,134</u>
Fund Balances				
Nonspendable	34,876	65,282	0	100,158
Restricted	0	201,479	1,178,133	1,379,612
Committed	0	0	170,366	170,366
Assigned	637,520	0	0	637,520
Unassigned (Deficit)	418,490	0	(145,102)	273,388
<i>Total Fund Balances</i>	<u>1,090,886</u>	<u>266,761</u>	<u>1,203,397</u>	<u>2,561,044</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$2,227,687</u>	<u>\$696,223</u>	<u>\$3,853,213</u>	<u>\$6,777,123</u>

See accompanying notes to the basic financial statements

City of Conneaut, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 December 31, 2018*

Total Governmental Funds Balances		\$2,561,044
 <i>Amounts reported for governmental activities in the statement of net position are different because</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		25,325,984
Other long-term assets are not available to pay for current period expenditures and therefore are reported as unavailable in the funds:		
Delinquent Property Taxes	203,369	
Municipal Income Taxes	343,841	
Intergovernmental	426,748	
Special Assessments	273,095	
Charges for Services	182,314	
Franchise Tax	48,969	
Total		1,478,336
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(8,950)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(970,875)	
OWDA Loans Payable	(89,638)	
Loans Payable	(363,142)	
OPWC Loans Payable	(20,606)	
Long-term Notes Payable	(60,000)	
Capital Leases Payable	(235,750)	
Compensated Absences	(1,008,809)	
Total		(2,748,820)
The net pension asset, net pension liability and net OPEB liability are not due and payable in the current period; therefore, the asset, liability and related deferred inflows/outflows are not reported in the governmental funds:		
Net Pension Asset	13,128	
Deferred Outflows - Pension	1,218,311	
Deferred Inflows - Pension	(851,854)	
Net Pension Liability	(6,772,731)	
Deferred Outflows - OPEB	547,226	
Deferred Inflows - OPEB	(153,867)	
Net OPEB Liability	(5,723,046)	
Total		(11,722,833)
<i>Net Position of Governmental Activities</i>		\$14,884,761

See accompanying notes to the basic financial statements

City of Conneaut, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2018

	General	Street Construction, Maintenance and Repair	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$322,904	\$0	\$1,831,330	\$2,154,234
Municipal Income Taxes	2,463,667	557,014	108,589	3,129,270
Hotel Taxes	28,137	0	0	28,137
Special Assessments	0	954	45,381	46,335
Intergovernmental	399,408	436,610	357,111	1,193,129
Fees, Licenses and Permits	110,142	34,480	204,928	349,550
Fines and Forfeitures	219,896	0	147,612	367,508
Rentals	23,108	0	7,500	30,608
Charges for Services	328,841	0	15,300	344,141
Contributions and Donations	6,639	0	26,782	33,421
Interest	95,525	7	140	95,672
Franchise Taxes	170,370	0	0	170,370
Other	149,514	56,034	9,522	215,070
<i>Total Revenues</i>	<u>4,318,151</u>	<u>1,085,099</u>	<u>2,754,195</u>	<u>8,157,445</u>
Expenditures				
Current:				
General Government	1,542,031	0	1,595	1,543,626
Security of Persons and Property	2,515,669	0	1,417,308	3,932,977
Public Health Services	218,143	0	0	218,143
Leisure Time Activities	45,860	0	54,341	100,201
Community Development	107,626	0	61,067	168,693
Basic Utility Services	0	0	204,919	204,919
Transportation	0	1,114,463	167,190	1,281,653
Capital Outlay	0	89,744	636,879	726,623
Debt Service:				
Principal Retirement	170,204	91,806	251,342	513,352
Interest and Fiscal Charges	36,422	9,769	13,368	59,559
Principal Retirement - Current Refunding	30,000	0	0	30,000
<i>Total Expenditures</i>	<u>4,665,955</u>	<u>1,305,782</u>	<u>2,808,009</u>	<u>8,779,746</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(347,804)</u>	<u>(220,683)</u>	<u>(53,814)</u>	<u>(622,301)</u>
Other Financing Sources (Uses)				
General Obligation Notes Issued	60,000	0	0	60,000
Current Refunding	(60,000)	0	0	(60,000)
Capital Lease Issued	0	204,548	0	204,548
State Infrastructure Bank Loan Issued	0	100,000	0	100,000
Transfers In	0	0	56,922	56,922
Transfers Out	(56,922)	(2,500)	0	(59,422)
<i>Total Other Financing Sources (Uses)</i>	<u>(56,922)</u>	<u>302,048</u>	<u>56,922</u>	<u>302,048</u>
<i>Net Change in Fund Balances</i>	<u>(404,726)</u>	<u>81,365</u>	<u>3,108</u>	<u>(320,253)</u>
<i>Fund Balances Beginning of Year</i>	<u>1,495,612</u>	<u>185,396</u>	<u>1,200,289</u>	<u>2,881,297</u>
<i>Fund Balance End of Year</i>	<u>\$1,090,886</u>	<u>\$266,761</u>	<u>\$1,203,397</u>	<u>\$2,561,044</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, 2018*

Net Change in Fund Balances - Total Governmental Funds (\$320,253)

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

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

Capital Asset Additions	1,332,361	
Current Year Depreciation	<u>(1,816,018)</u>	
Total		(483,657)

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

Delinquent Property Taxes	(92,885)	
Municipal Income Taxes	(98,474)	
Intergovernmental	10,605	
Special Assessments	(47,610)	
Franchise Taxes	(1,899)	
Charges for Services	<u>5,020</u>	
Total		(225,243)

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

General Obligation Bonds Payable	254,869	
OWDA Loans Payable	54,397	
Loans Payable	106,039	
OPWC Loans Payable	2,293	
Notes Payable	90,000	
Capital Leases Payable	<u>95,754</u>	
Total		603,352

Accrued interest is reported as an expenditure when due in the governmental funds, but is accrued on outstanding debt on the statement of net position. 2,878

Compensated absences reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (105,582)

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

State Infrastructure Bank Loan Issued	(100,000)	
General Obligation Notes Issued	(60,000)	
Capital Lease Issued	<u>(204,548)</u>	
Total		(364,548)

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

Pension	632,589	
OPEB	<u>9,821</u>	
Total		642,410

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

Pension	(902,834)	
OPEB	<u>(467,161)</u>	
Total		<u>(1,369,995)</u>

Change in Net Position of Governmental Activities (\$1,620,638)

See accompanying notes to the basic financial statements

City of Conneaut, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$325,800	\$325,800	\$322,904	(\$2,896)
Municipal Income Taxes	2,429,402	2,429,402	2,526,422	97,020
Hotel Taxes	24,000	24,000	28,137	4,137
Intergovernmental	403,159	403,159	399,894	(3,265)
Fees, Licenses and Permits	114,850	114,850	110,142	(4,708)
Fines and Forfeitures	222,150	222,150	220,233	(1,917)
Rentals	44,137	44,137	23,108	(21,029)
Charges for Services	423,000	423,000	328,841	(94,159)
Contributions and Donations	17,600	17,600	6,639	(10,961)
Interest	30,000	30,000	95,525	65,525
Franchise Taxes	150,000	150,000	170,370	20,370
Other	81,500	81,500	149,514	68,014
<i>Total Revenues</i>	4,265,598	4,265,598	4,381,729	116,131
Expenditures				
Current:				
General Government	1,726,672	1,734,576	1,581,676	152,900
Security of Persons and Property	2,564,307	2,606,583	2,525,060	81,523
Public Health Services	225,535	230,535	214,883	15,652
Leisure Time Activities	62,475	57,796	50,165	7,631
Community Development	118,816	116,416	107,173	9,243
Debt Service:				
Principal Retirement	290,208	290,208	290,204	4
Interest and Fiscal Charges	33,433	36,608	36,298	310
<i>Total Expenditures</i>	5,021,446	5,072,722	4,805,459	267,263
<i>Excess of Revenues Under Expenditures</i>	(755,848)	(807,124)	(423,730)	383,394
Other Financing Sources (Uses)				
General Obligation Notes Issued	120,000	120,000	90,000	(30,000)
Capital Lease Issued	115,000	115,000	0	(115,000)
Advances In	50,087	50,087	25,168	(24,919)
Transfers Out	(222,000)	(222,000)	(56,922)	165,078
<i>Total Other Financing Sources (Uses)</i>	63,087	63,087	58,246	(4,841)
<i>Net Change in Fund Balance</i>	(692,761)	(744,037)	(365,484)	378,553
<i>Fund Balance Beginning of Year</i>	1,006,401	1,006,401	1,006,401	0
Prior Year Encumbrances Appropriated	222,149	222,149	222,149	0
<i>Fund Balances End of Year</i>	\$535,789	\$484,513	\$863,066	\$378,553

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$549,098	\$549,098	\$571,198	\$22,100
Special Assessments	7,000	7,000	954	(6,046)
Intergovernmental	426,000	426,000	437,219	11,219
Fees, Licenses and Permits	35,000	35,000	34,480	(520)
Interest	100	100	7	(93)
Other	35,000	35,000	56,034	21,034
<i>Total Revenues</i>	1,052,198	1,052,198	1,099,892	47,694
Expenditures				
Current:				
Transportation	2,466,382	2,685,929	1,151,286	1,534,643
Debt Service:				
Principal Retirement	93,655	94,312	94,306	6
Interest and Fiscal Charges	10,432	9,775	9,769	6
<i>Total Expenditures</i>	2,570,469	2,790,016	1,255,361	1,534,655
<i>Excess of Revenues Under Expenditures</i>	(1,518,271)	(1,737,818)	(155,469)	1,582,349
Other Financing Sources				
Capital Lease Issued	95,000	299,548	24,749	(274,799)
State Infrastructure Bank Loan Issued	1,244,750	1,244,750	100,000	(1,144,750)
Transfers In	145,000	145,000	0	(145,000)
<i>Total Other Financing Sources</i>	1,484,750	1,689,298	124,749	(1,564,549)
<i>Net Change in Fund Balance</i>	(33,521)	(48,520)	(30,720)	17,800
<i>Fund Balance Beginning of Year</i>	24,074	24,074	24,074	0
Prior Year Encumbrances Appropriated	29,342	29,342	29,342	0
<i>Fund Balance End of Year</i>	\$19,895	\$4,896	\$22,696	\$17,800

See accompanying notes to the basic financial statements

City of Conneaut, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2018

	Business-Type Activities		
	Water	Sewer	Total
Assets			
<i>Current Assets:</i>			
Equity in Pooled Cash and Cash Equivalents	\$808,117	\$2,374,657	\$3,182,774
Materials and Supplies Inventory	134,805	65,698	200,503
Receivables:			
Accounts	308,700	325,150	633,850
Special Assessments	1,255	419	1,674
Interfund Receivable	0	72,907	72,907
<i>Total Current Assets</i>	<u>1,252,877</u>	<u>2,838,831</u>	<u>4,091,708</u>
<i>Noncurrent Assets:</i>			
Special Assessment Receivable	10,627	6,379	17,006
Net Pension Asset	5,032	3,719	8,751
Capital Assets:			
Nondepreciable Capital Assets	20,879	157,112	177,991
Depreciable Capital Assets, Net	9,328,090	13,595,122	22,923,212
<i>Total Noncurrent Assets</i>	<u>9,364,628</u>	<u>13,762,332</u>	<u>23,126,960</u>
<i>Total Assets</i>	<u>10,617,505</u>	<u>16,601,163</u>	<u>27,218,668</u>
Deferred Outflows of Resources			
Pension	308,938	189,263	498,201
OPEB	43,302	32,006	75,308
<i>Total Deferred Outflows of Resources</i>	<u>352,240</u>	<u>221,269</u>	<u>573,509</u>
Liabilities			
<i>Current Liabilities:</i>			
Accounts Payable	20,223	52,091	72,314
Contracts Payable	155,935	233,704	389,639
Accrued Wages	21,367	19,074	40,441
Intergovernmental Payable	12,905	10,280	23,185
Compensated Absences Payable	36,172	27,868	64,040
Accrued Interest Payable	26,199	40,322	66,521
General Obligation Bonds Payable	4,090	75,855	79,945
OPWC Loans Payable	38,810	11,295	50,105
OWDA Loans Payable	91,742	248,264	340,006
Loans Payable	15,330	15,334	30,664
<i>Total Current Liabilities</i>	<u>422,773</u>	<u>734,087</u>	<u>1,156,860</u>
<i>Long-Term Liabilities (net of current portion):</i>			
Compensated Absences Payable	140,184	128,201	268,385
General Obligation Bonds Payable	12,677	563,896	576,573
OPWC Loans Payable	249,224	279,277	528,501
OWDA Loans Payable	1,538,296	4,291,620	5,829,916
Net Pension Liability	796,594	588,787	1,385,381
Net OPEB Liability	532,495	393,583	926,078
<i>Total Long-Term Liabilities</i>	<u>3,269,470</u>	<u>6,245,364</u>	<u>9,514,834</u>
<i>Total Liabilities</i>	<u>3,692,243</u>	<u>6,979,451</u>	<u>10,671,694</u>
Deferred Inflows of Resources			
Pension	189,186	157,261	346,447
OPEB	39,667	29,320	68,987
<i>Total Deferred Inflows of Resources</i>	<u>228,853</u>	<u>186,581</u>	<u>415,434</u>
Net Position			
Net Investment in Capital Assets	7,265,514	8,153,676	15,419,190
Unrestricted	(216,865)	1,502,724	1,285,859
<i>Total Net Position</i>	<u>\$7,048,649</u>	<u>\$9,656,400</u>	<u>\$16,705,049</u>

See accompanying notes to the basic financial statements

City of Conneaut, Ohio
*Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2018*

	Business-Type Activities		
	Water	Sewer	Total
Operating Revenues			
Charges for Services	\$2,346,158	\$2,395,601	\$4,741,759
Tap-In Fees	2,060	1,000	3,060
Special Assessments	833	2,915	3,748
Rentals	4,450	0	4,450
Other	26,268	27,418	53,686
<i>Total Operating Revenues</i>	<u>2,379,769</u>	<u>2,426,934</u>	<u>4,806,703</u>
Operating Expenses			
Personal Services	1,415,217	1,131,471	2,546,688
Purchased Services	360,016	538,929	898,945
Contractual Services	0	106,600	106,600
Materials and Supplies	117,351	106,111	223,462
Depreciation	414,264	451,327	865,591
Other	1,644	2,567	4,211
<i>Total Operating Expenses</i>	<u>2,308,492</u>	<u>2,337,005</u>	<u>4,645,497</u>
<i>Operating Income</i>	71,277	89,929	161,206
Non-Operating Expenses			
Interest and Fiscal Charges	<u>(60,455)</u>	<u>(112,785)</u>	<u>(173,240)</u>
<i>Income (Loss) before Capital Contributions and Transfers</i>	10,822	(22,856)	(12,034)
Capital Contributions	111,853	193,399	305,252
Transfers In	<u>0</u>	<u>2,500</u>	<u>2,500</u>
<i>Change in Net Position</i>	122,675	173,043	295,718
<i>Net Position Beginning of Year - Restated (See Note 3)</i>	<u>6,925,974</u>	<u>9,483,357</u>	<u>16,409,331</u>
<i>Net Position End of Year</i>	<u>\$7,048,649</u>	<u>\$9,656,400</u>	<u>\$16,705,049</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, 2018

	Business-Type Activities		
	Water	Sewer	Total
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities			
Cash Received from Customers	\$2,349,713	\$2,400,759	\$4,750,472
Cash Received from Tap-In Fees	2,060	1,000	3,060
Cash Received from Rentals	4,450	0	4,450
Other Cash Receipts	26,268	27,418	53,686
Cash Payments to Employees for Services	(1,205,940)	(970,227)	(2,176,167)
Cash Payments for Goods and Services	(505,674)	(612,897)	(1,118,571)
Other Cash Payments	(1,644)	(2,567)	(4,211)
<i>Net Cash Provided by Operating Activities</i>	<u>669,233</u>	<u>843,486</u>	<u>1,512,719</u>
Cash Flows from Noncapital Financing Activities			
Transfers In	<u>0</u>	<u>2,500</u>	<u>2,500</u>
Cash Flows from Capital and Related Financing Activities			
Capital Contributions	111,853	193,399	305,252
OWDA Loans Issued	0	189,072	189,072
OPWC Loans Issued	0	110,089	110,089
Principal Paid on OWDA Loans	(88,883)	(296,639)	(385,522)
Interest Paid on OWDA Loans	(58,201)	(93,494)	(151,695)
Principal Paid on OPWC Loans	(37,917)	(11,295)	(49,212)
Principal Paid on General Obligation Bond	(75,708)	(75,721)	(151,429)
Interest Paid on General Obligation Bond	(2,794)	(22,383)	(25,177)
Principal Paid on Loans	(15,334)	(15,333)	(30,667)
Interest Paid on Loans	(1,116)	(1,116)	(2,232)
Payments for Capital Acquisitions	(448,974)	(969,132)	(1,418,106)
<i>Net Cash Used in Capital and Related Financing Activities</i>	<u>(617,074)</u>	<u>(992,553)</u>	<u>(1,609,627)</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	52,159	(146,567)	(94,408)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>755,958</u>	<u>2,521,224</u>	<u>3,277,182</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$808,117</u>	<u>\$2,374,657</u>	<u>\$3,182,774</u>

(continued)

City of Conneaut, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2018

	Business-Type Activities		
	Water	Sewer	Total
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating Income	\$71,277	\$89,929	\$161,206
Adjustments:			
Depreciation	414,264	451,327	865,591
(Increase) Decrease in Assets and Deferred Outflows:			
Accounts Receivable	(710)	1,387	677
Special Assessments Receivable	3,432	856	4,288
Materials and Supplies Inventory	9,187	(4,305)	4,882
Net Pension Asset	(2,729)	(2,230)	(4,959)
Deferred Outflows - Pension	217,969	170,690	388,659
Deferred Outflows - OPEB	27,392	20,248	47,640
Increase (Decrease) in Liabilities and Deferred Inflows:			
Accounts Payable	352	34,757	35,109
Contracts Payable	(37,846)	108,291	70,445
Accrued Wages	959	2,819	3,778
Compensated Absences Payable	18,051	16,291	34,342
Intergovernmental Payable	777	1,675	2,452
Net Pension Liability	17,325	12,806	30,131
Net OPEB Liability	28,878	21,344	50,222
Deferred Inflows - Pension	(89,428)	(75,069)	(164,497)
Deferred Inflows - OPEB	(9,917)	(7,330)	(17,247)
<i>Total Adjustments</i>	<u>597,956</u>	<u>753,557</u>	<u>1,351,513</u>
<i>Net Cash Provided by Operating Activities</i>	<u>\$669,233</u>	<u>\$843,486</u>	<u>\$1,512,719</u>

Non-Cash Capital Transactions

In 2018, the water enterprise fund had contracts payable in the amount of \$133,286 related to capital acquisitions.

In 2018, the sewer enterprise fund had contracts payable in the amount of \$113,017 related to capital acquisitions.

In 2018, governmental activities transferred \$2,500 to the sewer fund to pay the Harbor Street Infrastructure OPWC loan.

See accompanying notes to the basic financial statements

City Of Conneaut, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Fund
December 31, 2018

Assets	
Equity in Pooled Cash and Cash Equivalents	\$54,003
Cash and Cash Equivalents in Segregated Accounts	<u>25,234</u>
<i>Total Assets</i>	<u><u>\$79,237</u></u>
 Liabilities	
Deposits Held and Due to Others	<u><u>\$79,237</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, 2018

Note 1 – Description of the City and Reporting Entity

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

Reporting Entity

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

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

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

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

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

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

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

Note 2 – Summary of Significant Accounting Policies

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

Basis of Presentation

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

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

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

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

Fund Accounting

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

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

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

The following are the City's major governmental funds:

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

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

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

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

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

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

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

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

Measurement Focus

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

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

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

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

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

Basis of Accounting

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

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

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

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

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 19 and 20.

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the City, deferred inflows of resources include property taxes, unavailable revenue, pension and OPEB. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2018, but which were levied to finance year 2019 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represent receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, municipal income taxes, special assessments, intergovernmental grants, franchise taxes and ambulance charges. These amounts are deferred and recognized as an inflow of resources in the period the amounts became available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities found on page 21. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position (See Notes 19 and 20).

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

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

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

Cash and Cash Equivalents

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

Cash and cash equivalents that are held separately by the City for payment of capital lease equipment is recorded as "cash and cash equivalents with escrow agents."

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 2018, the City invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, *Certain External Investment Pools and Pool Participants*. The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

For 2018, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four hours advance notice is appreciated for deposits and withdrawals of \$25 million or more. STAR Ohio reserves the right to limit the transactions to \$100 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Interest earnings are allocated to City funds according to State statutes, City Charter, grant requirements, or debt related restrictions. Interest revenue credited to the general fund during 2018 amounted to \$95,525 which includes \$80,027 assigned from other City funds.

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

Inventory

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

Restricted Assets

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

Capital Assets

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

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

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:

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

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

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

Compensated Absences

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

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

Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits. Bonds, capital leases and long-term loans are recognized as a liability on the governmental fund financial statements when due.

Fund Balance

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

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

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

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

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

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by City Council. In the general fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance, or by State Statute. State Statute authorizes the finance director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. City Council assigned fund balance to cover a gap between estimated revenue and appropriations in 2019's appropriated budget.

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

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

Net Position

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

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

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

Operating Revenues and Expenses

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

Contributions of Capital

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

Interfund Balances

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

Interfund Activity

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

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

Internal Eliminations

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

Estimates

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

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

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 – Change in Accounting Principle and Restatement of Net Position

For fiscal year 2018, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 85, *Omnibus 2017*, Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, and related guidance from (GASB) Implementation Guide No. 2017-3, *Accounting and Financial Reporting for Postemployment Benefits other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)*.

For 2018, the City also implemented the Governmental Accounting Standards Board's (GASB) *Implementation Guide No. 2017-1*. These changes were incorporated in the City's 2018 financial statements; however, there was no effect on beginning net position/fund balance.

GASB 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits (OPEB)). These changes were incorporated in the City's fiscal year 2018 financial statements; however, there was no effect on beginning net position/fund balance.

GASB 89 establishes accounting requirements for interest cost incurred before the end of a construction period. These changes were incorporated in the City's 2018 financial statements; however, there was no effect on beginning net position.

GASB 75 established standards for measuring and recognizing Postemployment benefit liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported December 31, 2017:

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

	Governmental Activities	Business - Type Activities
Net Position December 31, 2017	\$21,377,746	\$17,248,473
Adjustments:		
Net OPEB Liability	(4,899,708)	(851,661)
Deferred Outflow - Payments Subsequent to Measurement Date	27,361	12,519
Restated Net Position December 31, 2017	<u>\$16,505,399</u>	<u>\$16,409,331</u>

	Water	Sewer	Total Enterprise
Net Position December 31, 2017	\$7,408,481	\$9,839,992	\$17,248,473
Adjustments:			
Net OPEB Liability	(489,705)	(361,956)	(851,661)
Deferred Outflow - Payments Subsequent to Measurement Date	7,198	5,321	12,519
Restated Net Position December 31, 2017	<u>\$6,925,974</u>	<u>\$9,483,357</u>	<u>\$16,409,331</u>

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

Note 4 - Budgetary Basis of Accounting

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

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

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

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

6. Encumbrances are treated as expenditures (budget) rather than as restricted, committed or assigned fund balance (GAAP).

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

Net Change in Fund Balances		Street Construction, Maintenance and Repair
	General	
GAAP Basis	(\$404,726)	\$81,365
Net Adjustment for Revenue Accruals	63,198	14,793
Net Adjustment for Expenditures Accruals	22,946	53,472
Beginning Unrecorded Cash	3,510	0
Ending Unrecorded Cash	(3,130)	(179,799)
Advances In	25,168	0
Proceeds of Notes	30,000	0
Principal Retirement	(30,000)	0
Encumbrances	(72,450)	(551)
Budget Basis	<u>(\$365,484)</u>	<u>(\$30,720)</u>

Note 5 - Fund Balances

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

Fund Balances	General	Street Construction, Maintenance and Repair	Other Governmental Funds	Total
<i>Nonspendable</i>				
Unclaimed Monies	\$13,489	\$0	\$0	\$13,489
Inventory	21,387	65,282	0	86,669
<i>Total Nonspendable</i>	<u>\$34,876</u>	<u>\$65,282</u>	<u>\$0</u>	<u>\$100,158</u>

(continued)

City of Conneaut, Ohio
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For The Year Ended December 31, 2018

Fund Balances	General	Street Construction, Maintenance and Repair	Other Governmental Funds	Total
<i>Restricted for</i>				
Street Construction, Maintenance and Repair	\$0	\$201,479	\$48,009	\$249,488
Police and Fire Operations	0	0	581,625	581,625
Drug and Alcohol Enforcement	0	0	98,878	98,878
Cemetery Operations	0	0	64,073	64,073
Economic Development	0	0	8,446	8,446
Municipal Probation Services	0	0	17,110	17,110
Restaurant Inspection	0	0	2,172	2,172
Marina Improvements	0	0	9,094	9,094
Municipal Court Improvements	0	0	347,975	347,975
Industrial Park Improvements	0	0	751	751
<i>Total Restricted</i>	<u>0</u>	<u>201,479</u>	<u>1,178,133</u>	<u>1,379,612</u>
<i>Committed to</i>				
Recreation	0	0	107,095	107,095
Capital Improvements	0	0	63,271	63,271
<i>Total Committed</i>	<u>0</u>	<u>0</u>	<u>170,366</u>	<u>170,366</u>
<i>Assigned to</i>				
Purchases on Order:				
General Government	25,524	0	0	25,524
Security of Persons and Property	23,399	0	0	23,399
Public Health	471	0	0	471
Leisure Time Activities	2,426	0	0	2,426
Community Development	125	0	0	125
Year 2019 Appropriations	585,575	0	0	585,575
<i>Total Assigned</i>	<u>637,520</u>	<u>0</u>	<u>0</u>	<u>637,520</u>
<i>Unassigned (Deficit)</i>	<u>418,490</u>	<u>0</u>	<u>(145,102)</u>	<u>273,388</u>
<i>Total Fund Balances</i>	<u>\$1,090,886</u>	<u>\$266,761</u>	<u>\$1,203,397</u>	<u>\$2,561,044</u>

Note 6 - Fund Deficits

Fund balance at December 31, 2018, included the following individual fund deficits:

Fund	Amount
<i>Nonmajor Funds:</i>	
Street Lighting	\$33,159
Police Pension	14,102
Fire Pension	6,090
Special Assessment Bond Retirement	66,832
ODNR Natureworks Grant	24,919

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

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

Note 7 - Deposits and Investments

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

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

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

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

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

1. United States Treasury bills, bonds notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and

City of Conneaut, Ohio
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8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited.

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

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

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

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2018, \$373,860 of the City's total bank balance of \$1,408,860 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. The City's financial institution participates in the Ohio Pooled Collateral System (OPCS) and was approved for a reduced collateral floor of 50 percent resulting in the uninsured and uncollateralized balance.

The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by:

Eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Investments

At December 31, 2018, the City had \$4,743,816 invested in STAR Ohio with an average maturity of 44.9 days.

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

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

Credit Risk The Star Ohio investment carried a rating of AAAM by Standards & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The City has no investment policy that addresses credit risk.

Note 8 - Receivables

Receivables at December 31, 2018, 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 \$100,762 in the special assessment bond retirement fund, \$10,627 in the water enterprise fund and \$6,379 in the sewer enterprise fund. At December 31, 2018, the amount of delinquent special assessments was \$117,768.

The City entered into a project funding agreement with the Conneaut Port Authority to provide funds, through a note from the City, for marina improvements. As of December 31, 2018, the City has a loan receivable in the amount of \$90,000 in the marina special revenue fund. See Note 26 for additional information.

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2018 for real and public utility property taxes represents collections of 2017 taxes.

2018 real property taxes are levied after October 1, 2018 on the assessed value as of January 1, 2018 the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2018 real property taxes are collected in and intended to finance 2019.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2018 public utility property taxes which became a lien December 31, 2017, are levied after October 1, 2018, and are collected in 2019 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2018, was \$12.88 per \$1,000 of assessed value. The assessed values of real property and public utility property upon which 2018 property tax receipts were based are as follows:

City of Conneaut, Ohio
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Category	Assessed Value
Real Estate	
Residential/Agricultural	\$123,816,430
Other Real Estate	52,972,780
Public Utility Property	8,879,990
Total Assessed Values	\$185,669,200

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which are measurable as of December 31, 2018 and for which there is an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2018 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collective delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

Income Taxes

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

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

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

Intergovernmental Receivables

A summary of intergovernmental receivables follows:

Governmental Activities	Amounts
Gasoline Tax	\$188,187
Local Government	165,676
Homestead and Rollback	96,704
Permissive Tax	67,015
Auto License Tax	36,331
ODNR Natureworks Grant	24,919
Total	\$578,832

Note 9 – Tax Abatements

As of December 31, 2018, the City provides tax abatements through a Community Reinvestment Area (CRA) Tax Abatement.

City of Conneaut, Ohio
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Pursuant to Ohio Revised Code Chapter 5709, the City established a Community Reinvestment Area to provide property tax abatements to encourage revitalization of existing buildings and the construction of new structures. Abatements are obtained through application by the property owner, including proof that the improvements have been made, and equal 35 percent of the additional property tax resulting from the increase in assessed value as a result of the improvement. The amount of the abatement is deducted from the recipient's tax bill. The value of the taxes being abated amounted to \$5,945 at December 31, 2018.

Note 10 - Capital Assets

Capital asset activity for the year ended December 31, 2018, was as follows:

Governmental Activities	Balance 12/31/2017	Additions	Deductions	Balance 12/31/2018
<i>Capital Assets not being Depreciated:</i>				
Land	\$554,972	\$0	\$0	\$554,972
Construction in Progress	143,012	197,066	(231,020)	109,058
<i>Total Capital Assets not being Depreciated</i>	<u>697,984</u>	<u>197,066</u>	<u>(231,020)</u>	<u>664,030</u>
<i>Capital Assets being Depreciated:</i>				
Buildings and Improvements	1,959,993	8,945	0	1,968,938
Furniture, Fixtures and Equipment	3,430,531	395,220	0	3,825,751
Vehicles	4,013,765	74,505	(57,707)	4,030,563
Infrastructure:				
Traffic Lights	293,738	0	0	293,738
Roads	25,043,883	418,708	0	25,462,591
Bridges	13,548,533	0	0	13,548,533
Storm Sewers	2,765,823	468,937	0	3,234,760
<i>Total Capital Assets being Depreciated</i>	<u>51,056,266</u>	<u>1,366,315</u>	<u>(57,707)</u>	<u>52,364,874</u>
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(1,738,775)	(56,679)	0	(1,795,454)
Furniture, Fixtures and Equipment	(2,204,595)	(217,479)	0	(2,422,074)
Vehicles	(3,213,732)	(169,658)	57,707	(3,325,683)
Infrastructure:				
Traffic Lights	(110,359)	(6,886)	0	(117,245)
Roads	(15,038,557)	(1,052,227)	0	(16,090,784)
Bridges	(2,376,531)	(270,971)	0	(2,647,502)
Storm Sewers	(1,262,060)	(42,118)	0	(1,304,178)
<i>Total Accumulated Depreciation</i>	<u>(25,944,609)</u>	<u>(1,816,018) *</u>	<u>57,707</u>	<u>(27,702,920)</u>
Total Capital Assets being Depreciated, Net	<u>25,111,657</u>	<u>(449,703)</u>	<u>0</u>	<u>24,661,954</u>
Governmental Activities Capital Assets, Net	<u>\$25,809,641</u>	<u>(\$252,637)</u>	<u>(\$231,020)</u>	<u>\$25,325,984</u>

*Depreciation expense was charged to governmental functions as follows:

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

General Government	\$103,791
Security of Persons and Property	200,195
Leisure Time Activities	29,803
Community Development	534
Transportation	<u>1,481,695</u>
Total Depreciation Expense	<u><u>\$1,816,018</u></u>

During 2018, the sewer enterprise fund paid for road improvements to cover damages made while repairing sewer lines on Chestnut Street. Road improvements in the amount of \$11,795 are reflected as a transfer to the governmental activities on the statement of activities.

	Balance 12/31/2017	Additions	Deductions	Balance 12/31/2018
Business-Type Activities:				
<i>Capital Assets not being Depreciated:</i>				
Land	\$6,880	\$0	\$0	\$6,880
Construction in Progress	<u>1,858,944</u>	<u>946,996</u>	<u>(2,634,829)</u>	<u>171,111</u>
<i>Total Capital Assets not being Depreciated</i>	<u>1,865,824</u>	<u>946,996</u>	<u>(2,634,829)</u>	<u>177,991</u>
<i>Capital Assets being Depreciated:</i>				
Buildings and Improvements	1,227,953	1,908,962	0	3,136,915
Equipment	6,986,230	919,793	0	7,906,023
Vehicles	1,141,657	0	0	1,141,657
Infrastructure:				
Water and Sewer Lines	<u>23,863,678</u>	<u>523,487</u>	<u>0</u>	<u>24,387,165</u>
<i>Total Capital Assets being Depreciated</i>	<u>33,219,518</u>	<u>3,352,242</u>	<u>0</u>	<u>36,571,760</u>
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(736,868)	(48,428)	0	(785,296)
Equipment	(4,407,296)	(329,521)	0	(4,736,817)
Vehicles	(333,648)	(63,877)	0	(397,525)
Infrastructure:				
Water and Sewer Lines	<u>(7,305,145)</u>	<u>(423,765)</u>	<u>0</u>	<u>(7,728,910)</u>
<i>Total Accumulated Depreciation</i>	<u>(12,782,957)</u>	<u>(865,591)</u>	<u>0</u>	<u>(13,648,548)</u>
Total Capital Assets being Depreciated, Net	<u>20,436,561</u>	<u>2,486,651</u>	<u>0</u>	<u>22,923,212</u>
Business-Type Activities Capital Assets, Net	<u><u>\$22,302,385</u></u>	<u><u>\$3,433,647</u></u>	<u><u>(\$2,634,829)</u></u>	<u><u>\$23,101,203</u></u>

Note 11 – Interfund Transactions

Internal Balances

The general fund made an advance to the ODNR natureworks grant capital projects fund in the amount of \$24,919 to cover expenses in the fund pending the receipt of grant monies during 2017. At December 31, 2018, the City has not received the grant money and is not able to repay the loan. The sewer fund made advances to the special assessment bond retirement fund during 2013, 2014, 2015 and 2016 amounting to \$72,907 to cover debt requirements pending the receipt of delinquent special assessments. These loans are expected to be repaid in one year. At December 31, 2018, the special assessment bond retirement fund is not able to repay these advances.

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

Interfund Transfers

The general fund transferred \$56,922 to other governmental funds to provide additional resources for current operations and to make debt payments. The street construction, maintenance and repair special revenue fund transferred \$2,500 to the sewer enterprise fund for debt payments.

Note 12 - Compensated Absences

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

Note 13 – Insurance Purchasing Pool

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

Note 14 – Related Organization

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

Note 15 - Risk Management

Property and Liability

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2018, the City contracted with USI Insurance Services for various types of insurance as follows:

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Type of Coverage	Coverage
Property/Boilers and Machinery	\$27,060,101
Inland Marine	1,565,098
Vehicles Comprehensive	3,000,000
Valuable Papers and Records	250,000
Police	3,000,000
Public Officials	3,000,000
Business Electronics Equipment	188,022
Fire Vehicles and Ambulances	1,697,597

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 2018, the City participated in the Ohio Municipal League Workers' Compensation Group Rating Retrospective Plan (GRP), an insurance purchasing pool (Note 13). The intent of the GRP is to achieve the benefit of a reduced premium for the City by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating city is calculated as one experience and a common premium rate is applied to all cities in the GRP. Each participant pays its worker's compensation premium to the State based on the rate for the GRP rather than its individual rate.

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

Note 16 - Notes Payable

Changes in the City's note activity for the year ended December 31, 2018, were as follows:

	Outstanding 12/31/2017	Additions	Reductions	Outstanding 12/31/2018
<i>General Fund:</i>				
Center Road Bridge 2.99 %	\$30,000	\$30,000	(\$30,000)	\$30,000
<i>Special Revenue Fund:</i>				
Port Authority 3.27 %	120,000	90,000	(120,000)	90,000
<i>Total Governmental Activities</i>	<u>\$150,000</u>	<u>\$120,000</u>	<u>(\$150,000)</u>	<u>\$120,000</u>

In 2018, the City issued \$30,000 in bond anticipation notes to help finance the Center Road bridge improvement project with an interest rate of 2.99 percent. At December 31, 2018, the project has been completed and the notes mature on June 14, 2019.

In 2018, the City issued a \$120,000 marina improvement note, on behalf of the Port Authority, for the purpose of acquiring, constructing, reconstructing, and improving boat docks and slips with an interest rate of 3.27 percent maturing on November 15, 2019. As of December 31, 2018 all proceeds had been disbursed.

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

City of Conneaut, Ohio
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For The Year Ended December 31, 2018

Note 17 - Long-Term Obligations

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

Debt Issue	Original Issue Date	Interest Rate	Original Issue Amount	Year of Maturity
Governmental Activities				
<i>General Obligation Bonds:</i>				
Library Refunding	2011	3.00%	\$735,000	2018
Energy Conservation	2012	3.10	544,352	2022
Vehicle Acquisition	2014	5.35	55,000	2024
Various Purpose Improvements	2014	3.48	305,000	2024
Fire Truck Acquisition	2015	2.50	450,000	2025
Various Purpose Improvements	2017	3.30	214,000	2027
<i>Special Assessment Loans:</i>				
I-90 Sewer	1998	3.98	167,329	2018
East Conneaut Sewer Phase III	1999	3.50	679,445	2020
<i>Loans:</i>				
Industrial Park	2008	3.25	500,000	2023
Road Equipment Acquisition	2009	4.125	153,334	2019
State Infrastructure Loan - Parrish Road	2010	3.00	574,435	2018
State Infrastructure Loan - Chestnut Street	2018	3.00	100,000	2028
<i>Ohio Public Works Commission Loan:</i>				
Under Ridge Road Culvert	2004	0.00	31,626	2025
Roadway Safety	2012	0.00	14,240	2033
<i>Notes:</i>				
Center Road Bridge	2018	2.99	90,000	2019
Business-Type Activities				
<i>Special Assessment Loans:</i>				
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 Improvement Loan	2006	3.25	3,258,282	2026
Industrial Park	2011	3.00	199,183	2022
Wastewater Aeration Repairs	2012	2.80	130,587	2032
Lake Erie Street Sanitary Sewer	2012	3.32	240,548	2032
Aerial Sewer Repairs	2013	0.00	339,372	2032
Creek Road Elevated Storage Tank	2013	3.24	1,640,127	2034
Harbor Street Infrastructure	2015	3.16	604,001	2035
Wastewater Improvements Loan	2017	1.55	1,902,457	N/A
<i>Ohio Public Works Commission</i>				
South Conneaut Water Tank	2000	0.00	385,000	2021
Liberty Water Line	2003	0.00	118,483	2023
Madison Sanitary Sewer	2004	0.00	37,833	2024
Finished Water and Booster Pump	2011	0.00	40,875	2030
Water and Booster Pump Station	2011	0.00	11,001	2030
Sandusky Sanitary Sewer	2011	0.00	28,178	2030
Sanitary Sewer Repairs	2011	0.00	10,051	2032
Roadway Safety	2012	0.00	31,700	2033
Wastewater Aeration Improvement	2012	0.00	18,130	2033
Creek Road Water Tank	2013	0.00	150,000	2034
Aerial Sewer	2013	0.00	50,000	2034
Harbor Street Infrastructure	2014	0.00	50,000	2035
Water Treatment Plant Improvements	2014	0.00	35,123	2034
Orange Street Water Line	2017	0.00	35,706	N/A
Headworks Sewer Project	2017	0.00	29,320	N/A

(continued)

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

Debt Issue	Original Issue Date	Interest Rate	Original Issue Amount	Year of Maturity
Business-Type Activities (continued)				
<i>General Obligation Bonds:</i>				
Water Refunding	2011	3.00%	\$530,000	2018
Energy Conservation	2012	3.10	125,648	2022
Various Purpose Improvement Bonds	2017	3.30	671,000	2027
<i>Loans:</i>				
Road Equipment Acquisition	2009	4.125	306,666	2019

A schedule of changes in bonds and other long-term obligations of the City during 2018 follows:

	Outstanding 12/31/2017	Additions	Reductions	Outstanding 12/31/2018	Amount Due In one Year
Governmental Activities:					
<i>General Obligation Bonds</i>					
Library Refunding	\$100,510	\$0	\$100,510	\$0	\$0
Energy Conservation	282,694	0	54,807	227,887	55,661
Vehicle Acquisition	39,996	0	5,271	34,725	5,412
Various Purpose Improvements 2014	224,544	0	28,881	195,663	29,887
Fire Truck Acquisition	364,000	0	44,000	320,000	44,000
Various Purpose Improvements 2017	214,000	0	21,400	192,600	21,400
Total General Obligation Bonds	1,225,744	0	254,869	970,875	156,360
<i>Special Assessment OWDA Loans with Governmental Commitment:</i>					
I-90 Sewer	11,857	0	11,857	0	0
East Conneaut Sewer Phase III	132,178	0	42,540	89,638	44,042
Total Special Assessment OWDA Loans	144,035	0	54,397	89,638	44,042
<i>Loans:</i>					
Industrial Park	297,497	0	49,691	247,806	51,203
Road Equipment Acquisition	30,669	0	15,333	15,336	15,336
State Infrastructure Loan - Parrish Road	41,015	0	41,015	0	0
State Infrastructure Loan - Chestnut Street	0	100,000	0	100,000	0
Total Loans:	369,181	100,000	106,039	363,142	66,539
<i>OPWC Loan:</i>					
Under Ridge Road Culvert	11,863	0	1,581	10,282	1,581
Roadway Safety	11,036	0	712	10,324	712
Total OPWC Loans	22,899	0	2,293	20,606	2,293
<i>Long - Term Notes Payable:</i>					
Center Road Bridge	90,000	60,000	90,000	60,000	0
<i>Other Long-Term Liabilities:</i>					
Capital Leases	126,956	204,548	95,754	235,750	56,932
Compensated Absences	903,227	289,076	183,494	1,008,809	198,106
Total Other Long-Term Liabilities	1,030,183	493,624	279,248	1,244,559	255,038
<i>Net Pension Liability:</i>					
OPERS	3,017,257	0	939,186	2,078,071	0
OPF	4,833,336	0	138,676	4,694,660	0
Total Net Pension Liability	7,850,593	0	1,077,862	6,772,731	0
<i>Net OPEB Liability:</i>					
OPERS	1,277,491	111,626	0	1,389,117	0
OPF	3,622,217	711,712	0	4,333,929	0
Total Net OPEB Liability	4,899,708	823,338	0	5,723,046	0
Total Governmental Activities Long-Term Obligations	\$15,632,343	\$1,476,962	\$1,864,708	\$15,244,597	\$524,272

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

	Outstanding 12/31/2017	Additions	Reductions	Outstanding 12/31/2018	Amount Due In one Year
Business-Type Activities (continued):					
<i>Special Assessment OWDA Loans</i>					
<i>with Governmental Commitment:</i>					
I-90 Sewer	\$6,670	\$0	\$6,670	\$0	\$0
East Conneaut Sewer Phase III	29,015	0	9,338	19,677	9,668
Total Special Assessment OWDA Loans	35,685	0	16,008	19,677	9,668
<i>OWDA Loans</i>					
Wastewater Improvement Loan	1,760,309	0	171,332	1,588,977	176,945
Industrial Park	143,919	0	30,336	113,583	31,253
Wastewater Aeration Repairs	196,331	0	10,696	185,635	10,998
Lake Erie Street Sanitary Sewer	199,326	0	10,020	189,306	10,355
Aerial Sewer Repairs	172,684	0	10,792	161,892	10,792
Creek Road Elevated Storage Tank	1,441,162	0	64,748	1,376,414	66,863
Harbor Street Infrastructure	514,499	0	22,418	492,081	23,132
Wastewater Improvement Loan	1,902,457	189,072	49,172	2,042,357	0
Total OWDA Loans	6,330,687	189,072	369,514	6,150,245	330,338
Total OWDA Obligations	6,366,372	189,072	385,522	6,169,922	340,006
<i>OPWC Loans:</i>					
South Conneaut Water Tank	67,375	0	19,250	48,125	19,250
Liberty Water Line	35,547	0	5,924	29,623	5,924
Madison Sanitary Sewer	13,237	0	1,892	11,345	1,892
Finished Water and Booster Pump	26,567	0	2,044	24,523	2,044
Water and Booster Pump Station	7,151	0	550	6,601	550
Sandusky Sanitary Sewer	18,315	0	1,409	16,906	1,409
Sanitary Sewer Repairs	7,285	0	503	6,782	503
Roadway Safety	24,568	0	1,585	22,983	1,585
Wastewater Aeration Improvement	14,053	0	906	13,147	906
Creek Road Water Tank	123,750	0	7,500	116,250	7,500
Aerial Sewer	41,250	0	2,500	38,750	2,500
Harbor Street Infrastructure	43,750	0	2,500	41,250	2,500
Water Treatment Plant Improvements	29,855	0	1,756	28,099	1,756
Orange Street Water Line	35,706	0	893	34,813	1,786
Headworks Sewer Project	29,320	110,089	0	139,409	0
Total OPWC Loans	517,729	110,089	49,212	578,606	50,105
<i>General Obligation Bonds:</i>					
Water Refunding	71,681	0	71,681	0	0
Energy Conservation	65,266	0	12,648	52,618	12,845
Various Purpose Improvement	671,000	0	67,100	603,900	67,100
Total Bonds	807,947	0	151,429	656,518	79,945
<i>Loans:</i>					
Road Equipment Acquisition	61,331	0	30,667	30,664	30,664
<i>Other Long-Term Liabilities:</i>					
Compensated Absences	298,083	82,500	48,158	332,425	64,040
<i>Net Pension Liability:</i>					
OPERS	1,929,066	0	543,685	1,385,381	0
<i>Net OPEB Liability:</i>					
OPERS	851,661	74,417	0	926,078	0
Total Business-Type Activities					
Long-Term Obligations	\$10,832,189	\$456,078	\$1,208,673	\$10,079,594	\$564,760

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

City of Conneaut, Ohio
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For The Year Ended December 31, 2018

maintenance and repair special revenue fund and capital improvements funds and the water and sewer enterprise funds. The long-term governmental notes will be paid from the general fund. Compensated absences will be paid from the general fund, street construction, maintenance and repair special revenue fund and the water and sewer enterprise funds. Capital leases will be paid from police levy II, police levy and street construction, maintenance and repair special revenue funds. There is no repayment schedule for the net pension liability and net OPEB liability. However, employer pension/OPEB contributions are made from the following funds: general, street construction, maintenance and repair, cemetery, police levy II, recreation, police pension and fire pension special revenue funds and the sewer and water enterprise funds. For additional information related to the net pension liability and net OPEB liability see Notes 19 and 20.

The road equipment acquisition enterprise fund loan is 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 loan, payment would be made by any general tax revenues collected in the general or bond retirement fund.

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

A line of credit has been established with the Ohio Water Development Authority in the amount of \$2,295,539 for wastewater treatment plant improvements in the sewer enterprise fund. Since the loan repayment schedule has not yet been finalized, a repayment schedule is not included in the schedule of debt service requirements. Until a final repayment schedule is available, the City is paying based on estimates. The balance of this loan at December 31, 2018 is \$2,042,357.

A line of credit has been established with the Ohio Public Works Commission in the amount of \$150,000 for the headworks sewer project in the sewer enterprise fund. Since the loan repayment schedule has not yet been finalized, a repayment schedule is not included in the schedule of debt service requirements. Until a final repayment schedule is available, the City is paying based on estimates. The balance of this loan at December 31, 2018 is \$139,409.

The City has pledged future revenues, net of operating expenses less depreciation plus interest and fiscal charges, to repay OPWC and OWDA loans in the water enterprise fund. The debt is payable solely from net revenues and are payable through 2035. Annual principal and interest payments on the debt issues are expected to require 38.10 percent of net revenues. The total principal and interest remaining to be paid on the debt is \$2,380,601. Principal and interest paid for the current year and total net revenues were \$185,001 and \$485,541 respectively.

The City has pledged future revenues, net of operating expenses less depreciation plus interest and fiscal charges, to repay OPWC and OWDA loans in the sewer enterprise fund. The debt is payable solely from net revenues and are payable through 2034. Annual principal and interest payments on the debt issues are expected require 72.58 percent of net revenues. The total principal and interest remaining to be paid on the debt is \$5,380,810. Principal and interest paid for the current year and total net revenues were \$401,428 and \$553,051 respectively.

The City's overall legal debt margin was \$17,294,067 with an unvoted debt margin of \$8,010,607 at December 31, 2018. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2018, are as follows:

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

	<i>Governmental Activities</i>						
	General Obligation Bonds		Special Assessment Loans		Loans Payable		OPWC Loans
	Principal	Interest	Principal	Interest	Principal	Interest	Principal
2019	\$156,360	\$29,177	\$44,042	\$2,755	\$66,539	\$7,215	\$2,293
2020	159,414	24,304	45,596	1,200	58,504	6,722	2,294
2021	161,520	19,345	0	0	66,112	6,402	2,294
2022	164,660	14,307	0	0	68,120	4,394	2,294
2023	107,684	9,176	0	0	45,929	2,444	2,294
2024-2028	221,237	9,557	0	0	57,938	4,661	5,933
2029-2033	0	0	0	0	0	0	3,204
Total	<u>\$970,875</u>	<u>\$105,866</u>	<u>\$89,638</u>	<u>\$3,955</u>	<u>\$363,142</u>	<u>\$31,838</u>	<u>\$20,606</u>

	<i>Business-Type Activities</i>						
	Special Assessment OWDA Loans		OWDA Loans		OPWC Loans	General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Principal	Interest
2019	\$9,668	\$605	\$330,338	\$121,614	\$50,105	\$79,945	\$20,423
2020	10,009	264	341,737	111,667	50,105	80,146	17,814
2021	0	0	352,424	101,401	40,481	80,359	15,199
2022	0	0	346,247	90,801	30,856	80,568	12,577
2023	0	0	339,641	80,641	30,856	67,100	9,949
2024-2028	0	0	1,400,232	254,265	117,072	268,400	17,686
2029-2033	0	0	851,672	97,442	101,180	0	0
2034-2035	0	0	145,597	4,183	18,542	0	0
Total	<u>\$19,677</u>	<u>\$869</u>	<u>\$4,107,888</u>	<u>\$862,014</u>	<u>\$439,197</u>	<u>\$656,518</u>	<u>\$93,648</u>

	<i>Business-Type Activities</i>	
	Loans Payable	
	Principal	Interest
2019	<u>\$30,664</u>	<u>\$2,244</u>

Note 18 – Capital Lease

In 2018, the City entered into a capitalized lease for a tractor and trailer and had prior leases for police vehicles and a Kubota tractor. These leases meet the criteria for a capital lease and have been recorded on the governmental-wide statements. The original amount capitalized for the capital leases and the book value as of December 31, 2018 for governmental activities follows:

	Governmental Activities
Asset:	
Equipment	\$68,254
Vehicles	132,271
Less: Accumulated depreciation	<u>(110,415)</u>
Current Book Value	<u>\$90,110</u>

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

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

Year Ending December 31,	Governmental Activities
2019	\$65,657
2020	33,995
2021	33,995
2022	33,995
2023	33,995
2024-2025	67,990
Total	269,627
Less: Amount Representing Interest	(33,877)
Present Value of Net Minimum Lease Payments	\$235,750

Note 19 - Defined Benefit Pension Plans

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Net Pension Liability (Asset) /Net OPEB Liability (Asset)

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

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

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

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

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

The proportionate share of each plan’s unfunded benefits is presented as a *net pension/OPEB asset* or a long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 20 for the required OPEB disclosures.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan.

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

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

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

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

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

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

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the purchase of a monthly defined benefit annuity from OPERS (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

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

	State and Local
2018 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
 2018 Actual Contribution Rates	
Employer:	
Pension **	14.0 %
Post-employment Health Care Benefits **	0.0
Total Employer	14.0 %
Employee	10.0 %

* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

For 2018, The City's contractually required contribution was \$431,328 for the traditional plan, \$9,155 for the combined plan and \$1,496 for the member-directed plan. Of these amounts, \$50,131 is reported as an intergovernmental payable for the traditional plan, \$1,061 for the combined plan, and \$606 for the member-directed plan.

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

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

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit (see OP&F CAFR referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

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

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will receive a COLA equal to a percentage of the member's base pension benefit where the percentage is the lesser of three percent or the percentage increase in the consumer price index, if any, over the 12 month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

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

City of Conneaut, Ohio
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	Police	Firefighters
2018 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25	12.25
 2018 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$368,299 for 2018. Of this amount, \$81,269 is reported as an intergovernmental payable.

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

The net pension liability (asset) for OPERS was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2017, and was determined by rolling forward the total pension liability as of January 1, 2017, to December 31, 2017. The City's proportion of the net pension liability (asset) was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense of the City's defined benefit pension plans:

	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
Proportion of the Net Pension Liability/Asset:				
Current Measurement Date	0.02207700%	0.01607200%	0.07649200%	
Prior Measurement Date	0.02178200%	0.01586500%	0.07630900%	
Change in Proportionate Share	0.00029500%	0.00020700%	0.00018300%	
Proportionate Share of the:				
Net Pension Liability	\$3,463,452	\$0	\$4,694,660	\$8,158,112
Net Pension Asset	0	21,879	0	21,879
Pension Expense	785,416	(13,721)	556,666	1,328,361

2018 pension expense for the member-directed defined contribution plan was \$1,496.

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to defined benefit pensions from the following sources:

City of Conneaut, Ohio
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	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
Deferred Outflows of Resources				
Differences between expected and actual experience	\$3,537	\$0	\$71,245	\$74,782
Changes of assumptions	413,906	1,912	204,571	620,389
Changes in proportion and differences between City contributions and proportionate share of contributions	35,422	0	58,277	93,699
City contributions subsequent to the measurement date	431,328	9,155	368,299	808,782
Total Deferred Outflows of Resources	<u>\$884,193</u>	<u>\$11,067</u>	<u>\$702,392</u>	<u>\$1,597,652</u>
Deferred Inflows of Resources				
Differences between expected and actual experience	\$68,254	\$6,518	\$8,493	\$83,265
Net difference between projected and actual earnings on pension plan investments	743,558	3,452	162,399	909,409
Changes in proportion and differences between City contributions and proportionate share of contributions	0	100	86,667	86,767
Total Deferred Inflows of Resources	<u>\$811,812</u>	<u>\$10,070</u>	<u>\$257,559</u>	<u>\$1,079,441</u>

\$808,782 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or increase to the net pension asset in 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
Year Ending December 31:				
2019	\$330,568	(\$1,109)	\$114,181	\$443,640
2020	(56,552)	(1,203)	71,485	13,730
2021	(327,423)	(1,976)	(96,722)	(426,121)
2022	(305,540)	(1,895)	(77,417)	(384,852)
2023	0	(683)	52,018	51,335
Thereafter	0	(1,292)	12,989	11,697
Total	<u>(\$358,947)</u>	<u>(\$8,158)</u>	<u>\$76,534</u>	<u>(\$290,571)</u>

Actuarial Assumptions - OPERS

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

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Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2017, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2017, are presented below.

	<u>OPERS Traditional Plan</u>	<u>OPERS Combined Plan</u>
Wage Inflation	3.25 percent	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.15 percent, simple
Investment Rate of Return	7.5 percent	7.5 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

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

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

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

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 16.82 percent for 2017.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

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<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	23.00 %	2.20 %
Domestic Equities	19.00	6.37
Real Estate	10.00	5.26
Private Equity	10.00	8.97
International Equities	20.00	7.88
Other investments	18.00	5.26
Total	<u>100.00 %</u>	<u>5.66 %</u>

Discount Rate The discount rate used to measure the total pension liability was 7.5 percent for the traditional plan and the combined plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate The following table presents the City's proportionate share of the net pension liability (asset) calculated using the current period discount rate assumption of 7.5 percent, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (6.5 percent) or one-percentage-point higher (8.5 percent) than the current rate:

	<u>1% Decrease (6.50%)</u>	<u>Current Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
City's proportionate share of the net pension liability (asset)			
OPERS Traditional Plan	\$6,150,211	\$3,463,452	\$1,223,507
OPERS Combined Plan	(11,893)	(21,879)	(28,769)

Changes between Measurement Date and Report Date

In October 2018, the OPERS Board adopted a change in the investment return assumption, reducing it from 7.5 percent to 7.2 percent. This change will be effective for the 2018 valuation. The exact amount of the impact to the City's net pension liability is not known.

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2017, is based on the results of an actuarial valuation date of January 1, 2017, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results

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are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2017, compared with January 1, 2016, are presented below.

	January 1, 2017	January 1, 2016
Valuation Date	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017	January 1, 2016, with actuarial liabilities rolled forward to December 31, 2016
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.25 percent
Projected Salary Increases	3.75 percent to 10.5 percent	4.25 percent to 11 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent	Inflation rate of 3.25 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent	3.00 percent simple; 2.6 percent simple for increased based on the lesser of the increase in CPI and 3 percent

For the January 1, 2017, valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

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

For the January 1, 2017, valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

Age	Police	Fire
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

For the January 1, 2016 valuation, rates of death were based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

The most recent experience study was completed for the five year period ended December 31, 2016, the prior experience study was completed December 31, 2011.

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The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2017, are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	- %	0.00 %
Domestic Equity	16.00	5.21
Non-US Equity	16.00	5.40
Core Fixed Income *	20.00	2.37
Global Inflation Protected Securities*	20.00	2.33
High Yield	15.00	4.48
Real Estate	12.00	5.65
Private Markets	8.00	7.99
Timber	5.00	6.87
Master Limited Partnerships	8.00	7.36
Total	120.00 %	

Note: Assumptions are geometric.

* levered 2x

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

Discount Rate For 2017, the total pension liability was calculated using the discount rate of 8.00 percent. The discount rate used for 2016 was 8.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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

Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00 percent), or one percentage point higher (9.00 percent) than the current rate.

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	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$6,508,029	\$4,694,660	\$3,215,691

Note 20 – Defined Benefit OPEB Plans

See Note 19 for a description of the net OPEB liability

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS’ CAFR referenced below for additional information.

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

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

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer’s contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, state and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0 percent during calendar year 2017. As recommended by OPERS’ actuary, the portion of employer contributions allocated to health care beginning January 1, 2018

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decreased to 0 percent for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2018 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$1,496 for 2018. Of this amount, \$0 is reported as an intergovernmental payable.

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

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment healthcare plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. OP&F provides health care benefits including coverage for medical, prescription drug, dental, vision, and Medicare Part B Premium to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 75.

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

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

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

OP&F maintains funds for health care in two separate accounts. There is one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. An Internal Revenue Code 401(h) account is maintained for Medicare Part B reimbursements.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2018, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contractually required contribution to OP&F was \$8,923 for 2018. Of this amount, \$1,969 is reported as an intergovernmental payable.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2017, and was determined by rolling forward the total OPEB liability as of January 1, 2017, to December 31, 2017. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&F</u>	
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.02132000%	0.07649200%	
Prior Measurement Date	<u>0.02108000%</u>	<u>0.07630900%</u>	
Change in Proportionate Share	<u>0.00024000%</u>	<u>0.00018300%</u>	
			<u>Total</u>
Proportionate Share of the Net Pension Liability	\$2,315,195	\$4,333,929	\$6,649,124
OPEB Expense	\$203,031	\$345,343	\$548,374

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$1,804	\$0	\$1,804
Changes of assumptions	168,571	422,899	591,470
Changes in proportion and differences between City contributions and proportionate share of contributions	16,399	2,442	18,841
City contributions subsequent to the measurement date	<u>1,496</u>	<u>8,923</u>	<u>10,419</u>
Total Deferred Outflows of Resources	<u>\$188,270</u>	<u>\$434,264</u>	<u>\$622,534</u>

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	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$0	\$21,859	\$21,859
Net difference between projected and actual earnings on OPEB plan investments	<u>172,467</u>	<u>28,528</u>	<u>200,995</u>
Total Deferred Inflows of Resources	<u>\$172,467</u>	<u>\$50,387</u>	<u>\$222,854</u>

\$10,419 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
2019	\$46,180	\$51,856	\$98,036
2020	46,180	51,856	98,036
2021	(34,938)	51,856	16,918
2022	(43,115)	51,856	8,741
2023	0	58,988	58,988
Thereafter	<u>0</u>	<u>108,542</u>	<u>108,542</u>
Total	<u>\$14,307</u>	<u>\$374,954</u>	<u>\$389,261</u>

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.85 percent
Prior Measurement date	4.23 percent
Investment Rate of Return	6.50 percent
Municipal Bond Rate	3.31 percent
Health Care Cost Trend Rate	7.5 percent, initial
	3.25 percent, ultimate in 2028
Actuarial Cost Method	Individual Entry Age

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

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

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

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 15.2 percent for 2017.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	1.88 %
Domestic Equities	21.00	6.37
Real Estate Investment Trust	6.00	5.91
International Equities	22.00	7.88
Other investments	17.00	5.39
Total	<u>100.00 %</u>	<u>4.98 %</u>

Discount Rate A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. A single discount rate of 4.23 percent was used to measure the OPEB liability on the measurement date of December 31, 2016. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term

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expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.50 percent and a municipal bond rate of 3.31 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

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

The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.85 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.85 percent) or one-percentage-point higher (4.85 percent) than the current rate:

	1% Decrease (2.85%)	Current Discount Rate (3.85%)	1% Increase (4.85%)
City's proportionate share of the net OPEB liability	\$3,075,836	\$2,315,195	\$1,699,844

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2018 is 7.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$2,215,148	\$2,315,195	\$2,418,541

Changes between Measurement Date and Report Date

In October 2018, the OPERS Board adopted a change in the investment return assumption, reducing it from 6.5 percent to 6.0 percent. This change will be effective for the 2018 valuation. The exact amount of the impact to the City's net OPEB liability is not known.

City of Conneaut, Ohio
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Actuarial Assumptions – OP&F

OP&F’s total OPEB liability as of December 31, 2017, is based on the results of an actuarial valuation date of January 1, 2017, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

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

Valuation Date	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Single discount rate:	
Current measurement date	3.24 percent
Prior measurement date	3.79 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

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

City of Conneaut, Ohio
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Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

Age	Police	Fire
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

The most recent experience study was completed for the five year period ended December 31, 2016, the prior experience study was completed December 31, 2011.

The OP&F health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 19.

Discount Rate The total OPEB liability was calculated using the discount rate of 3.24 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8 percent. Based on those assumptions, OP&F’s fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 3.16 percent at December 31, 2017 and 3.71 percent at December 31, 2016, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 3.24 percent. The municipal bond rate was determined using the S&P Municipal Bond 20 Year High Grade Rate Index. The OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments until 2025. The long-term expected rate of return on health care investments was applied to projected costs through 2025, and the municipal bond rate was applied to all health care costs after that date.

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

Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 3.24 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.24 percent), or one percentage point higher (4.24 percent) than the current rate.

	1% Decrease (2.24%)	Current Discount Rate (3.24%)	1% Increase (4.24%)
City’s proportionate share of the net OPEB liability	\$5,417,464	\$4,333,929	\$3,500,190

Sensitivity of the City’s Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate

Net OPEB liability is sensitive to changes in the health care cost trend rate. The trend rate is the annual rate at which the cost of covered medical services is assumed to increase from the current year to the next year. Beginning in 2017, the per-capita costs are assumed to change by the following percentages each year:

City of Conneaut, Ohio
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Year	Non-Medicare	Non-AARP	AARP	Rx Drug	Medicare Part B
2017	-0.47%	-2.50%	4.50%	-0.47%	5.20%
2018	7.00%	7.00%	4.50%	7.00%	5.10%
2019	6.50%	6.50%	4.50%	6.50%	5.00%
2020	6.00%	6.00%	4.50%	6.00%	5.00%
2021	5.50%	5.50%	4.50%	5.50%	5.00%
2022	5.00%	5.00%	4.50%	5.00%	5.00%
2023 and Later	4.50%	4.50%	4.50%	4.50%	5.00%

To illustrate the potential impact, the following table presents the net OPEB liability calculated using the current healthcare cost trend current rates as outlined in the table above, a one percent decrease in the trend rates and a one percent increase in the trend rates.

	1% Decrease	Current Rates	1% Increase
City's proportionate share of the net OPEB liability	\$3,366,674	\$4,333,929	\$5,637,462

Changes between Measurement Date and Report Date

In March 2018, the OP&F Board of Trustees approved the implementation date and framework for a new health care model. Beginning January 1, 2019, the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. The impact to the City's NOL is not known.

Note 21 – Jointly Governed Organization

The City is a member of the Northeast Ohio Public Energy Council (NOPEC), a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity and natural gas. NOPEC is currently comprised of 220 communities who have been authorized by ballot to purchase electricity on behalf of their citizens.

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

NOPEC is governed by General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight-member NOPEC Board of Directors. The Board has total control over budgeting, personnel and all other financial matters. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The City of Conneaut did not contribute to NOPEC during 2018. Financial information can be obtained by contacting Ronald McVoy, Chairman, 31320 Solon Road, Suite 20, Solon, Ohio 11120.

City of Conneaut, Ohio
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Note 22 – Related Party Transactions

The Conneaut Port Authority, a component unit of the City of Conneaut, owes the City \$90,000 as of December 31, 2018 for a marina improvement note issued by the City. During 2018, The Port Authority paid the City \$122,888, the amount of the principal and interest on the note. The financial statements reflect \$90,000 in ‘Loans Receivable from Component Unit’.

Note 23 - Contingencies

Grants

The City receives financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2018.

Litigation

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

Note 24 – Encumbrances

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

Governmental Funds		Proprietary Funds	
General	\$72,450	Water	\$223,063
Street Construction, Maintenance and Repair	551	Sewer	<u>351,360</u>
Other Governmental Funds	<u>83,176</u>	Total Proprietary Funds	<u><u>\$574,423</u></u>
Total	<u><u>\$156,177</u></u>		

Note 25 – Subsequent Events

On April 8, 2019, Council passed legislation, authorizing the City to submit a loan application for an Ohio Department of Transportation State Infrastructure Bank loan in the amount of \$130,500 for purpose of paying the costs of installing new storm sewer lines along Lake Road.

On June 14, 2019, the City retired \$90,000 in general obligation bond anticipation notes and issued \$60,000 in new notes. The new notes have a maturity date of June 14, 2020 and an interest rate of 2.99 percent.

City of Conneaut, Ohio
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Consistent with the provisions of Ohio Revised Code Section 3709.36, the City's health department was reorganized as a legally separate organization rather than continuing to operate as a department of the City. This change was effective January 2019 and will be reported as a transfer of operations in 2019. Among its various duties, the Conneaut Board of Health (Board) provides for the prompt diagnosis and control of communicable diseases. The Board may also inspect businesses where food is manufactured, handled, stored, or offered for sale. The Board will be operated by a six member board with all members being appointed by the City. The rates charged by the Board are subject to the approval of City Council, in addition, the City provides funding to the Board, thus the City can impose will on the Board and the Board imposes a financial burden to the City. Therefore, beginning in 2019, the Board will be reported as a discretely presented component unit of the City.

Note 26 – Conneaut Port Authority

Description of Reporting Entity

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

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

Summary of Significant Accounting Policies

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

Basis of Presentation

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

Measurement Focus

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

City of Conneaut, Ohio
Notes to the Basic Financial Statements
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Basis of Accounting

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

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

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

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

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

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

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

Cash and Cash Equivalents

All monies of the Port Authority are maintained in one bank account. Investment procedures are restricted by the provisions of the Ohio Revised Code. During 2018, the Port Authority maintained no investment accounts.

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

Inventory

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

Capital Assets

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

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

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

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

Net Position

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

Operating Revenues

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

Estimates

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

Change in Accounting Principles

For 2018, the Authority has implemented, GASB Statement No. 85, "Omnibus 2017" and GASB Statement No. 86, "Certain Debt Extinguishments," GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions".

GASB Statement No. 85 addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and OPEB. The implementation of GASB Statement No. 85 did not have an effect on the financial statements of the Authority.

GASB Statement No. 86 improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources - resources other than the proceeds of refunding debt - are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The implementation of GASB Statement No. 86 did not have an effect on the financial statements of the Authority.

City of Conneaut, Ohio
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GASB Statement No. 75 improves the accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The implementation of this pronouncement had the following effect on net position as reported December 31, 2017:

	Business-Type Activities
Net Position December 31, 2017	\$1,007,039
Deferred Outflows - Payments	
Subsequent to Measurement Date	1,848
Net OPEB Liability - OPERS	(118,578)
Restated Net Position at December 31, 2017	\$890,309

Capital Assets

Capital asset activity for the fiscal year ended December 31, 2018 was as follows:

	Balance 12/31/2017	Additions	Deductions	Balance 12/31/2018
Capital Assets not being Depreciated:				
Land	\$74,713	\$14,925	\$0	\$89,638
Land Improvements	31,021	0	0	31,021
Construction in Progress	55,012	5,230	0	60,242
<i>Capital Assets not being Depreciated</i>	160,746	20,155	0	180,901
Capital Assets being Depreciated:				
Buildings and Improvements	2,628,625	0	0	2,628,625
Dock Improvements	1,231,104	38,085	0	1,269,189
Vehicles	16,823	0	0	16,823
Machinery and Equipment	151,650	12,890	0	164,540
<i>Total Capital Assets being Depreciated</i>	4,028,202	50,975	0	4,079,177
Less Accumulated Depreciation:				
Buildings and Improvements	(2,327,003)	(9,883)	0	(2,336,886)
Dock Improvements	(406,020)	(53,862)	0	(459,882)
Vehicles	(16,823)	0	0	(16,823)
Machinery and Equipment	(129,482)	(6,776)	0	(136,258)
<i>Total Accumulated Depreciation</i>	(2,879,328)	(70,521)	0	(2,949,849)
Total Capital Assets being Depreciated, Net	1,148,874	(19,546)	0	1,129,328
Governmental Activities Capital Assets, Net	\$1,309,620	\$609	\$0	\$1,310,229

Deposits and Investments

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

Deposits At year-end, all of the Port Authority's bank balance of \$93,153 was covered by federal depository insurance.

City of Conneaut, Ohio
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The Conneaut Port Authority did not have any investments at year end.

Leases

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

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

Long-Term Obligations

The Port Authority is liable for a note payable to the City of Conneaut. A \$90,000 note was issued on November 16, 2018 with an interest rate of 3.27 percent.

Net Pension Liability

The Conneaut Port Authority participates in the Ohio Public Employee Retirement System (OPERS). See Note 19. The Conneaut Port Authority required contributions to OPERS in the amount of \$20,723 for 2018. Of this amount, \$827 is reported as an intergovernmental payable.

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

The net pension liability for OPERS was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Port Authority's proportion of the net pension liability was based on the Port Authority's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS			Total
	Traditional	Combined	Member-Directed	
Proportion of the Net Pension Liability				
Current Measurement Date	0.001440%	0.001516%	0.000328%	
Prior Measurement Date	0.001195%	0.001516%	0.000347%	
Change in Proportionate Share	0.000245%	0.000000%	-0.000019%	
Proportionate Share of the Net Pension Liability (Asset)	\$225,908	(\$1,962)	(\$11)	\$223,935
Pension Expense	\$48,502	\$317	(\$4)	\$48,815

At December 31, 2018, the Port Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

City of Conneaut, Ohio
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	OPERS			
	Traditional	Combined	Member-Directed	Total
Deferred Outflows of Resources				
Differences between expected and actual experience	\$231	\$0	\$6	\$237
Changes of assumptions	26,998	171	1	27,170
Net difference between projected and actual earnings on pension plan investments	0	0	0	0
Changes in proportion and differences between Port Authority contributions and proportionate share of contributions	29,920	0	4	29,924
Port Authority contributions subsequent to the measurement date	20,015	708	180	20,903
Total Deferred Outflows of Resources	<u>\$77,164</u>	<u>\$879</u>	<u>\$191</u>	<u>\$78,234</u>
Deferred Inflows of Resources				
Differences between expected and actual experience	\$4,452	\$584	\$0	\$5,036
Net difference between projected and actual earnings on pension plan investments	48,499	310	3	48,812
Total Deferred Inflows of Resources	<u>\$52,951</u>	<u>\$894</u>	<u>\$3</u>	<u>\$53,848</u>

\$20,903 reported as deferred outflows of resources related to pension resulting from Port Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS			
	Traditional	Combined	Member-Directed	Total
Year Ending December 31:				
2019	\$27,116	\$136	(\$1)	\$27,251
2020	22,166	136	(1)	22,301
2021	(4,756)	136	(2)	(4,622)
2022	(24,753)	193	(5)	(24,565)
2023 & Thereafter	(23,971)	122	1	(23,848)
Total	<u>(\$4,198)</u>	<u>\$723</u>	<u>(\$8)</u>	<u>(\$3,483)</u>

Sensitivity of the Port Authority Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
	Port Authority proportionate share of the net pension liability	\$400,082	\$223,935

City of Conneaut, Ohio
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Net Other Postemployment Benefits Liability

See Note 19 and 20 for a description of the net OPEB liability. The Conneaut Port Authority required contributions to OPERS was \$0 for 2018.

Net OPEB Liabilities, OPEB Expense, and Deferred Outflows or Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The Authority's proportion of the net OPEB liability was based on the Authority's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	OPERS
Proportion of the net OPEB liability prior measurement date	0.00117400%
Proportion of the net OPEB liability current measurement date	<u>0.00112000%</u>
Change in proportionate share	<u><u>-0.00005400%</u></u>
Proportionate share of the net OPEB liability	\$121,624
OPEB expense	\$8,636

At December 31, 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS
Deferred outflows of Resources:	
Differences between expected and actual experience	\$95
Changes of assumptions	<u>8,855</u>
Total deferred outflows of resources	<u><u>\$8,950</u></u>
Deferred inflows of Resources:	
Net difference between projected and actual earnings on pension plan investments	\$9,060
Changes in employer's proportionate share/difference between employer contributions	<u>3,632</u>
Total deferred inflows of resources	<u><u>\$12,692</u></u>

No amount was reported as deferred outflows of resources related to OPEB resulting from Authority contributions subsequent to the measurement date will not be recognized as a reduction of the net OPEB liability in the year ending December 31, 2019.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

City of Conneaut, Ohio
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	OPERS
Year Ending December 31:	
2019	\$ 277
2020	277
2021	(2,031)
2022	(2,265)
Total	\$ (3,742)

Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The following table presents the Authority's proportionate share of the net OPEB liability calculated using the single discount rate of 3.85 percent, as well as what the Authority's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.85 percent) or one-percentage-point higher (4.85 percent) than the current rate:

	1% Decrease (2.85%)	Current Discount Rate (3.85%)	1% Increase (4.85%)
Authority's proportionate share of the net OPEB liability	\$161,582	\$121,624	\$89,298

Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
Authority's proportionate share of the net OPEB liability	\$116,368	\$121,624	\$127,053

Risk Management

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

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

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

Casualty and Property Coverage APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2017, PEP retained \$350,000 for casualty claims and \$100,000 for property claims. (latest information available)

City of Conneaut, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2018

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

Financial Position PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2017: (latest information available)

	<u>2017</u>
Assets	\$44,452,326
Liabilities	<u>(13,004,011)</u>
Net Position	<u><u>\$31,448,315</u></u>

At December 31, 2017, the liabilities above include approximately \$11.8 million of estimated incurred claims payable. The assets above also include approximately \$11.2 million of unpaid claims to be billed to approximately 527 member governments in the future, as of December 31, 2017. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2017, the Port Authority's share of these unpaid claims collectible in future years is approximately \$12,000. (latest information available)

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed as follows. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership. During 2018, member contributions amounted to \$19,929.

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

Grants

Amounts grantor agencies pay to the Port Authority are subject to audit and adjustment by the grantor, principally the Federal government. Grantors may require refunding any disallowed cost or excess reserve balances. Management cannot presently determine amounts grantors may disallow or recapture. However, based on prior experience, management believes any such disallowed claims or recapture amounts would not have a material adverse effect on the overall financial position at December 31, 2018.

Litigation and Claims

In the normal course of operations, the Port Authority may be subject to litigation and claims. At December 31, 2018, the Port Authority was not aware of any such matters that would have a material effect on the financial statements.

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Required Supplementary Information

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

	2018	2017	2016
City's Proportion of the Net Pension Liability	0.02207700%	0.02178200%	0.02178200%
City's Proportionate Share of the Net Pension Liability	\$3,463,452	\$4,946,323	\$3,772,918
City's Covered Payroll	\$2,917,500	\$2,815,825	\$2,710,885
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	118.71%	175.66%	139.18%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.25%	77.25%	81.08%

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

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

See accompanying notes to required supplementary information

2015	2014
0.02104400%	0.02104400%
\$2,538,142	\$2,480,813
\$2,580,033	\$2,356,597
98.38%	105.27%
86.45%	86.36%

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

	2018	2017	2016
City's Proportion of the Net Pension Asset	0.01607200%	0.01586500%	0.01158000%
City's Proportionate Share of the Net Pension Asset	\$21,879	\$8,830	\$7,720
City's Covered Payroll	\$65,823	\$61,758	\$42,125
City's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	33.24%	14.30%	18.33%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset	77.25%	81.08%	86.45%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2016 is not available. An additional column will be added each year.

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

See accompanying notes to required supplementary information

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

	2018	2017
City's Proportion of the Net OPEB Liability	0.02132000%	0.02108000%
City's Proportionate Share of the Net OPEB Liability	\$2,315,195	\$2,129,152
City's Covered Payroll	\$3,019,873	\$2,877,583
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	76.67%	73.99%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	77.25%	81.08%

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

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

See accompanying notes to required supplementary information

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

	2018	2017	2016
City's Proportion of the Net Pension Liability	0.07649200%	0.07630900%	0.07869500%
City's Proportionate Share of the Net Pension Liability	\$4,694,660	\$4,833,336	\$5,062,505
City's Covered Payroll	\$1,716,989	\$1,683,660	\$1,621,815
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	273.42%	287.07%	312.15%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.36%	68.36%	66.77%

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

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

See accompanying notes to required supplementary information

2015	2014
0.07675840%	0.07675840%
\$3,976,405	\$3,738,375
\$1,552,383	\$1,524,286
256.15%	245.25%
71.71%	73.00%

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

	2018	2017
City's Proportion of the Net OPEB Liability	0.07649200%	0.07630900%
City's Proportionate Share of the Net OPEB Liability	\$4,333,929	\$3,622,217
City's Covered Payroll	\$1,716,989	\$1,683,660
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	252.41%	215.14%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	77.25%	81.08%

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

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

See accompanying notes to required supplementary information

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City of Conneaut, Ohio
Required Supplementary Information
Schedule of City Contributions
Ohio Public Employees Retirement System
Last Six Years (1)

	2018	2017	2016	2015
Net Pension Liability - Traditional Plan				
Contractually Required Contribution	\$431,328	\$379,275	\$337,899	\$325,306
Contributions in Relation to the Contractually Required Contribution	<u>(431,328)</u>	<u>(379,275)</u>	<u>(337,899)</u>	<u>(325,306)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$3,080,914	\$2,917,500	\$2,815,825	\$2,710,885
Contributions as a Percentage of Covered Payroll	14.00%	13.00%	12.00%	12.00%
Net Pension Asset - Combined Plan				
Contractually Required Contribution (2)	\$9,155	\$8,557	\$7,411	\$5,055
Contributions in Relation to the Contractually Required Contribution	<u>(9,155)</u>	<u>(8,557)</u>	<u>(7,411)</u>	<u>(5,055)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$65,393	\$65,823	\$61,758	\$42,125
Contributions as a Percentage of Covered Payroll	14.00%	13.00%	12.00%	12.00%
Net OPEB Liability - OPERS Plan (3)				
Contractually Required Contribution	\$1,496	\$31,295	\$57,552	
Contributions in Relation to the Contractually Required Contribution	<u>(1,496)</u>	<u>(31,295)</u>	<u>(57,552)</u>	
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	
City Covered Payroll (4)	\$3,183,707	\$3,019,873	\$2,877,583	
Contributions as a Percentage of Covered Payroll	0.05%	1.04%	2.00%	

(1) Although this schedule is intended to reflect information for ten years, information prior to 2013 is not available. An additional column will be added each year.

(2) Prior to 2015, no split between traditional and combined is available.

(3) Beginning in 2016, OPERS used one trust fund as the funding vehicle for all health care plans; therefore, information prior to 2016 is not presented.

(4) The OPEB plan includes the members from the traditional plan, the combined plan and the member directed plan. The member directed pension is a defined contribution pension plan; therefore, the pension side is not included above.

See accompanying notes to the required supplementary information

<u>2014</u>	<u>2013</u>
\$309,604	\$306,358
<u>(309,604)</u>	<u>(306,358)</u>
<u>\$0</u>	<u>\$0</u>
\$2,580,033	\$2,356,597
12.00%	13.00%

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Net Pension Liability				
Contractually Required Contribution	\$368,299	\$354,441	\$346,650	\$335,890
Contributions in Relation to the Contractually Required Contribution	<u>(368,299)</u>	<u>(354,441)</u>	<u>(346,650)</u>	<u>(335,890)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (1)	\$1,784,628	\$1,716,989	\$1,683,660	\$1,621,815
Contributions as a Percentage of Covered Payroll:	<u>20.64%</u>	<u>20.64%</u>	<u>20.59%</u>	<u>20.71%</u>
Net OPEB Liability				
Contractually Required Contribution	\$8,923	\$8,585	\$8,419	\$8,109
Contributions in Relation to the Contractually Required Contribution	<u>(8,923)</u>	<u>(8,585)</u>	<u>(8,419)</u>	<u>(8,109)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll:	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>
Total Contributions as a Percentage of Covered Payroll:	<u>21.14%</u>	<u>21.14%</u>	<u>21.09%</u>	<u>21.21%</u>

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

See accompanying notes to the required supplementary information

2014	2013	2012	2011	2010	2009
\$321,229	\$267,948	\$208,758	\$200,873	\$210,141	\$207,441
<u>(321,229)</u>	<u>(267,948)</u>	<u>(208,758)</u>	<u>(200,873)</u>	<u>(210,141)</u>	<u>(207,441)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,552,383	\$1,524,286	\$1,440,692	\$1,394,499	\$1,467,373	\$1,431,072
<u>20.69%</u>	<u>17.58%</u>	<u>14.49%</u>	<u>14.40%</u>	<u>14.32%</u>	<u>14.50%</u>
\$7,762	\$55,128	\$97,247	\$94,129	\$99,047	\$96,597
<u>(7,762)</u>	<u>(55,128)</u>	<u>(97,247)</u>	<u>(94,129)</u>	<u>(99,047)</u>	<u>(96,597)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>0.50%</u>	<u>3.62%</u>	<u>6.75%</u>	<u>6.75%</u>	<u>6.75%</u>	<u>6.75%</u>
<u>21.19%</u>	<u>21.20%</u>	<u>21.24%</u>	<u>21.15%</u>	<u>21.07%</u>	<u>21.25%</u>

City of Conneaut, Ohio
Notes to the Required Supplementary Information
For the year ended December 31, 2018

Changes in Assumptions – OPERS Pension

Amounts reported beginning in 2017 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in 2016 and prior are presented below:

	2017	2016 and prior
Wage Inflation	3.25 percent	3.75 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.8 percent, simple
Investment Rate of Return	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

Amounts reported beginning in 2017 use mortality rates based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

Amounts reported for 2016 and prior use mortality rates based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

Changes in Assumptions – OP&F Pension

Amounts reported for 2018 incorporate changes in assumptions used by OP&F in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in 2017 and prior are presented below:

City of Conneaut, Ohio
Notes to the Required Supplementary Information
For the year ended December 31, 2018

	2018	2017 and Prior
Valuation Date	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017	January 1, 2016, with actuarial liabilities rolled forward to December 31, 2016
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.25 percent
Projected Salary Increases	3.75 percent to 10.5 percent	4.25 percent to 11 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent	Inflation rate of 3.25 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent	3.00 percent simple; 2.6 percent simple for increased based on the lesser of the increase in CPI and 3 percent

Amounts reported for 2018 use valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

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

Amounts reported for 2018 use valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

Age	Police	Fire
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

Amounts reported for 2017 and prior use valuation, rates of death were based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

Changes in Assumptions – OPERS OPEB

For 2018, the single discount rate changed from 4.23 percent to 3.85 percent.

Changes in Assumptions – OP&F OPEB

For 2018, the single discount rate changed from 3.79 percent to 3.24 percent.

Combining and Individual Fund Statements and Schedules

Fund Descriptions – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(continued)

Fund Descriptions – Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

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

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

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

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

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

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

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

Nonmajor Debt Service Funds

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

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

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

(continued)

Fund Descriptions – Nonmajor Governmental Funds (continued)

Nonmajor Capital Projects Funds

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

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

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

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

Ohio Department of Natural Resources (ODNR) Natureworks Grant Fund The ODNR Natureworks Grant Fund accounts for and reports grant monies restricted for the purpose of replacing the roof at the Malek Park storage building and rehabilitating the Malek Park Recreational walking trail.

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

Industrial Park Fund The Industrial Park Fund accounts for and reports restricted loan monies and grants for the development of the City's industrial park.

City of Conneaut, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2018

	Nonmajor Special Revenue Funds	Nonmajor Special Assessment Bond Retirement Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and				
Cash Equivalents	\$937,959	\$6,075	\$526,121	\$1,470,155
Accounts Receivable	840	0	5,645	6,485
Intergovernmental Receivable	144,817	0	37,367	182,184
Municipal Income Taxes Receivable	11,140	0	9,283	20,423
Property Taxes Receivable	1,428,381	0	506,158	1,934,539
Loans Receivable from Component Unit	90,000	0	0	90,000
Special Assessments Receivable	0	149,427	0	149,427
<i>Total Assets</i>	<u>\$2,613,137</u>	<u>\$155,502</u>	<u>\$1,084,574</u>	<u>\$3,853,213</u>
Liabilities				
Accounts Payable	\$46,031	\$0	\$3,448	\$49,479
Contracts Payable	8,133	0	100,399	108,532
Accrued Wages	7,179	0	803	7,982
Intergovernmental Payable	41,745	0	145	41,890
Interfund Payable	0	72,907	24,919	97,826
Accrued Interest Payable	370	0	0	370
Notes Payable	90,000	0	0	90,000
<i>Total Liabilities</i>	<u>193,458</u>	<u>72,907</u>	<u>129,714</u>	<u>396,079</u>
Deferred Inflows of Resources				
Property Taxes	1,300,635	0	461,001	1,761,636
Unavailable Revenue	254,732	149,427	87,942	492,101
<i>Total Deferred Inflows of Resources</i>	<u>1,555,367</u>	<u>149,427</u>	<u>548,943</u>	<u>2,253,737</u>
Fund Balances				
Restricted	810,568	0	367,565	1,178,133
Committed	107,095	0	63,271	170,366
Unassigned (Deficit)	(53,351)	(66,832)	(24,919)	(145,102)
<i>Total Fund Balances (Deficit)</i>	<u>864,312</u>	<u>(66,832)</u>	<u>405,917</u>	<u>1,203,397</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$2,613,137</u>	<u>\$155,502</u>	<u>\$1,084,574</u>	<u>\$3,853,213</u>

City of Conneaut, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2018

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	\$1,353,109	\$0	\$478,221	\$1,831,330
Municipal Income Taxes	59,142	0	49,447	108,589
Special Assessments	0	45,381	0	45,381
Intergovernmental	332,216	0	24,895	357,111
Fees, Licenses and Permits	204,928	0	0	204,928
Fines and Forfeitures	48,520	0	99,092	147,612
Rentals	7,500	0	0	7,500
Charges for Services	15,300	0	0	15,300
Contributions and Donations	26,782	0	0	26,782
Interest	140	0	0	140
Other	9,522	0	0	9,522
<i>Total Revenues</i>	<u>2,057,159</u>	<u>45,381</u>	<u>651,655</u>	<u>2,754,195</u>
Expenditures				
Current:				
General Government	0	1,595	0	1,595
Security of Persons and Property	1,417,308	0	0	1,417,308
Leisure Time Activities	54,341	0	0	54,341
Community Development	61,067	0	0	61,067
Basic Utility Services	204,919	0	0	204,919
Transportation	167,190	0	0	167,190
Capital Outlay	0	0	636,879	636,879
Debt Service:				
Principal Retirement	81,102	154,907	15,333	251,342
Interest and Fiscal Charges	5,368	6,884	1,116	13,368
<i>Total Expenditures</i>	<u>1,991,295</u>	<u>163,386</u>	<u>653,328</u>	<u>2,808,009</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	65,864	(118,005)	(1,673)	(53,814)
Other Financing Sources				
Transfers In	<u>50,000</u>	<u>6,922</u>	<u>0</u>	<u>56,922</u>
<i>Net Change in Fund Balances</i>	115,864	(111,083)	(1,673)	3,108
<i>Fund Balances Beginning of Year</i>	<u>748,448</u>	<u>44,251</u>	<u>407,590</u>	<u>1,200,289</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$864,312</u></u>	<u><u>(\$66,832)</u></u>	<u><u>\$405,917</u></u>	<u><u>\$1,203,397</u></u>

City of Conneaut, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2018

	Auto Permissive Tax	State Highway	Restaurant Vending	Marina	Enforcement and Education
Assets					
Equity in Pooled Cash and					
Cash Equivalents	\$3,781	\$1,056	\$2,194	\$9,464	\$12,059
Accounts Receivable	0	0	0	0	0
Intergovernmental Receivable	67,015	16,839	0	0	0
Municipal Income Taxes Receivable	0	0	0	0	0
Property Taxes Receivable	0	0	0	0	0
Loans Receivable from Component Unit	0	0	0	90,000	0
<i>Total Assets</i>	<u>\$70,796</u>	<u>\$17,895</u>	<u>\$2,194</u>	<u>\$99,464</u>	<u>\$12,059</u>
Liabilities					
Accounts Payable	\$0	\$0	\$0	\$0	\$0
Contracts Payable	0	0	0	0	0
Accrued Wages	0	0	0	0	0
Intergovernmental Payable	0	0	22	0	0
Accrued Interest Payable	0	0	0	370	0
Notes Payable	0	0	0	90,000	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>22</u>	<u>90,370</u>	<u>0</u>
Deferred Inflows of Resources					
Property Taxes	0	0	0	0	0
Unavailable Revenue	48,173	11,348	0	0	0
<i>Total Deferred Inflows of Resources</i>	<u>48,173</u>	<u>11,348</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances					
Restricted	22,623	6,547	2,172	9,094	12,059
Committed	0	0	0	0	0
Unassigned (Deficit)	0	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>22,623</u>	<u>6,547</u>	<u>2,172</u>	<u>9,094</u>	<u>12,059</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$70,796</u>	<u>\$17,895</u>	<u>\$2,194</u>	<u>\$99,464</u>	<u>\$12,059</u>

<u>Indigent Drivers</u>	<u>Cemetery</u>	<u>Police Levy</u>	<u>Fire Levy</u>	<u>Indigent Monitoring</u>	<u>Law Enforcement Trust</u>	<u>Municipal Probation Services</u>
\$62,135	\$67,009	\$32,648	\$11,345	\$24,524	\$16,480	\$16,430
160	0	0	0	0	0	680
0	0	21,610	6,790	0	0	0
0	0	0	0	0	0	0
0	0	324,141	276,086	0	0	0
0	0	0	0	0	0	0
<u>\$62,295</u>	<u>\$67,009</u>	<u>\$378,399</u>	<u>\$294,221</u>	<u>\$24,524</u>	<u>\$16,480</u>	<u>\$17,110</u>
\$0	\$1,089	\$0	\$0	\$0	\$0	\$0
0	78	0	0	0	0	0
0	1,028	0	0	0	0	0
0	741	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>0</u>	<u>2,936</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	295,119	251,455	0	0	0
0	0	50,632	31,421	0	0	0
<u>0</u>	<u>0</u>	<u>345,751</u>	<u>282,876</u>	<u>0</u>	<u>0</u>	<u>0</u>
62,295	64,073	32,648	11,345	24,524	16,480	17,110
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>62,295</u>	<u>64,073</u>	<u>32,648</u>	<u>11,345</u>	<u>24,524</u>	<u>16,480</u>	<u>17,110</u>
<u>\$62,295</u>	<u>\$67,009</u>	<u>\$378,399</u>	<u>\$294,221</u>	<u>\$24,524</u>	<u>\$16,480</u>	<u>\$17,110</u>

(continued)

City of Conneaut, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
 December 31, 2018

	Police Levy II	Street Lighting	Community Housing	Recreation	Police Pension
Assets					
Equity in Pooled Cash and Cash Equivalents	\$547,420	\$781	\$8,446	\$105,925	\$6,187
Accounts Receivable	0	0	0	0	0
Intergovernmental Receivable	13,579	0	0	0	10,482
Municipal Income Taxes Receivable	0	6,034	0	5,106	0
Property Taxes Receivable	552,173	0	0	0	152,382
Loans Receivable from Component Unit	0	0	0	0	0
<i>Total Assets</i>	<u>\$1,113,172</u>	<u>\$6,815</u>	<u>\$8,446</u>	<u>\$111,031</u>	<u>\$169,051</u>
Liabilities					
Accounts Payable	\$7,590	\$36,452	\$0	\$900	\$0
Contracts Payable	8,048	0	0	7	0
Accrued Wages	6,151	0	0	0	0
Intergovernmental Payable	4,479	0	0	49	20,289
Accrued Interest Payable	0	0	0	0	0
Notes Payable	0	0	0	0	0
<i>Total Liabilities</i>	<u>26,268</u>	<u>36,452</u>	<u>0</u>	<u>956</u>	<u>20,289</u>
Deferred Inflows of Resources					
Property Taxes	502,910	0	0	0	138,672
Unavailable Revenue	62,842	3,522	0	2,980	24,192
<i>Total Deferred Inflows of Resources</i>	<u>565,752</u>	<u>3,522</u>	<u>0</u>	<u>2,980</u>	<u>162,864</u>
Fund Balances					
Restricted	521,152	0	8,446	0	0
Committed	0	0	0	107,095	0
Unassigned (Deficit)	0	(33,159)	0	0	(14,102)
<i>Total Fund Balances (Deficit)</i>	<u>521,152</u>	<u>(33,159)</u>	<u>8,446</u>	<u>107,095</u>	<u>(14,102)</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$1,113,172</u>	<u>\$6,815</u>	<u>\$8,446</u>	<u>\$111,031</u>	<u>\$169,051</u>

Fire Pension	Total Nonmajor Special Revenue Funds
\$10,075	\$937,959
0	840
8,502	144,817
0	11,140
123,599	1,428,381
0	90,000
<u>\$142,176</u>	<u>\$2,613,137</u>
\$0	\$46,031
0	8,133
0	7,179
16,165	41,745
0	370
0	90,000
<u>16,165</u>	<u>193,458</u>
112,479	1,300,635
19,622	254,732
<u>132,101</u>	<u>1,555,367</u>
0	810,568
0	107,095
(6,090)	(53,351)
<u>(6,090)</u>	<u>864,312</u>
<u>\$142,176</u>	<u>\$2,613,137</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, 2018

	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	133,731	35,400	0	2,888	0
Fees, Licenses and Permits	0	0	18,309	480	0
Fines and Forfeitures	0	0	0	0	738
Rentals	0	0	0	0	0
Charges for Services	0	0	0	0	0
Contributions and Donations	0	0	0	0	0
Interest	19	6	0	0	0
Other	0	0	0	0	0
<i>Total Revenues</i>	<u>133,750</u>	<u>35,406</u>	<u>18,309</u>	<u>3,368</u>	<u>738</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	17,253	0	0
Basic Utility Services	0	0	0	0	0
Transportation	132,190	35,000	0	0	0
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	2,907	0
<i>Total Expenditures</i>	<u>132,190</u>	<u>35,000</u>	<u>17,253</u>	<u>2,907</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	1,560	406	1,056	461	738
Other Financing Sources					
Transfers In	0	0	0	0	0
<i>Net Change in Fund Balances</i>	1,560	406	1,056	461	738
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>21,063</u>	<u>6,141</u>	<u>1,116</u>	<u>8,633</u>	<u>11,321</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$22,623</u>	<u>\$6,547</u>	<u>\$2,172</u>	<u>\$9,094</u>	<u>\$12,059</u>

Indigent Drivers	Cemetery	Police Levy	Fire Levy	Indigent Monitoring	Law Enforcement Trust	Municipal Probation Services
\$0	\$0	\$307,491	\$260,848	\$0	\$0	\$0
0	0	0	0	0	0	0
0	0	43,219	13,579	0	0	0
0	23,790	0	0	0	0	0
3,232	0	0	0	1,093	33,502	9,955
0	0	0	0	0	0	0
0	15,300	0	0	0	0	0
0	0	0	0	0	0	0
0	29	0	0	0	0	0
623	732	0	0	453	209	0
<u>3,855</u>	<u>39,851</u>	<u>350,710</u>	<u>274,427</u>	<u>1,546</u>	<u>33,711</u>	<u>9,955</u>
0	0	337,131	300,430	0	28,063	0
0	0	0	0	0	0	0
0	28,049	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	34,701	0	0	0	0
0	0	733	0	0	0	0
<u>0</u>	<u>28,049</u>	<u>372,565</u>	<u>300,430</u>	<u>0</u>	<u>28,063</u>	<u>0</u>
3,855	11,802	(21,855)	(26,003)	1,546	5,648	9,955
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
3,855	11,802	(21,855)	(26,003)	1,546	5,648	9,955
<u>58,440</u>	<u>52,271</u>	<u>54,503</u>	<u>37,348</u>	<u>22,978</u>	<u>10,832</u>	<u>7,155</u>
<u>\$62,295</u>	<u>\$64,073</u>	<u>\$32,648</u>	<u>\$11,345</u>	<u>\$24,524</u>	<u>\$16,480</u>	<u>\$17,110</u>

(continued)

City of Conneaut, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Year Ended December 31, 2018

	Police Levy II	Street Lighting	Community Housing	ODNR Planning Grant	Local Innovation Grant
Revenues					
Property Taxes	\$521,689	\$0	\$0	\$0	\$0
Municipal Income Taxes	0	31,915	0	0	0
Intergovernmental	27,158	0	7,673	28,000	2,600
Fees, Licenses and Permits	0	161,149	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	0	0	0
Interest	0	0	86	0	0
Other	4,707	1,713	0	0	0
<i>Total Revenues</i>	<u>553,554</u>	<u>194,777</u>	<u>7,759</u>	<u>28,000</u>	<u>2,600</u>
Expenditures					
Current:					
Security of Persons and Property	404,469	0	0	0	0
Leisure Time Activities	0	0	0	0	0
Community Development	0	0	0	15,400	365
Basic Utility Services	0	204,919	0	0	0
Transportation	0	0	0	0	0
Debt Service:					
Principal Retirement	46,401	0	0	0	0
Interest and Fiscal Charges	1,728	0	0	0	0
<i>Total Expenditures</i>	<u>452,598</u>	<u>204,919</u>	<u>0</u>	<u>15,400</u>	<u>365</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	100,956	(10,142)	7,759	12,600	2,235
Other Financing Sources					
Transfers In	0	0	0	0	0
<i>Net Change in Fund Balances</i>	100,956	(10,142)	7,759	12,600	2,235
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>420,196</u>	<u>(23,017)</u>	<u>687</u>	<u>(12,600)</u>	<u>(2,235)</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$521,152</u>	<u>(\$33,159)</u>	<u>\$8,446</u>	<u>\$0</u>	<u>\$0</u>

Recreation	Police Pension	Fire Pension	Total Nonmajor Special Revenue Funds
\$0	\$145,259	\$117,822	\$1,353,109
27,227	0	0	59,142
0	20,964	17,004	332,216
1,200	0	0	204,928
0	0	0	48,520
7,500	0	0	7,500
0	0	0	15,300
26,782	0	0	26,782
0	0	0	140
1,085	0	0	9,522
<u>63,794</u>	<u>166,223</u>	<u>134,826</u>	<u>2,057,159</u>
0	186,699	160,516	1,417,308
54,341	0	0	54,341
0	0	0	61,067
0	0	0	204,919
0	0	0	167,190
0	0	0	81,102
0	0	0	5,368
<u>54,341</u>	<u>186,699</u>	<u>160,516</u>	<u>1,991,295</u>
9,453	(20,476)	(25,690)	65,864
<u>0</u>	<u>20,000</u>	<u>30,000</u>	<u>50,000</u>
9,453	(476)	4,310	115,864
<u>97,642</u>	<u>(13,626)</u>	<u>(10,400)</u>	<u>748,448</u>
<u>\$107,095</u>	<u>(\$14,102)</u>	<u>(\$6,090)</u>	<u>\$864,312</u>

City of Conneaut, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2018

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Revenues			
Special Assessments	\$0	\$45,381	\$45,381
Expenditures			
Current:			
General Government	0	1,595	1,595
Debt Service:			
Principal Retirement	100,510	54,397	154,907
Interest and Fiscal Charges	3,017	3,867	6,884
<i>Total Expenditures</i>	<u>103,527</u>	<u>59,859</u>	<u>163,386</u>
<i>Excess of Revenues Under Expenditures</i>	(103,527)	(14,478)	(118,005)
Other Financing Sources			
Transfers In	<u>6,922</u>	<u>0</u>	<u>6,922</u>
<i>Net Change in Fund Balances</i>	(96,605)	(14,478)	(111,083)
<i>Fund Balances (Deficit)</i>			
<i>Beginning of Year</i>	<u>96,605</u>	<u>(52,354)</u>	<u>44,251</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$0</u></u>	<u><u>(\$66,832)</u></u>	<u><u>(\$66,832)</u></u>

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City of Conneaut, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2018

	Street Improvement	Municipal Court Improvement	ODNR Natureworks Grant	Capital Improvement
Assets				
Equity in Pooled Cash and				
Cash Equivalents	\$111,792	\$354,172	\$0	\$59,406
Accounts Receivable	0	5,645	0	0
Intergovernmental Receivable	12,448	0	24,919	0
Municipal Income Taxes Receivable	0	0	0	9,283
Property Taxes Receivable	506,158	0	0	0
<i>Total Assets</i>	<u>\$630,398</u>	<u>\$359,817</u>	<u>\$24,919</u>	<u>\$68,689</u>
Liabilities				
Accounts Payable	\$3,394	\$54	\$0	\$0
Contracts Payable	89,559	10,840	0	0
Accrued Wages	0	803	0	0
Intergovernmental Payable	0	145	0	0
Interfund Payable	0	0	24,919	0
<i>Total Liabilities</i>	<u>92,953</u>	<u>11,842</u>	<u>24,919</u>	<u>0</u>
Deferred Inflows of Resources				
Property Taxes	461,001	0	0	0
Unavailable Revenue	57,605	0	24,919	5,418
<i>Total Deferred Inflows of Resources</i>	<u>518,606</u>	<u>0</u>	<u>24,919</u>	<u>5,418</u>
Fund Balances				
Restricted	18,839	347,975	0	0
Committed	0	0	0	63,271
Unassigned (Deficit)	0	0	(24,919)	0
<i>Total Fund Balances (Deficit)</i>	<u>18,839</u>	<u>347,975</u>	<u>(24,919)</u>	<u>63,271</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$630,398</u>	<u>\$359,817</u>	<u>\$24,919</u>	<u>\$68,689</u>

Industrial Park	Total Nonmajor Capital Projects Funds
\$751	\$526,121
0	5,645
0	37,367
0	9,283
0	506,158
<u>\$751</u>	<u>\$1,084,574</u>
\$0	\$3,448
0	100,399
0	803
0	145
0	24,919
<u>0</u>	<u>129,714</u>
0	461,001
0	87,942
<u>0</u>	<u>548,943</u>
751	367,565
0	63,271
0	(24,919)
<u>751</u>	<u>405,917</u>
<u>\$751</u>	<u>\$1,084,574</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, 2018

	Street Improvement	Office of Justice Grant	Municipal Court Improvement	ODNR Natureworks Grant
Revenues				
Property Taxes	\$478,221	\$0	\$0	\$0
Municipal Income Taxes	0	0	0	0
Intergovernmental	24,895	0	0	0
Fines and Forfeitures	0	0	99,092	0
<i>Total Revenues</i>	<u>503,116</u>	<u>0</u>	<u>99,092</u>	<u>0</u>
Expenditures				
Capital Outlay	508,491	216	112,183	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>508,491</u>	<u>216</u>	<u>112,183</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(5,375)	(216)	(13,091)	0
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>24,214</u>	<u>216</u>	<u>361,066</u>	<u>(24,919)</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$18,839</u></u>	<u><u>\$0</u></u>	<u><u>\$347,975</u></u>	<u><u>(\$24,919)</u></u>

Capital Improvement	Industrial Park	Total Nonmajor Capital Projects Funds
\$0	\$0	\$478,221
49,447	0	49,447
0	0	24,895
0	0	99,092
49,447	0	651,655
15,989	0	636,879
15,333	0	15,333
1,116	0	1,116
32,438	0	653,328
17,009	0	(1,673)
46,262	751	407,590
<u>\$63,271</u>	<u>\$751</u>	<u>\$405,917</u>

Fund Descriptions – Fiduciary Funds

Fiduciary Funds

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

Agency Fund

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

City of Conneaut, Ohio
Statement of Changes in Assets and Liabilities
Agency Fund
For the Year Ended December 31, 2018

	Beginning Balance 12/31/17	Additions	Deductions	Ending Balance 12/31/18
<i>Deposits Fund</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$73,954	\$41,973	\$61,924	\$54,003
Cash and Cash Equivalents In Segregated Accounts	21,416	675,805	671,987	25,234
<i>Total Assets</i>	<u>\$95,370</u>	<u>\$717,778</u>	<u>\$733,911</u>	<u>\$79,237</u>
Liabilities				
Deposits Held and Due to Others	<u>\$95,370</u>	<u>\$717,778</u>	<u>\$733,911</u>	<u>\$79,237</u>

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

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$325,800	\$325,800	\$322,904	(\$2,896)
Municipal Income Taxes	2,429,402	2,429,402	2,526,422	97,020
Hotel Taxes	24,000	24,000	28,137	4,137
Intergovernmental	403,159	403,159	399,894	(3,265)
Fees, Licenses and Permits	114,850	114,850	110,142	(4,708)
Fines and Forfeitures	222,150	222,150	220,233	(1,917)
Rentals	44,137	44,137	23,108	(21,029)
Charges for Services	423,000	423,000	328,841	(94,159)
Contributions and Donations	17,600	17,600	6,639	(10,961)
Interest	30,000	30,000	95,525	65,525
Franchise Taxes	150,000	150,000	170,370	20,370
Other	81,500	81,500	149,514	68,014
<i>Total Revenues</i>	4,265,598	4,265,598	4,381,729	116,131
Expenditures				
Current:				
General Government:				
Council				
Personal Services	51,800	51,800	50,706	1,094
Materials and Supplies	700	700	661	39
Contractual Services	7,567	7,567	4,918	2,649
Total Council	60,067	60,067	56,285	3,782
Clerk of Council				
Personal Services	8,296	8,296	7,989	307
City Manager				
Personal Services	126,956	124,956	121,528	3,428
Materials and Supplies	2,816	2,816	550	2,266
Contractual Services	3,600	4,800	4,541	259
Capital Outlay	750	750	510	240
Total City Manager	134,122	133,322	127,129	6,193
Finance Office				
Personal Services	233,789	234,039	233,044	995
Materials and Supplies	28,266	28,266	21,468	6,798
Contractual Services	4,350	4,850	3,958	892
Capital Outlay	1,000	1,000	1,000	0
Total Finance Office	\$267,405	\$268,155	\$259,470	\$8,685

(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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Law Director				
Personal Services	\$157,150	\$154,150	\$150,850	\$3,300
Materials and Supplies	2,800	2,800	2,142	658
Contractual Services	5,900	6,050	4,772	1,278
Capital Outlay	3,000	3,000	1,311	1,689
Total Law Director	168,850	166,000	159,075	6,925
Civil Service				
Personal Services	5,470	5,470	5,365	105
Materials and Supplies	2,500	2,500	1,571	929
Contractual Services	1,885	1,885	1,856	29
Total Civil Service	9,855	9,855	8,792	1,063
Court				
Personal Services	347,700	337,890	330,469	7,421
Materials and Supplies	19,414	19,914	19,215	699
Contractual Services	22,000	22,000	15,380	6,620
Purchased Services	1,100	1,100	857	243
Capital Outlay	2,000	2,000	731	1,269
Total Court	392,214	382,904	366,652	16,252
City Hall				
Personal Services	9,580	9,580	8,196	1,384
Materials and Supplies	29,017	29,017	22,288	6,729
Contractual Services	8,500	8,500	7,000	1,500
Purchased Services	7,000	7,000	1,967	5,033
Capital Outlay	5,000	5,000	5,000	0
Total City Hall	59,097	59,097	44,451	14,646
Planning Commission				
Personal Services	5,200	5,200	1,970	3,230
Materials and Supplies	900	900	0	900
Total Planning Commission	6,100	6,100	1,970	4,130
Demolition				
Purchased Services	255	255	0	255
Reserve Fund				
Contractual Services	47,272	59,272	57,412	1,860
Purchased Services	78,305	83,304	69,012	14,292
Capital Outlay	30,003	30,003	26,429	3,574
Total Reserve Fund	\$155,580	\$172,579	\$152,853	\$19,726

(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, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Unclaimed Funds				
Other	\$1,000	\$1,000	\$0	\$1,000
General Services				
Materials and Supplies	12,000	12,000	4,842	7,158
Contractual Services	115,965	120,215	104,959	15,256
Capital Outlay	236,780	226,644	197,621	29,023
Other	99,086	108,087	89,588	18,499
Total General Services	463,831	466,946	397,010	69,936
Total General Government	1,726,672	1,734,576	1,581,676	152,900
Security of Persons and Property				
Police Department				
Personal Services	1,074,828	1,074,903	1,067,736	7,167
Materials and Supplies	66,304	71,304	66,198	5,106
Contractual Services	32,827	35,327	31,467	3,860
Purchased Services	33,486	33,486	31,209	2,277
Capital Outlay	100,065	100,065	98,045	2,020
Other	5,000	5,000	2,030	2,970
Total Police Department	1,312,510	1,320,085	1,296,685	23,400
Jail				
Materials and Supplies	4,000	4,000	3,994	6
Purchased Services	8,105	8,105	6,759	1,346
Capital Outlay	4,000	4,000	4,000	0
Other	6,100	6,100	4,175	1,925
Total Jail	22,205	22,205	18,928	3,277
Dispatch				
Personal Services	263,600	268,100	264,087	4,013
Fire Department				
Personal Services	787,000	804,000	792,744	11,256
Materials and Supplies	50,398	53,399	44,194	9,205
Contractual Services	33,000	34,500	24,799	9,701
Purchased Services	65,289	70,289	59,059	11,230
Capital Outlay	21,305	25,005	24,564	441
Total Fire Department	956,992	987,193	945,360	41,833
Ambulance Fund				
Capital Outlay	9,000	9,000	0	9,000
Total Security of Persons and Property	\$2,564,307	\$2,606,583	\$2,525,060	\$81,523

(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, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Public Health Services:				
Health Department				
Personal Services	\$165,662	\$165,662	\$160,096	\$5,566
Materials and Supplies	4,558	4,558	3,521	1,037
Contractual Services	42,615	42,615	37,268	5,347
Purchased Services	12,200	12,200	11,179	1,021
Capital Outlay	500	500	0	500
Total Health Department	225,535	225,535	212,064	13,471
Street Lighting				
Purchased Services	0	5,000	2,819	2,181
Total Public Health Services	225,535	230,535	214,883	15,652
Leisure Time Activities:				
Museum Railroad				
Purchased Service	4,810	4,810	3,605	1,205
Bureau of Tourism				
Personal Services	9,650	1,850	0	1,850
Materials and Supplies	6,200	7,921	7,921	0
Contractual Services	2,200	2,200	300	1,900
Purchased Services	12,240	12,240	10,857	1,383
Total Bureau of Tourism	30,290	24,211	19,078	5,133
Cable Advisory Board				
Personal Services	21,500	21,500	21,500	0
Materials and Supplies	525	525	523	2
Contractual Services	350	350	0	350
Capital Outlay	5,000	6,400	5,459	941
Total Cable Advisory Board	27,375	28,775	27,482	1,293
Total Leisure Time Activities	62,475	57,796	50,165	7,631
Community Development:				
Housing and Zoning:				
Personal Services	102,045	98,045	91,853	6,192
Materials and Supplies	3,801	4,801	3,040	1,761
Contractual Services	1,200	1,800	1,587	213
Purchased Services	4,770	4,770	3,693	1,077
Capital Outlay	7,000	7,000	7,000	0
Total Community Development	\$118,816	\$116,416	\$107,173	\$9,243

(continued)

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Debt Service				
Principal Retirement	\$290,208	\$290,208	\$290,204	\$4
Interest and Fiscal Charges	33,433	36,608	36,298	310
Total Debt Service	323,641	326,816	326,502	314
<i>Total Expenditures</i>	<i>5,021,446</i>	<i>5,072,722</i>	<i>4,805,459</i>	<i>267,263</i>
<i>Excess of Revenues Under Expenditures</i>	<i>(755,848)</i>	<i>(807,124)</i>	<i>(423,730)</i>	<i>383,394</i>
Other Financing Sources (Uses)				
General Obligation Notes Issued	120,000	120,000	90,000	(30,000)
Capital Lease Issued	115,000	115,000	0	(115,000)
Advances In	50,087	50,087	25,168	(24,919)
Transfers Out	(222,000)	(222,000)	(56,922)	165,078
Total Other Financing Sources (Uses)	63,087	63,087	58,246	(4,841)
<i>Net Change in Fund Balance</i>	<i>(692,761)</i>	<i>(744,037)</i>	<i>(365,484)</i>	<i>378,553</i>
<i>Fund Balance Beginning of Year</i>	<i>1,006,401</i>	<i>1,006,401</i>	<i>1,006,401</i>	<i>0</i>
Prior Year Encumbrances Appropriated	222,149	222,149	222,149	0
Fund Balance End of Year	\$535,789	\$484,513	\$863,066	\$378,553

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$549,098	\$549,098	\$571,198	\$22,100
Special Assessments	7,000	7,000	954	(6,046)
Intergovernmental	426,000	426,000	437,219	11,219
Fees, Licenses and Permits	35,000	35,000	34,480	(520)
Interest	100	100	7	(93)
Other	35,000	35,000	56,034	21,034
<i>Total Revenues</i>	<u>1,052,198</u>	<u>1,052,198</u>	<u>1,099,892</u>	<u>47,694</u>
Expenditures				
Current:				
Transportation:				
Street Department				
Personal Services	762,466	772,466	743,942	28,524
Materials and Supplies	199,510	207,510	153,232	54,278
Contractual Services	41,936	41,936	26,919	15,017
Purchased Services	113,470	113,469	77,038	36,431
Capital Outlay	1,347,000	1,548,548	150,079	1,398,469
Other	2,000	2,000	76	1,924
<i>Total Transportation</i>	<u>2,466,382</u>	<u>2,685,929</u>	<u>1,151,286</u>	<u>1,534,643</u>
Debt Service:				
Principal Retirement	93,655	94,312	94,306	6
Interest and Fiscal Charges	10,432	9,775	9,769	6
<i>Total Debt Service</i>	<u>104,087</u>	<u>104,087</u>	<u>104,075</u>	<u>12</u>
<i>Total Expenditures</i>	<u>2,570,469</u>	<u>2,790,016</u>	<u>1,255,361</u>	<u>1,534,655</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,518,271)</u>	<u>(1,737,818)</u>	<u>(155,469)</u>	<u>1,582,349</u>
Other Financing Sources				
Capital Lease Issued	95,000	299,548	24,749	(274,799)
State Infrastructure Bank Loan Issued	1,244,750	1,244,750	100,000	(1,144,750)
Transfers In	145,000	145,000	0	(145,000)
<i>Total Other Financing Sources</i>	<u>1,484,750</u>	<u>1,689,298</u>	<u>124,749</u>	<u>(1,564,549)</u>
<i>Net Change in Fund Balance</i>	(33,521)	(48,520)	(30,720)	17,800
<i>Fund Balance Beginning of Year</i>	24,074	24,074	24,074	0
Prior Year Encumbrances Appropriated	29,342	29,342	29,342	0
<i>Fund Balance End of Year</i>	<u>\$19,895</u>	<u>\$4,896</u>	<u>\$22,696</u>	<u>\$17,800</u>

City of Conneaut, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Water Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Charges for Services	\$2,329,550	\$2,329,550	\$2,345,448	\$15,898
Tap-In Fees	8,000	8,000	2,060	(5,940)
Special Assessments	4,000	4,000	4,265	265
Intergovernmental	130,000	130,000	111,853	(18,147)
Rentals	3,000	3,000	4,450	1,450
Other	21,000	21,000	26,268	5,268
OPWC Loans Issued	818,000	818,000	0	(818,000)
<i>Total Revenues</i>	<u>3,313,550</u>	<u>3,313,550</u>	<u>2,494,344</u>	<u>(819,206)</u>
Expenses				
Personal Services	1,265,127	1,276,127	1,205,940	70,187
Purchased Services	490,038	515,038	379,022	136,016
Contractual Services	300,635	295,135	173,876	121,259
Materials and Supplies	220,990	225,989	167,915	58,074
Capital Outlay	1,155,759	1,144,759	457,255	687,504
Other	2,800	3,300	1,644	1,656
Debt Service:				
Principal Retirement	218,462	223,355	217,842	5,513
Interest and Fiscal Charges	59,643	59,643	62,111	(2,468)
<i>Total Expenses</i>	<u>3,713,454</u>	<u>3,743,346</u>	<u>2,665,605</u>	<u>1,077,741</u>
<i>Net Change in Fund Equity</i>	(399,904)	(429,796)	(171,261)	258,535
<i>Fund Equity Beginning of Year</i>	640,650	640,650	640,650	0
Prior Year Encumbrances Appropriated	116,684	116,684	116,684	0
<i>Fund Equity End of Year</i>	<u>\$357,430</u>	<u>\$327,538</u>	<u>\$586,073</u>	<u>\$258,535</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, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$2,487,903	\$2,487,903	\$2,396,988	(\$90,915)
Tap-In Fees	5,000	5,000	1,000	(4,000)
Special Assessments	2,500	2,500	3,771	1,271
Intergovernmental	223,599	223,599	193,399	(30,200)
Other	11,300	11,300	27,418	16,118
OPWC Loans Issued	170,680	170,680	110,089	(60,591)
OWDA Loans Issued	0	0	189,072	189,072
<i>Total Revenues</i>	<u>2,900,982</u>	<u>2,900,982</u>	<u>2,921,737</u>	<u>20,755</u>
Expenses				
Personal Services	1,016,765	1,027,765	970,941	56,824
Purchased Services	872,211	882,712	660,914	221,798
Contractual Services	254,443	254,443	177,130	77,313
Materials and Supplies	177,949	177,948	129,770	48,178
Capital Outlay	300,131	1,016,131	965,219	50,912
Other	6,249	6,249	2,567	3,682
Debt Service:				
Principal Retirement	353,675	406,222	396,488	9,734
Interest and Fiscal Charges	101,287	119,105	116,993	2,112
<i>Total Expenses</i>	<u>3,082,710</u>	<u>3,890,575</u>	<u>3,420,022</u>	<u>470,553</u>
<i>Excess of Revenues Under Expenses before Advances</i>	(181,728)	(989,593)	(498,285)	491,308
Advances Out	(20,000)	(15,000)	0	15,000
<i>Net Change in Fund Equity</i>	(201,728)	(1,004,593)	(498,285)	506,308
<i>Fund Equity Beginning of Year</i>	2,416,094	2,416,094	2,416,094	0
Prior Year Encumbrances Appropriated	106,506	106,506	106,506	0
<i>Fund Equity End of Year</i>	<u>\$2,320,872</u>	<u>\$1,518,007</u>	<u>\$2,024,315</u>	<u>\$506,308</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$133,000	\$133,000	\$134,128	\$1,128
Interest	100	100	19	(81)
<i>Total Revenues</i>	<u>133,100</u>	<u>133,100</u>	<u>134,147</u>	<u>1,047</u>
Expenditures				
Current:				
Transportation:				
Auto Permissive				
Personal Services	119,000	119,000	119,000	0
Materials and Supplies	15,000	15,000	13,190	1,810
<i>Total Expenditures</i>	<u>134,000</u>	<u>134,000</u>	<u>132,190</u>	<u>1,810</u>
<i>Net Change in Fund Balance</i>	(900)	(900)	1,957	2,857
<i>Fund Balance Beginning of Year</i>	<u>1,824</u>	<u>1,824</u>	<u>1,824</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$924</u>	<u>\$924</u>	<u>\$3,781</u>	<u>\$2,857</u>

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$34,500	\$34,500	\$35,450	\$950
Interest	100	100	6	(94)
<i>Total Revenues</i>	34,600	34,600	35,456	856
Expenditures				
Current:				
Transportation:				
State Highway				
Personal Services	35,000	35,000	35,000	0
<i>Net Change in Fund Balance</i>	(400)	(400)	456	856
<i>Fund Balance Beginning of Year</i>	600	600	600	0
<i>Fund Balance End of Year</i>	<u>\$200</u>	<u>\$200</u>	<u>\$1,056</u>	<u>\$856</u>

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Restaurant Vending Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fees, Licenses and Permits	\$24,060	\$24,060	\$18,309	(\$5,751)
Expenditures				
Current:				
Community Development:				
Restaurant Vending				
Personal Services	19,490	19,490	15,118	4,372
Materials and Supplies	2,200	2,200	0	2,200
Contractual Services	3,200	3,200	2,122	1,078
Purchased Services	150	150	0	150
<i>Total Expenditures</i>	<u>25,040</u>	<u>25,040</u>	<u>17,240</u>	<u>7,800</u>
<i>Net Change in Fund Balance</i>	(980)	(980)	1,069	2,049
<i>Fund Balance Beginning of Year</i>	<u>1,125</u>	<u>1,125</u>	<u>1,125</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$145</u>	<u>\$145</u>	<u>\$2,194</u>	<u>\$2,049</u>

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Marina Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$33,300	\$33,300	\$32,888	(\$412)
Fees, Licenses and Permits	585	585	480	(105)
<i>Total Revenues</i>	<u>33,885</u>	<u>33,885</u>	<u>33,368</u>	<u>(517)</u>
Expenditures				
Current:				
Leisure Time Activities:				
Marina				
Contractual Services	500	500	0	500
Debt Service:				
Principal Retirement	120,000	120,000	120,000	0
Interest and Fiscal Charges	3,300	3,300	2,888	412
Total Debt Service	<u>123,300</u>	<u>123,300</u>	<u>122,888</u>	<u>412</u>
<i>Total Expenditures</i>	<u>123,800</u>	<u>123,800</u>	<u>122,888</u>	<u>912</u>
<i>Excess of Revenues Under Expenditures</i>	(89,915)	(89,915)	(89,520)	395
Other Financing Sources				
General Obligation Notes Issued	90,000	90,000	90,000	0
<i>Net Change in Fund Balance</i>	85	85	480	395
<i>Fund Balance Beginning of Year</i>	<u>8,984</u>	<u>8,984</u>	<u>8,984</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$9,069</u></u>	<u><u>\$9,069</u></u>	<u><u>\$9,464</u></u>	<u><u>\$395</u></u>

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Enforcement and Education Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$1,100	\$1,100	\$798	(\$302)
Expenditures				
Current:				
Community Development:				
Enforcement and Education				
Contractual Services	1,000	1,000	0	1,000
<i>Net Change in Fund Balance</i>	100	100	798	698
<i>Fund Balance Beginning of Year</i>	11,261	11,261	11,261	0
<i>Fund Balance End of Year</i>	<u>\$11,361</u>	<u>\$11,361</u>	<u>\$12,059</u>	<u>\$698</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$2,100	\$2,100	\$3,305	\$1,205
Other	1,000	1,000	623	(377)
<i>Total Revenues</i>	3,100	3,100	3,928	828
Expenditures				
Current:				
Public Health Services:				
Indigent Drivers				
Contractual Services	1,000	1,000	0	1,000
<i>Net Change in Fund Balance</i>	2,100	2,100	3,928	1,828
<i>Fund Balance Beginning of Year</i>	58,207	58,207	58,207	0
<i>Fund Balance End of Year</i>	<u>\$60,307</u>	<u>\$60,307</u>	<u>\$62,135</u>	<u>\$1,828</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fees, Licenses and Permits	\$20,100	\$20,100	\$23,790	\$3,690
Charges for Services	5,000	5,000	15,300	10,300
Interest	80	80	29	(51)
Other	1,000	1,000	732	(268)
<i>Total Revenues</i>	26,180	26,180	39,851	13,671
Expenditures				
Current:				
Community Development:				
Cemetery				
Personal Services	19,565	19,565	19,565	0
Materials and Supplies	1,500	1,500	919	581
Contractual Services	3,000	3,000	3,000	0
Purchased Services	4,000	4,000	3,213	787
<i>Total Expenditures</i>	28,065	28,065	26,697	1,368
<i>Net Change in Fund Balance</i>	(1,885)	(1,885)	13,154	15,039
<i>Fund Balance at Beginning of Year</i>	53,961	53,961	53,961	0
<i>Fund Balance End of Year</i>	\$52,076	\$52,076	\$67,115	\$15,039

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$295,819	\$295,819	\$307,491	\$11,672
Intergovernmental	41,353	41,353	43,219	1,866
<i>Total Revenues</i>	<u>337,172</u>	<u>337,172</u>	<u>350,710</u>	<u>13,538</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police Levy				
Personal Services	308,800	338,800	331,032	7,768
Other	6,500	6,500	6,099	401
Total Security of Persons and Property	<u>315,300</u>	<u>345,300</u>	<u>337,131</u>	<u>8,169</u>
Debt Service:				
Principal Retirement	34,702	34,702	34,701	1
Interest and Fiscal Charges	735	735	733	2
Total Debt Service	<u>35,437</u>	<u>35,437</u>	<u>35,434</u>	<u>3</u>
<i>Total Expenditures</i>	<u>350,737</u>	<u>380,737</u>	<u>372,565</u>	<u>8,172</u>
<i>Net Change in Fund Balance</i>	(13,565)	(43,565)	(21,855)	21,710
<i>Fund Balance Beginning of Year</i>	<u>54,503</u>	<u>54,503</u>	<u>54,503</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$40,938</u>	<u>\$10,938</u>	<u>\$32,648</u>	<u>\$21,710</u>

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Levy Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$254,036	\$254,036	\$260,848	\$6,812
Intergovernmental	11,578	11,578	13,579	2,001
<i>Total Revenues</i>	<u>265,614</u>	<u>265,614</u>	<u>274,427</u>	<u>8,813</u>
Expenditures				
Current:				
Security of Persons and Property:				
Fire Levy				
Personal Services	260,889	295,889	295,577	312
Other	6,000	6,000	4,853	1,147
<i>Total Expenditures</i>	<u>266,889</u>	<u>301,889</u>	<u>300,430</u>	<u>1,459</u>
<i>Net Change in Fund Balance</i>	(1,275)	(36,275)	(26,003)	10,272
<i>Fund Balance Beginning of Year</i>	<u>37,348</u>	<u>37,348</u>	<u>37,348</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$36,073</u></u>	<u><u>\$1,073</u></u>	<u><u>\$11,345</u></u>	<u><u>\$10,272</u></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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$2,000	\$2,000	\$1,188	(\$812)
Other	1,400	1,400	453	(947)
<i>Total Revenues</i>	3,400	3,400	1,641	(1,759)
Expenditures	0	0	0	0
<i>Net Change in Fund Balance</i>	3,400	3,400	1,641	(1,759)
<i>Fund Balance Beginning of Year</i>	22,883	22,883	22,883	0
<i>Fund Balance End of Year</i>	<u>\$26,283</u>	<u>\$26,283</u>	<u>\$24,524</u>	<u>(\$1,759)</u>

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Trust Fund
For the Year Ended December 31, 2018

	<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	\$3,000	\$32,016	\$33,502	\$1,486
Interest	0	0	209	209
<i>Total Revenues</i>	3,000	32,016	33,711	1,695
Expenditures				
Current:				
Security of Persons and Property:				
Law Enforcement Trust:				
Capital Outlay	0	30,000	28,063	1,937
<i>Net Change in Fund Balance</i>	3,000	2,016	5,648	3,632
<i>Fund Balance Beginning of Year</i>	10,832	10,832	10,832	0
<i>Fund Balance End of Year</i>	<u>\$13,832</u>	<u>\$12,848</u>	<u>\$16,480</u>	<u>\$3,632</u>

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Municipal Probation Services Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$100	\$100	\$9,375	\$9,275
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	100	100	9,375	9,275
<i>Fund Balance Beginning of Year</i>	<u>7,055</u>	<u>7,055</u>	<u>7,055</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$7,155</u></u>	<u><u>\$7,155</u></u>	<u><u>\$16,430</u></u>	<u><u>\$9,275</u></u>

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Levy II
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$478,293	\$478,293	\$521,689	\$43,396
Intergovernmental	52,935	52,935	27,158	(25,777)
Other	0	0	4,707	4,707
<i>Total Revenues</i>	<u>531,228</u>	<u>531,228</u>	<u>553,554</u>	<u>22,326</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police Levy				
Personal Services	481,100	481,100	377,451	103,649
Other	10,500	10,500	9,706	794
Total Security of Persons and Property	<u>491,600</u>	<u>491,600</u>	<u>387,157</u>	<u>104,443</u>
Debt Service:				
Principal Retirement	100,000	100,000	46,401	53,599
Interest and Fiscal Charges	10,000	10,000	1,728	8,272
Total Debt Service	<u>110,000</u>	<u>110,000</u>	<u>48,129</u>	<u>61,871</u>
<i>Total Expenditures</i>	<u>601,600</u>	<u>601,600</u>	<u>435,286</u>	<u>166,314</u>
<i>Net Change in Fund Balance</i>	(70,372)	(70,372)	118,268	188,640
<i>Fund Balance Beginning of Year</i>	<u>429,152</u>	<u>429,152</u>	<u>429,152</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$358,780</u>	<u>\$358,780</u>	<u>\$547,420</u>	<u>\$188,640</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$31,603	\$31,603	\$32,732	\$1,129
Fees, Licenses and Permits	144,000	162,000	161,149	(851)
Other	1,700	1,700	1,713	13
<i>Total Revenues</i>	177,303	195,303	195,594	291
Expenditures				
Current:				
Basic Utility Services:				
Street Lighting				
Purchased Services	175,450	208,450	208,000	450
<i>Net Change in Fund Balance</i>	1,853	(13,147)	(12,406)	741
<i>Fund Balance Beginning of Year</i>	12,737	12,737	12,737	0
Prior Year Encumbrances Appropriated	450	450	450	0
<i>Fund Balance End of Year</i>	\$15,040	\$40	\$781	\$741

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, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$3,000	\$3,000	\$7,673	\$4,673
Interest	40	40	86	46
<i>Total Revenues</i>	<u>3,040</u>	<u>3,040</u>	<u>7,759</u>	<u>4,719</u>
Expenditures				
Current:				
Community Development:				
Community Housing				
Capital Outlay	<u>7,000</u>	<u>7,000</u>	<u>6,184</u>	<u>816</u>
<i>Net Change in Fund Balance</i>	<u>(3,960)</u>	<u>(3,960)</u>	<u>1,575</u>	<u>5,535</u>
<i>Fund Balance Beginning of Year</i>	<u>6,871</u>	<u>6,871</u>	<u>6,871</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,911</u></u>	<u><u>\$2,911</u></u>	<u><u>\$8,446</u></u>	<u><u>\$5,535</u></u>

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Drug Task Force Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$17,500	\$17,500	\$0	\$0
Expenditures				
Current:				
Security of Persons and Property:				
Drug Task Force				
Personal Services	17,500	17,500	0	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<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
Ohio Department of Natural Resources Planning Fund
For the Year Ended December 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$28,000	\$28,000	\$28,000	\$0
Expenditures				
Current:				
Community Development:				
ODNR Planning				
Contractual Services	28,000	28,000	28,000	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Local Innovation Grant Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$26,000	\$26,000	\$26,000	\$0
Expenditures				
Current:				
Community Development:				
Local Innovation Grant				
Contractual Services	832	832	832	0
<i>Excess of Revenues Over Expenditures</i>	25,168	25,168	25,168	0
Other Financing Uses				
Advances Out	(25,168)	(25,168)	(25,168)	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Recreation Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$30,556	\$30,556	\$27,918	(\$2,638)
Fees, Licenses and Permits	4,200	4,200	1,200	(3,000)
Rentals	28,650	28,650	7,500	(21,150)
Charges for Services	150	150	0	(150)
Contributions and Donations	1,000	1,000	26,782	25,782
Other	50	50	1,085	1,035
<i>Total Revenues</i>	<u>64,606</u>	<u>64,606</u>	<u>64,485</u>	<u>(121)</u>
Expenditures				
Current:				
Leisure Time Activities:				
Recreation				
Personal Services	17,137	17,137	13,140	3,997
Materials and Supplies	11,422	11,422	9,307	2,115
Contractual Services	270	270	270	0
Purchased Services	3,672	3,672	2,569	1,103
Other	3,500	3,500	3,500	0
<i>Total Recreation</i>	<u>36,001</u>	<u>36,001</u>	<u>28,786</u>	<u>7,215</u>
Parks				
Personal Services	17,049	17,049	957	16,092
Materials and Supplies	5,506	5,506	4,159	1,347
Contractual Services	900	900	0	900
Purchased Services	11,229	11,229	10,738	491
Capital Outlay	1,000	4,000	0	4,000
Other	0	11,000	10,000	1,000
<i>Total Parks</i>	<u>35,684</u>	<u>49,684</u>	<u>25,854</u>	<u>23,830</u>
<i>Total Expenditures</i>	<u>71,685</u>	<u>85,685</u>	<u>54,640</u>	<u>31,045</u>
<i>Net Change in Fund Balance</i>	(7,079)	(21,079)	9,845	30,924
<i>Fund Balance Beginning of Year</i>	94,650	94,650	94,650	0
Prior Year Encumbrances Appropriated	1,430	1,430	1,430	0
<i>Fund Balance End of Year</i>	<u>\$89,001</u>	<u>\$75,001</u>	<u>\$105,925</u>	<u>\$30,924</u>

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Pension Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$139,374	\$139,374	\$145,259	\$5,885
Intergovernmental	31,804	31,804	20,964	(10,840)
<i>Total Revenues</i>	<u>171,178</u>	<u>171,178</u>	<u>166,223</u>	<u>(4,955)</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police Pension				
Personal Services	211,500	211,500	181,646	29,854
Other	3,500	3,500	2,896	604
<i>Total Expenditures</i>	<u>215,000</u>	<u>215,000</u>	<u>184,542</u>	<u>30,458</u>
<i>Excess of Revenues Under Expenditures</i>	(43,822)	(43,822)	(18,319)	25,503
Other Financing Sources				
Transfers In	40,000	40,000	20,000	(20,000)
<i>Net Change in Fund Balance</i>	(3,822)	(3,822)	1,681	5,503
<i>Fund Balance Beginning of Year</i>	<u>4,506</u>	<u>4,506</u>	<u>4,506</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$684</u>	<u>\$684</u>	<u>\$6,187</u>	<u>\$5,503</u>

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Pension Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$112,843	\$112,843	\$117,822	\$4,979
Intergovernmental	21,258	21,258	17,004	(4,254)
<i>Total Revenues</i>	<u>134,101</u>	<u>134,101</u>	<u>134,826</u>	<u>725</u>
Expenditures				
Current:				
Security of Persons and Property:				
Fire Pension				
Personal Services	165,000	165,000	157,900	7,100
Other	2,400	2,400	2,349	51
<i>Total Expenditures</i>	<u>167,400</u>	<u>167,400</u>	<u>160,249</u>	<u>7,151</u>
<i>Excess of Revenues Under Expenditures</i>	(33,299)	(33,299)	(25,423)	7,876
Other Financing Sources				
Transfers In	30,000	30,000	30,000	0
<i>Net Change in Fund Balance</i>	(3,299)	(3,299)	4,577	7,876
<i>Fund Balance Beginning of Year</i>	<u>5,498</u>	<u>5,498</u>	<u>5,498</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$2,199</u>	<u>\$2,199</u>	<u>\$10,075</u>	<u>\$7,876</u>

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Obligation Bond Retirement Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Debt Service:				
Principal Retirement	100,510	100,510	100,510	0
Interest and Fiscal Charges	3,018	3,018	3,017	1
<i>Total Expenditures</i>	103,528	103,528	103,527	1
<i>Excess of Revenues Under Expenditures</i>	(103,528)	(103,528)	(103,527)	1
Other Financing Sources				
Transfers In	7,500	7,500	6,922	(578)
<i>Net Change in Fund Balance</i>	(96,028)	(96,028)	(96,605)	(577)
<i>Fund Balance Beginning of Year</i>	96,605	96,605	96,605	0
<i>Fund Balance End of Year</i>	\$577	\$577	\$0	(\$577)

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Special Assessments	\$46,000	\$46,000	\$45,381	(\$619)
Expenditures				
Current:				
General Government:				
Special Assessment Bond Retirement				
Other	4,000	4,000	1,595	2,405
Debt Service:				
Principal Retirement	48,412	54,398	54,397	1
Interest and Fiscal Charges	4,494	4,476	3,867	609
Total Debt Service	52,906	58,874	58,264	610
<i>Total Expenditures</i>	56,906	62,874	59,859	3,015
<i>Excess of Revenues Under Expenditures</i>	(10,906)	(16,874)	(14,478)	2,396
Other Financing Sources				
Advances In	25,000	25,000	0	(25,000)
<i>Net Change in Fund Balance</i>	14,094	8,126	(14,478)	(22,604)
<i>Fund Balance Beginning of Year</i>	20,553	20,553	20,553	0
<i>Fund Balance End of Year</i>	\$34,647	\$28,679	\$6,075	(\$22,604)

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, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$484,389	\$484,389	\$478,221	(\$6,168)
Intergovernmental	952,570	974,570	24,895	(949,675)
<i>Total Revenues</i>	1,436,959	1,458,959	503,116	(955,843)
Expenditures				
Capital Outlay:				
Street Improvement				
Capital Outlay	1,453,800	1,475,800	497,849	977,951
<i>Net Change in Fund Balance</i>	(16,841)	(16,841)	5,267	22,108
<i>Fund Balance Beginning of Year</i>	24,214	24,214	24,214	0
Prior Year Encumbrances Appropriated	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$7,373</u>	<u>\$7,373</u>	<u>\$29,481</u>	<u>\$22,108</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, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$10,000	\$10,000	\$0	(\$10,000)
Expenditures				
Capital Outlay:				
OCJS Technology Replacement Grant				
Capital Outlay	<u>10,000</u>	<u>10,000</u>	<u>216</u>	<u>9,784</u>
<i>Net Change in Fund Balance</i>	0	0	(216)	(216)
<i>Fund Balance Beginning of Year</i>	<u>216</u>	<u>216</u>	<u>216</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$216</u>	<u>\$216</u>	<u>\$0</u>	<u>(\$216)</u>

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Municipal Court Improvement Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$101,300	\$101,300	\$99,952	(\$1,348)
Expenditures				
Capital Outlay:				
Municipal Court Improvement Capital Outlay	<u>141,096</u>	<u>161,096</u>	<u>101,609</u>	<u>59,487</u>
<i>Net Change in Fund Balance</i>	(39,796)	(59,796)	(1,657)	58,139
<i>Fund Balance Beginning of Year</i>	<u>354,964</u>	<u>354,964</u>	<u>354,964</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$315,168</u>	<u>\$295,168</u>	<u>\$353,307</u>	<u>\$58,139</u>

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Ohio Department of Natural Resources Natureworks Grant Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$24,919	\$24,919	\$0	(\$24,919)
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	24,919	24,919	0	(24,919)
Other Financing Uses				
Advances Out	<u>(24,919)</u>	<u>(24,919)</u>	<u>0</u>	<u>24,919</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Capital Improvement Fund
For the Year Ended December 31, 2018

	<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	\$48,618	\$48,618	\$50,703	\$2,085
Expenditures				
Capital Outlay:				
Capital Improvement				
Capital Outlay	20,000	20,000	15,989	4,011
Debt Service:				
Principal Retirement	15,333	15,333	15,333	0
Interest and Fiscal Charges	1,125	1,125	1,116	9
Total Debt Service	16,458	16,458	16,449	9
<i>Total Expenditures</i>	36,458	36,458	32,438	4,020
<i>Net Change in Fund Balance</i>	12,160	12,160	18,265	6,105
<i>Fund Balance Beginning of Year</i>	41,141	41,141	41,141	0
<i>Fund Balance End of Year</i>	<u>\$53,301</u>	<u>\$53,301</u>	<u>\$59,406</u>	<u>\$6,105</u>

City of Conneaut, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Industrial Park Fund
For the Year Ended December 31, 2018

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

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STATISTICAL SECTION

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Statistical Section

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

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

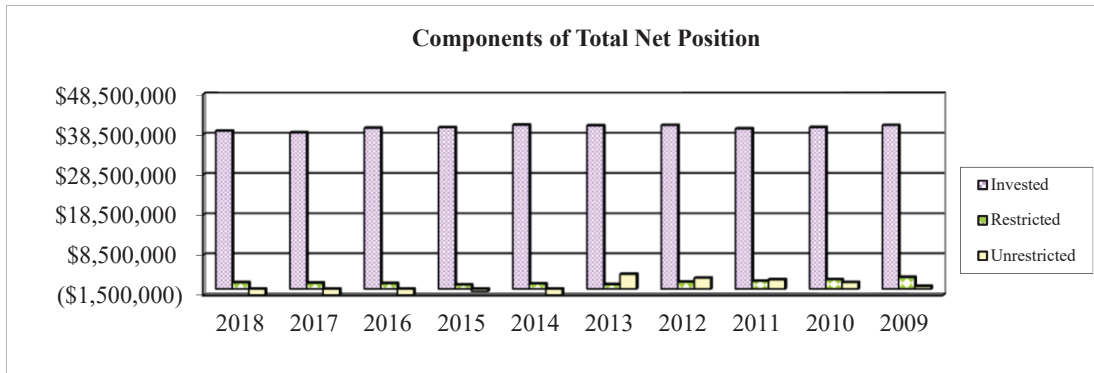
Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

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

	2018 (2)	2017	2016	2015 (1)
Governmental Activities				
Net Investment in Capital Assets	\$23,893,913	\$24,342,868	\$25,201,005	\$26,060,414
Restricted:				
Capital Projects	266,923	167,262	148,285	0
Debt Service	0	0	9,204	0
Street Construction, Maintenance and Repair	377,934	413,941	494,648	605,531
Police and Fire Operations	733,662	736,057	520,364	218,313
Drug and Alcohol Enforcement	74,354	69,761	64,271	68,248
Cemetery Operations	64,073	52,271	52,507	59,495
Community Housing	0	0	0	0
Economic Development	19,712	10,436	46,956	23,647
USEPA	0	0	0	0
Other Purposes	71,603	53,926	47,501	48,683
Unrestricted (Deficit)	(10,617,413)	(9,341,123)	(3,932,829)	(2,507,776)
Total Governmental Activities Net Position	14,884,761	16,505,399	22,651,912	24,576,555
Business-Type - Activities				
Net Investment in Capital Assets	15,419,190	14,549,006	14,833,885	14,125,413
Unrestricted	1,285,859	1,860,325	2,058,500	1,931,779
Total Business-Type Activities Net Position	16,705,049	16,409,331	16,892,385	16,057,192
Primary Government				
Net Investment in Capital Assets	39,313,103	38,891,874	40,034,890	40,185,827
Restricted	1,608,261	1,503,654	1,383,736	1,023,917
Unrestricted	(9,331,554)	(7,480,798)	(1,874,329)	(575,997)
Total Primary Government Net Position	\$31,589,810	\$32,914,730	\$39,544,297	\$40,633,747

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

(2) The City reported the impact of GASB Statement No. 68 beginning in 2018.



2014	2013	2012	2011	2010	2009
\$26,506,355	\$26,751,490	\$27,886,020	\$27,936,348	\$28,696,100	\$29,749,095
17,713	84,680	791,699	625,348	616,736	996,700
0	0	0	0	576,190	686,581
768,474	575,566	347,209	241,401	342,702	357,308
296,491	270,622	220,558	0	0	0
76,755	69,654	62,277	0	0	0
49,172	52,533	45,156	0	0	0
0	0	0	0	4,778	12,013
55,086	0	72,220	223,944	223,752	223,301
0	0	0	60,223	184,960	193,195
46,645	72,817	197,930	803,024	395,117	454,658
(2,863,943)	2,101,712	1,288,417	1,134,968	400,613	100,450
<u>24,952,748</u>	<u>29,979,074</u>	<u>30,911,486</u>	<u>31,025,256</u>	<u>31,440,948</u>	<u>32,773,301</u>
14,298,798	13,880,043	12,848,459	11,935,329	11,515,121	10,970,211
1,089,207	1,580,056	1,452,234	1,191,639	1,243,770	586,161
<u>15,388,005</u>	<u>15,460,099</u>	<u>14,300,693</u>	<u>13,126,968</u>	<u>12,758,891</u>	<u>11,556,372</u>
40,805,153	40,631,533	40,734,479	39,871,677	40,211,221	40,719,306
1,310,336	1,125,872	1,737,049	1,953,940	2,344,235	2,923,756
(1,774,736)	3,681,768	2,740,651	2,326,607	1,644,383	686,611
<u>\$40,340,753</u>	<u>\$45,439,173</u>	<u>\$45,212,179</u>	<u>\$44,152,224</u>	<u>\$44,199,839</u>	<u>\$44,329,673</u>

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

	2018 (3)	2017	2016	2015 (2)
Program Revenues				
Governmental Activities:				
Charges for Services and Assessments:				
General Government	\$336,197	\$332,884	\$150,111	\$352,705
Security of Persons and Property	427,336	399,930	191,510	474,037
Public Health Services	37,927	36,581	15,264	36,955
Leisure Time Activities	16,189	13,906	51,692	43,425
Community Development	74,660	62,113	50,346	61,928
Basic Utility Services	161,149	157,202	129,363	127,334
Transportation	42,094	111,935	93,937	24,618
Subtotal - Charges for Services	<u>1,095,552</u>	<u>1,114,551</u>	<u>682,223</u>	<u>1,121,002</u>
Operating Grants and Contributions:				
General Government	0	0	15,252	0
Security of Persons and Property	121,002	184,347	109,401	156,610
Public Health Services	3,775	6,124	0	0
Leisure Time Activities	29,670	43,598	31,052	3,364
Community Development	47,273	27,400	14,414	209,277
Transportation	607,588	512,243	531,166	595,399
Subtotal - Operating Grants and Contributions	<u>809,308</u>	<u>773,712</u>	<u>701,285</u>	<u>964,650</u>
Capital Grants and Assessments:				
General Government	0	0	0	107,000
Security of Persons and Property	0	2,093	10,071	41,491
Leisure Time Activities	6,719	18,200	0	0
Community Development	0	0	0	0
Transportation	24,621	0	0	311,480
Subtotal - Capital Grants and Assessments	<u>31,340</u>	<u>20,293</u>	<u>10,071</u>	<u>459,971</u>
<i>Total Governmental Activities Program Revenues</i>	<u>1,936,200</u>	<u>1,908,556</u>	<u>1,393,579</u>	<u>2,545,623</u>
Business-Type Activities:				
Charges for Services:				
Water	2,353,501	2,333,830	2,274,899	2,244,357
Sewer	2,399,516	2,422,437	2,398,051	2,404,611
Capital Grants and Assessments				
Water	111,853	125,000	50,233	14,268
Sewer	193,399	326,417	26,764	23,364
<i>Total Business-Type Activities Program Revenues</i>	<u>5,058,269</u>	<u>5,207,684</u>	<u>4,749,947</u>	<u>4,686,600</u>
<i>Total Primary Government Program Revenues</i>	<u>\$6,994,469</u>	<u>\$7,116,240</u>	<u>\$6,143,526</u>	<u>\$7,232,223</u>

2014	2013	2012	2011	2010	2009 (1)
\$359,075	\$342,133	\$318,582	\$348,583	\$302,039	\$426,290
453,367	495,024	428,794	556,754	457,176	658,859
37,215	41,973	39,160	58,426	64,244	39,544
45,825	43,477	42,852	46,378	52,911	56,026
54,221	65,248	56,373	54,225	65,170	75,456
123,698	123,056	124,708	124,473	125,004	0
91,847	138,364	52,031	53,406	58,621	54,333
<u>1,165,248</u>	<u>1,249,275</u>	<u>1,062,500</u>	<u>1,242,245</u>	<u>1,125,165</u>	<u>1,310,508</u>
0	0	0	0	0	0
123,178	126,853	85,931	156,429	175,617	189,911
0	0	0	0	44,121	22,879
3,287	3,600	4,946	302,750	1,940	0
317,792	272,528	102,036	255,725	219,613	230,219
521,060	307,256	615,517	626,342	361,059	591,731
<u>965,317</u>	<u>710,237</u>	<u>808,430</u>	<u>1,341,246</u>	<u>802,350</u>	<u>1,034,740</u>
48,351	55,455	55,455	23,750	0	219,607
0	3,800	4,000	0	0	23,313
0	0	0	0	0	0
0	6,000	431,453	179,640	0	0
102,866	115,180	89,492	25,283	24,626	45,505
<u>151,217</u>	<u>180,435</u>	<u>580,400</u>	<u>228,673</u>	<u>24,626</u>	<u>288,425</u>
<u>2,281,782</u>	<u>2,139,947</u>	<u>2,451,330</u>	<u>2,812,164</u>	<u>1,952,141</u>	<u>2,633,673</u>
2,234,837	2,164,625	2,126,057	2,063,031	2,116,230	2,077,360
2,381,691	2,299,651	2,247,383	2,383,343	2,408,925	2,001,905
360	411,285	64,346	0	91,414	178,560
<u>256,461</u>	<u>133,803</u>	<u>235,283</u>	<u>67,973</u>	<u>112,476</u>	<u>118,292</u>
<u>4,873,349</u>	<u>5,009,364</u>	<u>4,673,069</u>	<u>4,514,347</u>	<u>4,729,045</u>	<u>4,376,117</u>
<u>\$7,155,131</u>	<u>\$7,149,311</u>	<u>\$7,124,399</u>	<u>\$7,326,511</u>	<u>\$6,681,186</u>	<u>\$7,009,790</u>

(continued)

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

	2018 (3)	2017	2016	2015 (2)
Expenses				
Governmental Activities:				
General Government	\$1,735,723	\$1,623,407	\$1,574,431	\$1,586,680
Security of Persons and Property	4,772,997	4,219,555	4,386,740	3,634,530
Public Health Services	232,483	218,089	202,382	185,703
Leisure Time Activities	130,195	145,635	114,558	122,354
Community Development	181,611	261,048	139,890	156,956
Basic Utility Services	204,919	200,724	162,842	348,553
Transportation	2,247,526	2,680,196	2,391,079	2,455,888
Interest and Fiscal Charges	56,681	70,393	78,960	89,634
<i>Total Governmental Activities Expenses</i>	<u>9,562,135</u>	<u>9,419,047</u>	<u>9,050,882</u>	<u>8,580,298</u>
Business-Type Activities				
Water	2,368,947	2,564,360	2,009,333	2,149,651
Sewer	2,437,995	2,458,780	1,920,961	1,900,079
<i>Total Business-Type Activities Expenses</i>	<u>4,806,942</u>	<u>5,023,140</u>	<u>3,930,294</u>	<u>4,049,730</u>
<i>Total Primary Government Program Expenses</i>	<u>14,369,077</u>	<u>14,442,187</u>	<u>12,981,176</u>	<u>12,630,028</u>
Net (Expense)/Revenue				
Governmental Activities	(7,625,935)	(7,510,491)	(7,657,303)	(6,034,675)
Business-Type Activities	251,327	184,544	819,653	636,870
<i>Total Primary Government Net Expense</i>	<u>(\$7,374,608)</u>	<u>(\$7,325,947)</u>	<u>(\$6,837,650)</u>	<u>(\$5,397,805)</u>

2014	2013	2012	2011	2010	2009 (1)
\$1,292,248	\$1,228,286	\$1,184,781	\$1,424,515	\$1,226,765	\$1,167,792
3,322,801	3,275,647	3,061,292	3,043,520	3,362,411	3,590,030
176,534	177,336	190,035	211,538	312,558	148,494
121,622	124,444	125,943	141,303	136,287	131,575
362,079	463,946	376,556	513,096	310,981	150,557
159,031	157,911	141,999	155,121	109,837	149,308
2,544,047	2,492,999	1,812,092	2,628,167	2,321,555	1,917,512
78,000	84,250	80,138	111,373	132,375	135,715
<u>8,056,362</u>	<u>8,004,819</u>	<u>6,972,836</u>	<u>8,228,633</u>	<u>7,912,769</u>	<u>7,390,983</u>
2,276,702	1,959,425	2,069,126	2,183,135	1,576,246	2,350,298
1,846,843	2,069,309	1,926,287	1,982,892	1,959,232	1,899,102
<u>4,123,545</u>	<u>4,028,734</u>	<u>3,995,413</u>	<u>4,166,027</u>	<u>3,535,478</u>	<u>4,249,400</u>
<u>12,179,907</u>	<u>12,033,553</u>	<u>10,968,249</u>	<u>12,394,660</u>	<u>11,448,247</u>	<u>11,640,383</u>
(5,774,580)	(5,864,872)	(4,521,506)	(5,416,469)	(5,960,628)	(4,757,310)
749,804	980,630	677,656	348,320	1,193,567	126,717
<u>(\$5,024,776)</u>	<u>(\$4,884,242)</u>	<u>(\$3,843,850)</u>	<u>(\$5,068,149)</u>	<u>(\$4,767,061)</u>	<u>(\$4,630,593)</u>

(continued)

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

	2018 (3)	2017	2016	2015 (2)
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes:				
Property Taxes Levied For:				
General Purposes	\$309,057	\$319,487	\$311,464	\$316,065
Debt Service	0	26	85,082	85,313
Capital Outlay	457,588	492,228	444,849	473,019
Other Purposes	1,294,704	1,392,266	1,370,348	722,423
Municipal Income Taxes levied for:				
General Purposes	2,386,131	2,528,319	2,122,639	2,589,415
Capital Outlay	47,895	50,738	42,617	51,963
Street Construction, Maintenance and Repair	539,489	571,624	479,927	585,435
Other Purposes	57,281	60,698	50,953	62,164
Hotel Taxes	28,137	22,877	24,138	20,392
Grants and Entitlements not Restricted to Specific Programs	389,868	418,681	416,296	479,906
Franchise Taxes	168,471	145,056	164,729	133,313
Unrestricted Contributions	6,639	24,650	17,873	19,609
Investment Earnings	95,672	49,920	24,033	6,819
Gain on Sale of Capital Assets	0	0	0	18,582
Miscellaneous	215,070	162,255	180,212	95,314
Special Item - Capital Contribution (1)	0	0	0	0
Transfers	9,295	(2,500)	(2,500)	(1,250)
<i>Total Governmental Activities</i>	<u>6,005,297</u>	<u>6,236,325</u>	<u>5,732,660</u>	<u>5,658,482</u>
Business-Type Activities				
Gain on Sale of Capital Assets	0	120,470	0	0
Miscellaneous	53,686	48,574	13,040	31,067
Transfers	(9,295)	2,500	2,500	1,250
<i>Total Business-Type Activities</i>	<u>44,391</u>	<u>171,544</u>	<u>15,540</u>	<u>32,317</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<u>6,049,688</u>	<u>6,407,869</u>	<u>5,748,200</u>	<u>5,690,799</u>
Change in Net Position				
Governmental Activities	(1,620,638)	(1,274,166)	(1,924,643)	(376,193)
Business-Type Activities	295,718	356,088	835,193	669,187
<i>Total Primary Government Change in Net Position</i>	<u>(\$1,324,920)</u>	<u>(\$918,078)</u>	<u>(\$1,089,450)</u>	<u>\$292,994</u>

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

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

(3) Expenses are first impacted by the implementation of GASB Statement No. 68 beginning in 2018.

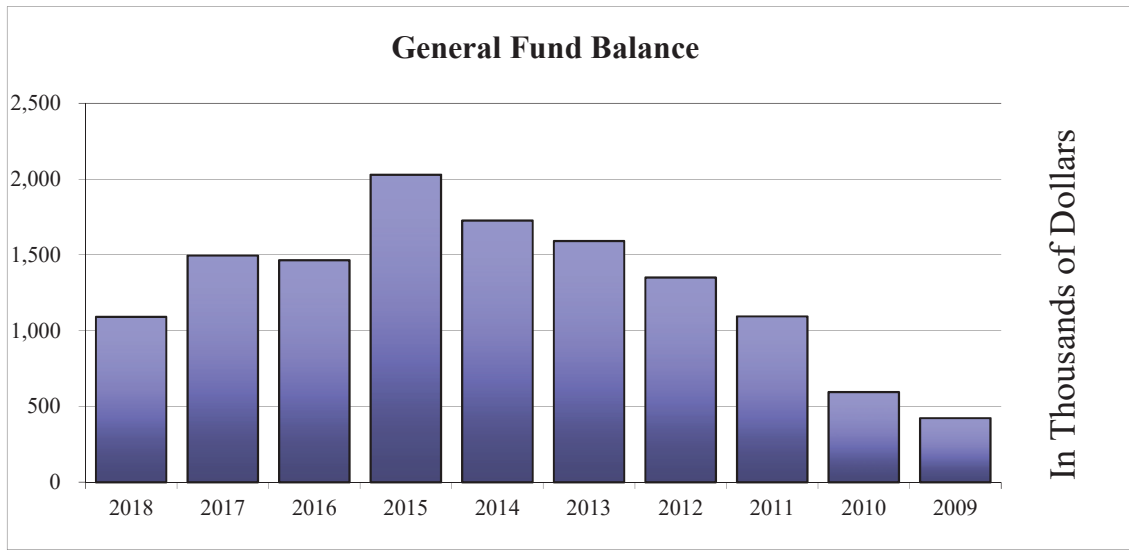
2014	2013	2012	2011	2010	2009 (1)
\$365,055	\$357,968	\$303,604	\$355,721	\$345,426	\$357,971
84,961	99,499	94,984	146,123	198,163	214,134
563,092	0	0	0	0	0
710,714	694,993	589,108	756,686	626,793	648,490
2,337,586	2,305,411	2,243,409	2,028,347	1,913,724	1,953,905
61,935	42,449	303,620	274,515	258,999	230,716
528,499	521,201	506,860	458,270	133,594	536,238
56,118	55,323	53,766	48,613	45,862	48,681
21,381	20,655	20,477	18,744	15,925	18,902
409,787	658,227	480,529	675,631	897,681	800,550
139,189	145,370	145,880	130,915	125,997	152,708
17,098	23,085	22,173	0	0	0
5,253	5,101	3,716	2,935	4,071	7,655
0	0	0	20,056	0	6,469
174,638	141,150	77,092	84,221	62,040	57,142
0	0	0	0	0	12,595,661
296,789	(137,972)	(437,482)	0	0	(13,755)
5,772,095	4,932,460	4,407,736	5,000,777	4,628,275	17,615,467
0	0	0	4,768	0	0
39,405	40,804	58,587	14,989	8,952	3,577
(296,789)	137,972	437,482	0	0	13,755
(257,384)	178,776	496,069	19,757	8,952	17,332
5,514,711	5,111,236	4,903,805	5,020,534	4,637,227	17,632,799
(2,485)	(932,412)	(113,770)	(415,692)	(1,332,353)	12,858,157
492,420	1,159,406	1,173,725	368,077	1,202,519	144,049
\$489,935	\$226,994	\$1,059,955	(\$47,615)	(\$129,834)	\$13,002,206

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

	2018	2017	2016	2015
General Fund				
Nonspendable	\$34,876	\$43,821	\$27,140	\$33,281
Assigned	637,520	661,488	886,245	822,244
Unassigned	418,490	790,303	551,341	1,173,552
Reserved	n/a	n/a	n/a	n/a
Unreserved	n/a	n/a	n/a	n/a
Total General Fund	1,090,886	1,495,612	1,464,726	2,029,077
All Other Governmental Funds				
Nonspendable	65,282	56,228	49,479	50,738
Restricted	1,379,612	1,324,704	1,410,639	1,152,337
Committed	170,366	143,904	120,361	77,864
Unassigned (Deficit)	(145,102)	(139,151)	(105,918)	(104,614)
Reserved	n/a	n/a	n/a	n/a
Unreserved, Undesignated, Reported in:				
Special Revenue funds	n/a	n/a	n/a	n/a
Debt Service funds	n/a	n/a	n/a	n/a
Capital Projects funds	n/a	n/a	n/a	n/a
Total All Other Governmental Funds	1,470,158	1,385,685	1,474,561	1,176,325
Total Governmental Funds	\$2,561,044	\$2,881,297	\$2,939,287	\$3,205,402

Note: The City implemented GASB 54 during 2011.

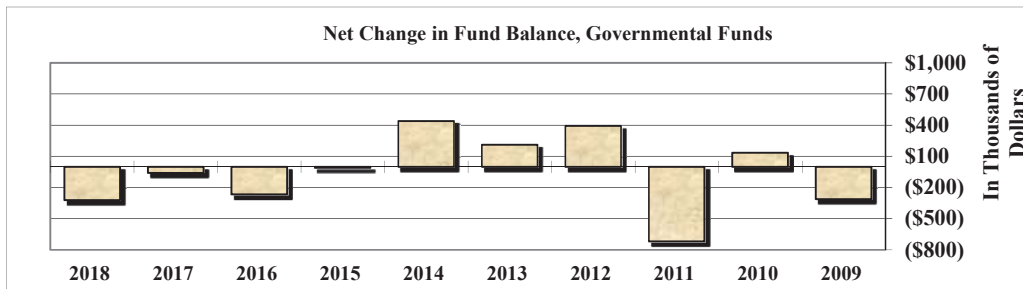
n/a - Information not available.



2014	2013	2012	2011	2010	2009
\$47,130	\$43,139	\$40,845	\$52,597	\$53,077	n/a
679,916	383,150	343,253	345,329	18,035	n/a
999,680	1,164,537	965,912	695,947	523,368	n/a
n/a	n/a	n/a	n/a	n/a	\$9,478
n/a	n/a	n/a	n/a	n/a	412,981
1,726,726	1,590,826	1,350,010	1,093,873	594,480	422,459
61,601	51,723	66,015	59,912	66,205	n/a
1,406,367	1,209,060	1,171,627	1,398,644	2,055,894	n/a
75,403	38,707	30,049	46,874	14,153	n/a
(55,005)	(115,317)	(55,840)	(430,812)	(144,163)	n/a
n/a	n/a	n/a	n/a	n/a	24,228
n/a	n/a	n/a	n/a	n/a	559,643
n/a	n/a	n/a	n/a	n/a	572,348
n/a	n/a	n/a	n/a	n/a	873,648
1,488,366	1,184,173	1,211,851	1,074,618	1,992,089	2,029,867
\$3,215,092	\$2,774,999	\$2,561,861	\$2,168,491	\$2,586,569	\$2,452,326

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

	2018	2017	2016	2015
Revenues				
Property Taxes	\$2,154,234	\$2,175,269	\$2,228,798	\$1,617,111
Municipal Income Taxes	3,129,270	3,111,685	2,839,766	3,163,103
Hotel Taxes	28,137	22,877	24,138	23,409
Special Assessments	46,335	88,436	104,042	94,534
Intergovernmental	1,193,129	1,164,899	1,156,616	1,860,461
Fees, Licenses and Permits	349,550	402,943	421,606	324,522
Fines and Forfeitures	367,508	318,365	271,665	301,696
Rentals	30,608	25,500	67,231	51,650
Charges for Services	344,141	384,055	417,825	418,461
Contributions and Donations	33,421	65,255	21,358	20,569
Interest	95,672	49,920	24,033	6,819
Franchise Taxes	170,370	131,414	127,503	153,209
Other	215,070	162,255	180,212	95,314
Total Revenues	8,157,445	8,102,873	7,884,793	8,130,858
Expenditures				
Current:				
General Government	1,543,626	1,407,467	1,486,438	1,504,861
Security of Persons and Property	3,932,977	3,686,376	3,865,687	3,634,608
Public Health Services	218,143	190,285	184,504	188,370
Leisure Time Activities	100,201	114,268	90,088	95,671
Community Development	168,693	243,395	131,772	353,683
Basic Utilities Services	204,919	200,724	162,842	156,956
Transportation	1,281,653	1,230,353	1,149,087	1,236,421
Capital Outlay	726,623	682,739	615,544	1,126,461
Debt Service:				
Principal Retirement	513,352	514,418	675,992	476,410
Principal Retirement - Current Refunding	30,000	30,000	0	0
Interest and Fiscal Charges	59,559	72,338	82,230	85,703
Total Expenditures	8,779,746	8,372,363	8,444,184	8,859,144
Excess of Revenues Over (Under) Expenditures	(622,301)	(269,490)	(559,391)	(728,286)
Other Financing Sources (Uses)				
Sale of Capital Assets	0	0	0	18,582
State Infrastructure Bank Loan Issued	100,000	0	0	0
General Obligation Bonds Issued	0	214,000	0	450,000
General Obligation Notes Issued	60,000	90,000	120,000	150,000
OPWC Loans Issued	0	0	0	0
Capital Lease Issued	204,548	0	0	0
Inception of Capital Lease	0	0	175,776	101,264
Current Refunding	(60,000)	(90,000)	0	0
Transfers In	56,922	96,000	70,750	30,750
Transfers Out	(59,422)	(98,500)	(73,250)	(32,000)
Total Other Financing Sources (Uses)	302,048	211,500	293,276	718,596
Net Change in Fund Balances	(\$320,253)	(\$57,990)	(\$266,115)	(\$9,690)
Debt Service as a Percentage of Noncapital Expenditures	8.1%	8.2%	10.1%	7.5%



2014	2013	2012	2011	2010	2009
\$1,632,504	\$1,155,333	\$1,021,308	\$1,047,455	\$1,285,434	\$1,196,921
3,021,077	2,931,872	3,067,806	2,771,887	2,392,978	2,709,105
18,364	20,655	20,477	18,744	15,925	18,902
113,575	142,659	149,561	125,719	117,447	140,026
1,616,276	1,534,596	2,145,486	2,015,466	1,960,327	2,065,713
354,471	338,594	251,207	686,084	698,995	822,684
316,332	321,006	281,892	316,679	256,964	249,793
51,725	58,661	40,464	89,720	51,000	53,050
420,540	480,371	456,002	47,210	31,000	120,092
17,598	23,885	23,963	26,036	27,917	27,212
5,253	5,101	3,716	2,935	4,071	7,655
135,793	128,870	145,880	144,227	125,799	139,594
174,638	141,150	77,092	84,221	62,040	57,142
<u>7,878,146</u>	<u>7,282,753</u>	<u>7,684,854</u>	<u>7,376,383</u>	<u>7,029,897</u>	<u>7,607,889</u>
1,215,590	1,132,241	1,110,431	1,346,573	1,205,449	1,103,255
3,212,086	3,111,589	2,867,862	2,847,980	3,205,587	3,589,404
174,357	172,451	186,860	223,038	312,852	192,405
98,353	100,758	103,469	112,259	113,391	107,704
369,484	453,549	374,504	505,419	302,117	161,431
163,261	155,068	141,999	155,125	109,837	149,308
1,269,511	1,114,909	1,174,367	1,129,878	1,090,117	1,174,475
836,317	340,170	1,168,624	1,402,792	538,330	952,076
400,430	478,715	619,379	1,283,255	439,156	477,512
7,500	7,500	26,000	26,000	26,000	34,000
81,164	90,358	76,581	117,198	127,253	140,956
<u>7,828,053</u>	<u>7,157,308</u>	<u>7,850,076</u>	<u>9,149,517</u>	<u>7,470,089</u>	<u>8,082,526</u>
<u>50,093</u>	<u>125,445</u>	<u>(165,222)</u>	<u>(1,773,134)</u>	<u>(440,192)</u>	<u>(474,637)</u>
0	0	0	20,056	0	10,800
0	0	0	0	574,435	153,334
360,000	0	544,352	735,000	0	0
37,500	15,000	73,000	399,000	125,000	151,000
0	0	14,240	0	0	0
0	0	0	0	0	0
0	88,485	0	0	0	0
(7,500)	(15,000)	(73,000)	(99,000)	(125,000)	(151,000)
161,234	176,308	200,750	36,250	60,750	77,265
<u>(161,234)</u>	<u>(177,100)</u>	<u>(200,750)</u>	<u>(36,250)</u>	<u>(60,750)</u>	<u>(77,265)</u>
<u>390,000</u>	<u>87,693</u>	<u>558,592</u>	<u>1,055,056</u>	<u>574,435</u>	<u>164,134</u>
<u>\$440,093</u>	<u>\$213,138</u>	<u>\$393,370</u>	<u>(\$718,078)</u>	<u>\$134,243</u>	<u>(\$310,503)</u>
6.3%	10.0%	10.8%	16.7%	9.8%	8.7%

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

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2018	\$123,816,430	\$52,972,780	\$505,112,029	\$8,879,990	\$10,090,898
2017	123,541,940	54,806,950	509,568,257	8,499,330	9,658,330
2016	123,731,870	54,135,860	508,193,514	7,968,920	9,055,591
2015	123,666,110	55,173,170	510,969,371	7,546,170	8,575,193
2014	123,558,190	56,595,160	514,723,857	7,137,030	8,110,261
2013	123,185,650	56,632,450	513,766,000	6,846,710	7,780,352
2012	122,881,370	57,275,150	514,732,914	6,171,300	7,012,841
2011	122,619,790	32,124,220	442,125,743	5,705,250	6,483,239
2010	131,694,650	35,376,140	477,345,114	5,527,720	6,281,500
2009	131,441,760	35,607,370	477,283,229	5,304,940	6,028,341

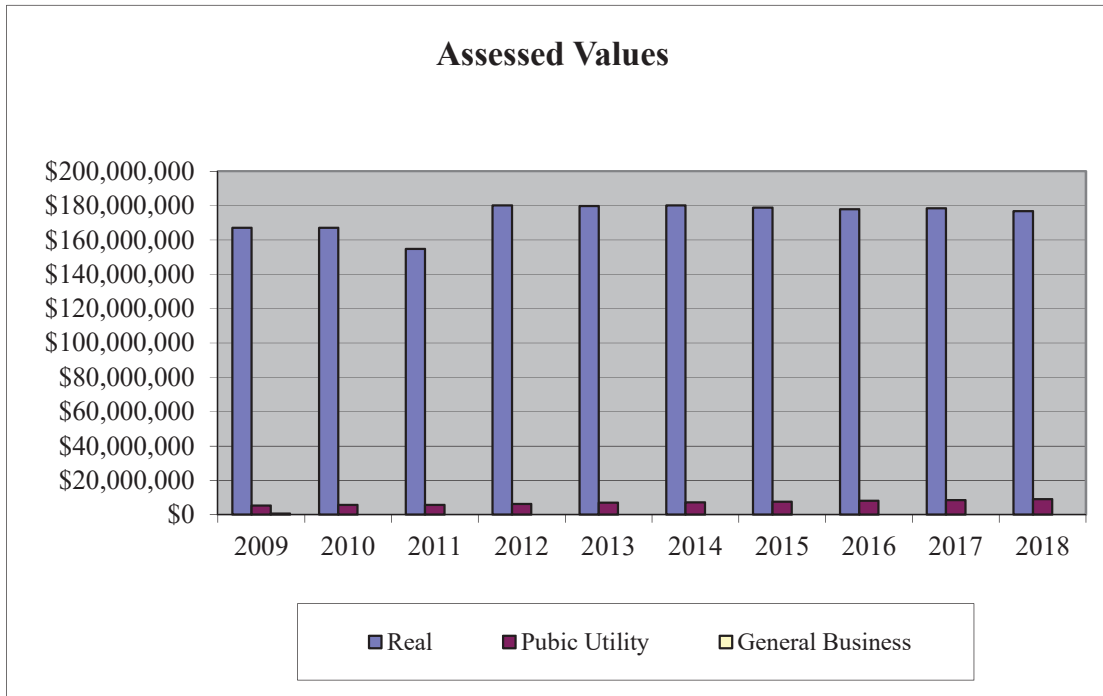
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each appraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property tax has been phased out, and during the phase out period, all general business tangible personal property was assessed at 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local and inter-exchange telephone companies, at 5 percent for 2010. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers (except telephone companies whose last year to pay tangible personal property was 2010).

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

Source: Ashtabula County, Ohio; County Auditor

Tangible Personal Property					Weighted Average Tax Rate (per \$1,000 of Assessed Value)
General Business		Total			
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio	
\$0	\$0	\$185,669,200	\$515,202,926	36.04%	\$12.8409
0	0	186,848,220	519,226,587	35.99	12.8341
0	0	185,836,650	517,249,105	35.93	12.8352
0	0	186,385,450	519,544,565	35.87	13.4615
0	0	187,290,380	522,834,119	35.82	9.8012
0	0	186,664,810	521,546,352	35.79	7.7511
0	0	186,327,820	521,745,755	35.71	7.0926
0	0	160,449,260	448,608,981	35.77	7.1727
0	0	172,598,510	483,626,614	35.69	7.5075
641,975	10,271,600	172,996,045	493,583,169	35.05	7.5046



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

	2018	2017	2016	2015	2014
Unvoted Millage					
Operating	\$2.0000	\$2.0000	\$2.0000	\$2.0000	\$2.0000
Fire Pension	0.7300	0.7300	0.7300	0.7300	0.7300
Police Pension	0.9000	0.9000	0.9000	0.9000	0.9000
<i>Total Unvoted Millage</i>	<u>3.6300</u>	<u>3.6300</u>	<u>3.6300</u>	<u>3.6300</u>	<u>3.6300</u>
Voted Millage - by levy					
1986 Bond	0.0000	0.0000	0.0000	0.0000	0.0000
1995 Library Bond	0.0000	0.0000	0.0000	0.6300	0.5300
2003 Police Operating					
Residential/Agricultural Real	2.0000	2.0000	2.0000	2.0000	2.0000
Commercial/Industrial and Public Utility Real	1.8628	1.8553	1.8506	1.8466	1.8065
General Business and Public Utility Personal	2.0000	1.9835	2.0000	2.0000	2.0000
2005 Fire					
Residential/Agricultural Real	0.0000	0.0000	0.0000	0.0000	1.0000
Commercial/Industrial and Public Utility Real	0.0000	0.0000	0.0000	0.0000	0.9033
General Business and Public Utility Personal	0.0000	0.0000	0.0000	0.0000	1.0000
2013 Road and Bridge					
Residential/Agricultural Real	2.7500	2.7500	2.7500	2.7500	2.7500
Commercial/Industrial and Public Utility Real	2.7500	2.7500	2.7455	2.7395	2.6801
General Business and Public Utility Personal	2.7500	2.7273	2.7500	2.7500	2.7500
2015 Fire					
Residential/Agricultural Real	1.5000	1.5000	1.5000	1.5000	0.0000
Commercial/Industrial and Public Utility Real	1.5000	1.5000	1.5000	1.5000	0.0000
General Business and Public Utility Personal	1.5000	1.4876	1.5000	1.5000	0.0000
2015 Police					
Residential/Agricultural Real	3.0000	3.0000	3.0000	3.0000	0.0000
Commercial/Industrial and Public Utility Real	3.0000	3.0000	3.0000	3.0000	0.0000
General Business and Public Utility Personal	3.0000	2.9752	3.0000	3.0000	0.0000
<i>Total Voted Millage by Type of Property</i>					
Residential/Agricultural Real	\$9.2500	\$9.2500	\$9.2500	\$9.8800	\$6.2800
Commercial/Industrial and Public Utility Real	9.1128	9.1053	9.0961	9.7160	5.9199
General Business and Public Utility Personal	9.2500	9.1736	9.2500	9.8800	6.2800
<i>Total Millage by Type of Property</i>					
Residential/Agricultural Real	\$12.8800	\$12.8800	\$12.8800	\$13.5100	\$9.9100
Commercial/Industrial and Public Utility Real	12.7428	12.7353	12.7261	13.3460	9.5499
General Business and Public Utility Personal	12.8800	12.8036	12.8800	13.5100	9.9100
<i>Total Weighted Average Tax Rate</i>	<u>\$12.8409</u>	<u>\$12.8341</u>	<u>\$12.8352</u>	<u>\$13.4615</u>	<u>\$9.8012</u>

2013	2012	2011	2010	2009
\$2.2000	\$2.2000	\$2.2000	\$2.0000	\$2.0000
0.6300	0.6300	0.6300	0.6300	0.4400
0.8000	0.8000	0.8000	1.0000	1.1900
3.6300	3.6300	3.6300	3.6300	3.6300
0.0000	0.0000	0.0000	0.4400	0.4400
0.5300	0.6300	0.7300	0.8300	0.8300
1.8534	1.8537	1.8527	1.7258	1.7248
1.9704	1.9510	1.9387	1.7440	1.7352
2.0000	2.0000	2.0000	2.0000	2.0000
0.9267	0.9268	0.9264	0.8629	0.8624
0.9852	0.9755	0.9693	0.8720	0.8676
1.0000	1.0000	1.0000	1.0000	1.0000
2.7496	0.0000	0.0000	0.0000	0.0000
2.7500	0.0000	0.0000	0.0000	0.0000
2.7500	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000
\$6.0597	\$3.4105	\$3.5091	\$3.8587	\$3.8572
6.2356	3.5565	3.6380	3.8860	3.8728
6.2800	3.6300	3.7300	4.2700	4.2700
\$9.6897	\$7.0405	\$7.1391	\$7.4887	\$7.4872
9.8656	7.1865	7.2680	7.5160	7.5028
9.9100	7.2600	7.3600	7.9000	7.9000
\$7.7511	\$7.0926	\$7.1727	\$7.5075	\$7.5046

(continued)

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

	2018	2017	2016	2015	2014
Overlapping Rates by Taxing District					
Conneaut City School District					
Residential/Agricultural Real	\$40.5900	\$40.5900	\$36.3900	\$36.3900	\$26.0683
Commercial/Industrial and Public Utility Real	28.1750	28.1145	23.9602	23.9227	23.5787
General Business and Public Utility Personal	31.1646	30.7731	26.7154	26.6232	36.3900
Ashtabula County					
Residential/Agricultural Real	11.5200	11.5200	11.5200	9.5530	10.8876
Commercial/Industrial and Public Utility Real	9.8182	9.7962	10.0306	8.0465	9.4306
General Business and Public Utility Personal	11.2384	11.2001	11.2176	9.2017	11.5200
Special Taxing Districts (1)					
Residential/Agricultural Real	7.1500	7.1500	8.7600	7.6500	3.5383
Commercial/Industrial and Public Utility Real	5.4105	5.4034	8.3339	5.9616	3.8581
General Business and Public Utility Personal	5.8405	5.7964	8.1487	6.2914	5.2500

Source: Ashtabula County Auditor

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

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

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

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

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

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

2013	2012	2011	2010	2009
\$24.3233	\$25.5513	\$25.5424	\$24.4838	\$24.4735
25.5875	26.6359	26.5549	24.5714	24.5103
39.3900	37.6300	37.6300	37.6300	37.6300
9.0012	8.9962	8.9922	8.5409	8.5335
9.9622	9.9304	9.9223	9.4041	9.2994
11.0200	11.0200	11.0200	11.0200	11.0200
3.5917	3.5894	2.5972	3.3998	3.2237
3.6610	3.6489	2.6574	3.3966	3.2468
5.2500	5.2500	4.2600	5.2500	5.2500

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

Year	Total Original Tax Levy	Current Tax Collections	Percent of Current Tax Collections To Original Tax Levy	Delinquent Tax Collections	Total Tax Collections (1)
2018	\$2,373,473	\$2,268,203	95.56 %	\$73,412	\$2,341,615
2017	2,464,939	2,276,626	92.36	91,689	2,368,315
2016	2,497,430	2,378,707	95.25	59,324	2,438,031
2015	1,807,218	1,662,558	92.00	68,344	1,730,902
2014	1,824,225	1,662,089	91.11	79,952	1,742,041
2013	1,319,314	1,223,741	92.76	50,554	1,274,295
2012	1,157,637	1,062,111	91.75	65,444	1,127,555
2011	1,281,428	1,149,689	89.72	60,441	1,210,130
2010	1,366,669	1,286,146	94.11	61,699	1,347,845
2009	1,361,376	1,234,909	90.71	81,875	1,316,784

Source: Ashtabula County, Ohio; County Auditor

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

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

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

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

Percent of Total Tax Collections To Original Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes To Original Tax Levy
98.66 %	\$203,369	8.57 %
96.08	296,253	12.02
97.62	267,516	10.71
95.78	284,571	15.75
95.49	304,863	16.71
96.59	207,183	15.70
97.40	210,056	18.15
94.44	243,668	19.02
98.62	32,593	2.38
96.72	147,644	10.85

City of Conneaut, Ohio
Principal Real Property Taxpayers
 2018 and 2009

<i>2018</i>		
Taxpayer	Real Property Assessed Valuation	Percentage of Total Real Assessed Valuation
CCA Western Properties	\$25,051,460	14.17 %
Cleveland Electric Illuminating Company	6,470,080	3.66
American Transmission	1,715,610	0.97
Millwork Properties	1,415,580	0.80
Villa At the Lake	1,332,240	0.75
CSP of Ohio, LLC	984,450	0.56
ES Realty	840,630	0.48
Kolman Properties	825,870	0.47
Overhead Door	816,490	0.46
East Ohio Gas	694,300	0.39
Total	\$40,146,710	22.71 %
Total Real Assessed Valuation	\$176,789,210	

<i>2009</i>		
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 1	1,563,140	0.94
CSP of Ohio, LLC	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 Care	952,850	0.57
Kolman Properties	944,800	0.57
Total	\$15,801,050	9.46 %
Total Real Assessed Valuation	\$167,049,130	

Source: Ashtabula County Auditor

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

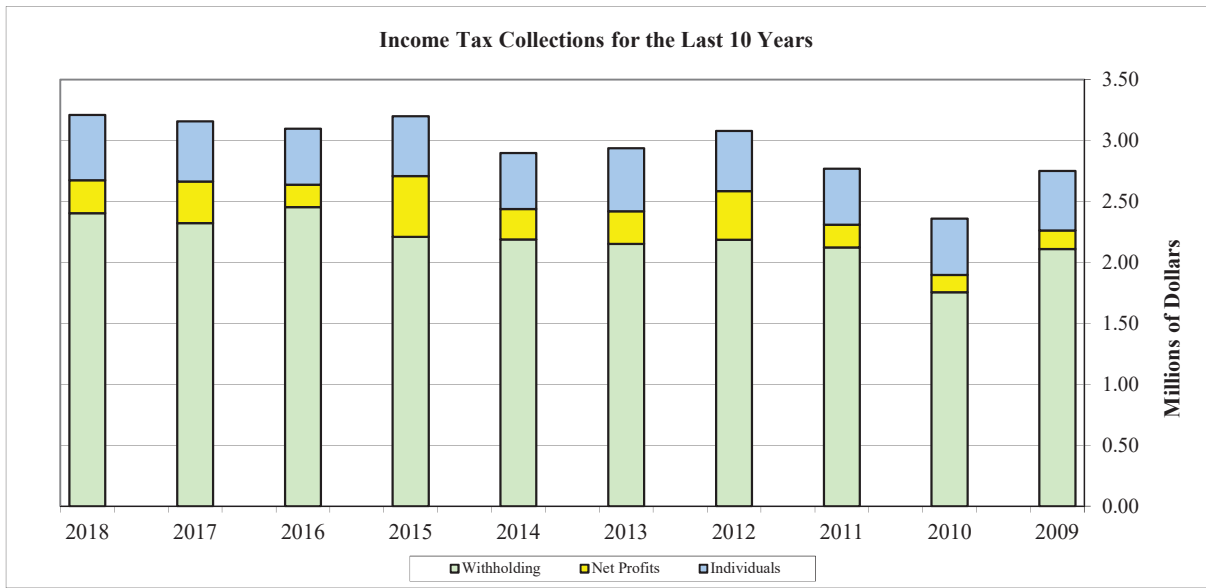
Tax Year	Tax Rate (2)	Total Tax Collected (1)	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individuals	Percentage of Taxes from Individuals
2018	1.65%	\$3,208,973	\$2,403,041	74.89%	\$272,228	8.48%	\$533,704	16.63%
2017	1.65	3,158,615	2,323,420	73.56	340,677	10.78	494,518	15.66
2016	1.65	3,098,326	2,454,624	79.22	183,311	5.92	460,391	14.86
2015	1.65	3,198,238	2,209,573	69.09	498,257	15.58	490,408	15.33
2014	1.65	2,896,554	2,189,229	75.58	249,088	8.60	458,237	15.82
2013	1.65	2,937,263	2,151,241	73.24	269,472	9.17	516,550	17.59
2012	1.80	3,078,827	2,185,879	71.00	400,016	12.99	492,932	16.01
2011	1.80	2,768,926	2,121,702	76.62	188,782	6.82	458,442	16.56
2010	1.80	2,360,141	1,755,009	74.36	142,990	6.06	462,142	19.58
2009	1.80	2,750,298	2,108,614	76.67	154,590	5.62	487,094	17.71

(1) Cash Basis of Accounting

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

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

Source: City Financial Records



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

Year	Governmental Activities					
	General Obligation Bonds	OWDA Loans	Loans	OPWC Loans	Bond Anticipation Notes	Capital Leases
2018	\$970,875	\$89,638	\$363,142	\$20,606	\$60,000	\$235,750
2017	1,225,744	144,035	369,181	22,899	90,000	126,956
2016	1,239,337	196,523	512,959	25,192	120,000	215,222
2015	1,462,186	295,554	652,960	27,485	150,000	101,264
2014	1,186,931	390,855	789,295	29,778	37,500	30,236
2013	967,749	485,908	922,072	32,071	15,000	59,725
2012	1,105,175	622,506	1,026,597	34,008	73,000	18,969
2011	645,000	753,536	1,111,053	21,349	399,000	37,104
2010	940,000	879,237	1,193,481	22,930	125,000	80,649
2009	1,145,000	999,827	653,334	24,511	151,000	158,346

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

Source: City Financial Records

Business-Type Activities							
OWDA Loans	OPWC Loans	General Obligation Bonds	Loans	Bond Anticipation Notes	Total Debt	Percentage of Personal Income (1)	Per Capita (1)
\$6,169,922	\$578,606	\$656,518	\$30,664	\$0	\$9,175,721	4.19%	\$714.56
6,366,372	517,729	807,947	61,331	0	9,732,194	4.44	757.90
4,796,560	501,022	218,995	116,289	0	7,942,099	3.62	618.50
5,172,255	549,341	298,825	376,228	0	9,086,098	4.15	707.58
4,801,507	596,410	376,498	626,509	72,500	8,938,019	4.08	696.05
4,207,834	550,350	452,075	867,539	135,000	8,695,323	3.97	677.15
3,582,226	383,167	525,615	1,099,707	160,000	8,630,970	3.94	672.14
3,441,654	364,657	460,000	1,178,287	200,000	8,611,640	3.93	670.64
3,750,911	305,621	530,895	1,379,949	240,000	9,448,673	4.31	735.82
4,236,568	345,077	601,018	306,666	280,000	8,901,347	4.85	712.96

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

Year	Population (1)	Estimated True Values of Taxable Property (2)	Gross Bonded Debt (3)			Ratio of Bonded Debt to Estimated True Values of Taxable Property	Bonded Debt Per Capital
			Governmental	Business- Type	Total		
2018	12,841	\$515,202,926	\$970,875	\$656,518	\$1,627,393	0.32 %	\$126.73
2017	12,841	519,226,587	1,225,744	807,947	2,033,691	0.39	158.37
2016	12,841	517,249,105	1,239,337	218,995	1,458,332	0.28	113.57
2015	12,841	519,544,565	1,462,186	298,825	1,761,011	0.34	137.14
2014	12,841	522,834,119	1,186,931	376,498	1,563,429	0.30	121.75
2013	12,841	521,546,352	967,749	452,075	1,419,824	0.27	110.57
2012	12,841	521,745,755	1,105,175	525,615	1,630,790	0.31	127.00
2011	12,841	448,608,981	645,000	460,000	1,105,000	0.25	86.05
2010	12,841	483,626,614	940,000	530,895	1,470,895	0.30	114.55
2009	12,485	493,583,169	1,145,000	601,018	1,746,018	0.35	139.85

Sources:

- (1) 2018 - 2010 The U.S. Bureau of Census, 2010 Federal Census of Population
2009 The U.S. Bureau of Census, 2000 Federal Census of Population
- (2) Ashtabula County Auditor
- (3) Includes only general obligation bonds.
- (4) Although the general obligation bond retirement fund is restricted for debt service, it is not specifically restricted to the payment of principal. Therefore, these resources are not shown as a deduction from general obligation bonded debt.

City of Conneaut, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2018

<u>Jurisdiction</u>	<u>Governmental Activites Debt</u>	<u>Percentage Applicable to City (1)</u>	<u>Amount Applicable to City of Conneaut</u>
Direct			
General Obligation Bonds	\$970,875	100.00 %	\$970,875
OWDA Loans	89,638	100.00	89,638
Loans	363,142	100.00	363,142
OPWC Loans	20,606	100.00	20,606
Bond Anticipation Notes	60,000	100.00	60,000
Capital Leases	<u>235,750</u>	100.00	<u>235,750</u>
<i>Total Direct Debt</i>	<u>1,740,011</u>		<u>1,740,011</u>
Overlapping			
Ashtabula County			
General Obligation Bonds	15,626,747	10.32	1,612,680
OPWC Loans	168,428	10.32	17,382
Conneaut City School District			
General Obligation Bonds	<u>3,350,000</u>	85.55	<u>2,865,925</u>
<i>Total Overlapping Debt</i>	<u>19,145,175</u>		<u>4,495,989</u>
Total	<u><u>\$20,885,186</u></u>		<u><u>\$6,236,000</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

	2018	2017	2016	2015
Total Assessed Property Value	<u>\$185,669,200</u>	<u>\$186,848,220</u>	<u>\$185,836,650</u>	<u>\$186,385,450</u>
General Bonded Debt Outstanding:				
General Obligation Bonds	\$1,627,393	\$2,033,691	\$1,458,332	\$1,761,011
OWDA Loans	6,259,560	6,510,407	4,993,083	5,467,809
OPWC Loans	599,212	540,628	526,214	576,826
Bond Anticipation Notes	180,000	240,000	300,000	440,000
Loans	<u>393,806</u>	<u>430,512</u>	<u>629,248</u>	<u>1,029,188</u>
Total Gross Indebtedness	9,059,971	9,755,238	7,906,877	9,274,834
Less:				
Bond Anticipation Notes	0	0	0	(37,500)
OPWC Loans	(599,212)	(540,628)	(526,214)	(576,826)
OWDA Loans	(6,259,560)	(6,510,407)	(4,993,083)	(5,467,809)
General Obligation Bond Retirement Fund Balance	<u>0</u>	<u>(96,605)</u>	<u>(200,058)</u>	<u>(190,293)</u>
Total Net Debt Applicable to Debt Limit	<u>2,201,199</u>	<u>2,607,598</u>	<u>2,187,522</u>	<u>3,002,406</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>19,495,266</u>	<u>19,619,063</u>	<u>19,512,848</u>	<u>19,570,472</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$17,294,067</u>	<u>\$17,011,465</u>	<u>\$17,325,326</u>	<u>\$16,568,066</u>
Legal Debt Margin as a Percentage of the Debt Limit	88.71%	86.71%	88.79%	84.66%
Unvoted Debt Limitation 5 ½ % of Assessed Valuation	<u>\$10,211,806</u>	<u>\$10,276,652</u>	<u>\$10,221,016</u>	<u>\$10,251,200</u>
Total Gross Indebtedness	9,059,971	9,755,238	7,906,877	9,274,834
Less:				
Bond Anticipation Notes	0	0	0	(37,500)
OPWC Loans	(599,212)	(540,628)	(526,214)	(576,826)
OWDA Loans	(6,259,560)	(6,510,407)	(4,993,083)	(5,467,809)
General Obligation Bond Retirement Fund Balance	<u>0</u>	<u>(96,605)</u>	<u>(200,058)</u>	<u>(190,293)</u>
Net Debt Within 5 ½ % Limitations	<u>2,201,199</u>	<u>2,607,598</u>	<u>2,187,522</u>	<u>3,002,406</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$8,010,607</u>	<u>\$7,669,054</u>	<u>\$8,033,494</u>	<u>\$7,248,794</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	78.44%	74.63%	78.60%	70.71%

Source: City Financial Records

2014	2013	2012	2011	2010	2009
<u>\$187,290,380</u>	<u>\$186,664,810</u>	<u>\$186,327,820</u>	<u>\$160,449,260</u>	<u>\$172,598,510</u>	<u>\$172,996,045</u>
\$1,563,429	\$1,419,824	\$1,630,790	\$1,105,000	\$1,470,000	\$1,745,000
5,192,362	4,693,742	4,204,732	4,195,190	4,630,148	5,236,395
626,188	582,421	417,175	386,006	328,551	369,588
420,000	598,000	739,000	880,000	691,000	1,090,000
<u>1,415,804</u>	<u>1,789,611</u>	<u>2,126,304</u>	<u>2,289,340</u>	<u>2,573,430</u>	<u>960,000</u>
9,217,783	9,083,598	9,118,001	8,855,536	9,693,129	9,400,983
(27,500)	(125,500)	(126,000)	(151,000)	(301,000)	(510,905)
(626,188)	(582,421)	(417,175)	(386,006)	(328,551)	(369,588)
(5,192,362)	(4,693,742)	(4,204,732)	(4,195,190)	(4,630,148)	(5,236,395)
<u>(196,347)</u>	<u>(201,824)</u>	<u>(191,063)</u>	<u>(178,020)</u>	<u>(394,447)</u>	<u>(449,671)</u>
<u>3,175,386</u>	<u>3,480,111</u>	<u>4,179,031</u>	<u>3,945,320</u>	<u>4,038,983</u>	<u>2,834,424</u>
19,665,490	19,599,805	19,564,421	16,847,172	18,122,844	18,164,585
<u>\$16,490,104</u>	<u>\$16,119,694</u>	<u>\$15,385,390</u>	<u>\$12,901,852</u>	<u>\$14,083,861</u>	<u>\$15,330,161</u>
83.85%	82.24%	78.64%	76.58%	77.71%	84.40%
<u>\$10,300,971</u>	<u>\$10,266,565</u>	<u>\$10,248,030</u>	<u>\$8,824,709</u>	<u>\$9,492,918</u>	<u>\$9,514,782</u>
9,217,783	9,083,598	9,118,001	8,855,536	9,693,129	9,400,983
(27,500)	(125,500)	(126,000)	(151,000)	(301,000)	(510,905)
(626,188)	(582,421)	(417,175)	(386,006)	(328,551)	(369,588)
(5,192,362)	(4,693,742)	(4,204,732)	(4,195,190)	(4,630,148)	(5,236,395)
<u>(196,347)</u>	<u>(201,824)</u>	<u>(191,063)</u>	<u>(178,020)</u>	<u>(394,447)</u>	<u>(449,671)</u>
<u>3,175,386</u>	<u>3,480,111</u>	<u>4,179,031</u>	<u>3,945,320</u>	<u>4,038,983</u>	<u>2,834,424</u>
<u>\$7,125,585</u>	<u>\$6,786,454</u>	<u>\$6,068,999</u>	<u>\$4,879,389</u>	<u>\$5,453,935</u>	<u>\$6,680,358</u>
69.17%	66.10%	59.22%	55.29%	57.45%	70.21%

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

Year	Operating Revenue	Expenses, Net of Depreciation *	Net Revenue Available for Debt Service	Debt Service Requirement**			Coverage
				Principal	Interest	Total	
2018	\$2,379,769	\$1,894,228	\$485,541	\$126,800	\$58,201	\$185,001	2.62
2017	2,362,700	2,073,595	289,105	138,224	77,861	216,085	1.34
2016	2,278,129	1,541,931	736,198	162,534	60,161	222,695	3.31
2015	2,270,332	1,666,156	604,176	153,649	62,026	215,675	2.80
2014	2,258,092	1,851,666	406,426	80,286	21,395	101,681	4.00
2013	2,188,771	1,541,500	647,271	74,654	10,928	85,582	7.56
2012	2,174,864	1,687,291	487,573	66,549	10,425	76,974	6.33
2011	2,075,076	1,748,927	326,149	58,795	9,572	68,367	4.77
2010	2,119,609	1,287,132	832,477	54,894	10,882	65,776	12.66
2009	2,078,764	2,092,618	(13,854)	53,642	12,131	65,773	(0.21)

* Total operating expenses exclusive of depreciation.

** Revenue debt includes OWDA and OPWC loans payable solely from net revenues in the water enterprise fund.

Source: City Financial Records

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

Year	Operating Revenue	Expenses, Net of Depreciation *	Net Revenue Available for Debt Service	Debt Service Requirement**			Coverage
				Principal	Interest	Total	
2018	\$2,426,934	\$1,873,883	\$553,051	\$307,934	\$93,494	\$401,428	1.38
2017	2,442,141	1,778,533	663,608	242,740	98,706	341,446	1.94
2016	2,407,861	1,417,069	990,792	261,480	85,425	346,905	2.86
2015	2,409,703	1,378,966	1,030,737	126,673	99,642	226,315	4.55
2014	2,397,841	1,393,600	1,004,241	325,227	40,695	365,922	2.74
2013	2,316,309	1,549,071	767,238	328,697	117,636	446,333	1.72
2012	2,257,163	1,427,678	829,485	291,692	116,774	408,466	2.03
2011	2,386,287	1,489,917	896,370	480,714	133,660	614,374	1.46
2010	2,414,498	1,454,173	960,325	470,219	158,406	628,625	1.53
2009	2,004,078	1,372,948	631,130	449,806	173,721	623,527	1.01

* Total operating expenses exclusive of depreciation.

** Revenue debt includes OWDA and OPWC loans payable solely from net revenues in the sewer enterprise fund.

Source: City Financial Records

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

2018

Employer	Employees	Percentage of Total City Employment
Corrections Corporation of America (CCA)	285	6.63 %
General Aluminum	261	6.07
Conneaut Area City School District	249	5.79
CSP of Ohio, LLC	227	5.28
University Heights Hospital System	198	4.61
Ashtabula County	138	3.21
Lukjan Metal Products	128	2.98
Infinity Resources	104	2.42
City of Conneaut	103	2.40
Cascade Ohio	83	1.93
Total	<u>1,776</u>	<u>41.32 %</u>
Total Employment within the City	<u>4,298</u>	

2009

Employer	Employees	Percentage of Total City Employment
Conneaut Area City School District	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 of Ohio, LLC	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>	

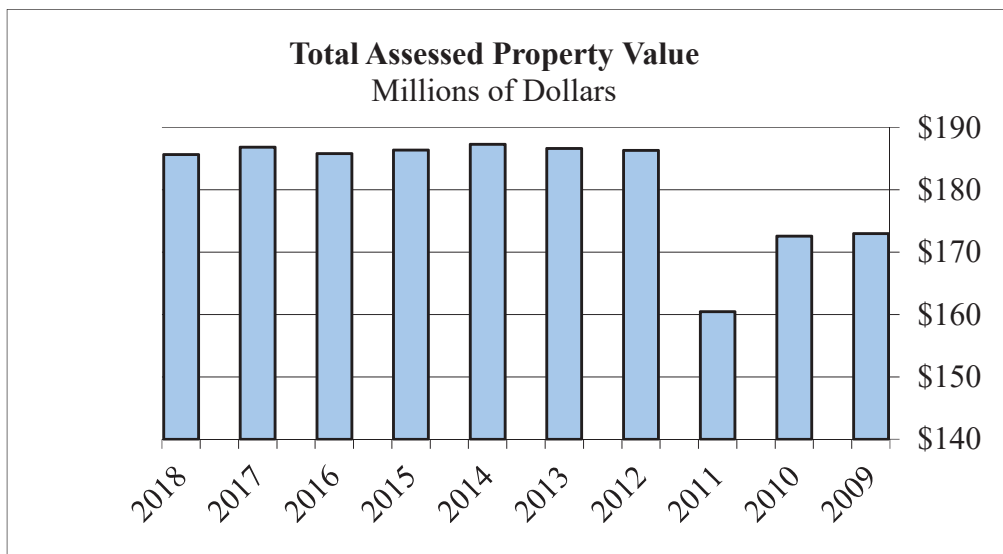
Source: Number of employees obtained from the W2's
from the City's Tax Department

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

Year	Population (1)	Total Personal Income (3)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)
2018	12,841	\$219,131,665	\$17,065	\$38,250	40
2017	12,841	219,131,665	17,065	38,250	40
2016	12,841	219,131,665	17,065	38,250	40
2015	12,841	219,131,665	17,065	38,250	40
2014	12,841	219,131,665	17,065	38,250	40
2013	12,841	219,131,665	17,065	38,250	40
2012	12,841	219,131,665	17,065	38,250	40
2011	12,841	219,131,665	17,065	38,250	40
2010	12,841	219,131,665	17,065	38,250	40
2009	12,485	183,566,955	14,703	31,717	38

- (1) 2018 - 2010 The U.S. Bureau of Census, 2010 Federal Census of Population
2009 The U.S. Bureau of Census, 2000 Federal Census of Population
(2) Source: Ohio Department of Education Website: "<http://www.ode.state.oh.us/data/>"
(3) Computation of per capita personal income multiplied by population
(4) The unemployment rate for the City is unavailable. County rate obtained from Ohio Labor Market Information.



Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Ashtabula County Unemployment Rate (4)	Average Sales Price of Residential Property	Total Assessed Property Value
11.2%	1,718	5.3%	\$105,500	\$185,669,200
11.2	1,726	5.9	99,000	186,848,220
11.2	1,727	5.3	94,900	185,836,650
11.2	1,789	6.2	87,400	186,385,450
11.2	1,785	5.9	84,000	187,290,380
11.2	1,797	9.0	80,000	186,664,810
11.2	1,838	9.0	76,000	186,327,820
11.2	2,054	11.9	52,750	160,449,260
11.2	2,269	11.9	51,661	172,598,510
9.9	2,242	14.2	54,542	172,996,045



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

Function/Program	2018	2017	2016	2015
General Government				
Council	7.00	7.00	7.00	7.00
Clerk of Council	1.00	1.00	1.00	1.00
City Manager	2.00	2.00	2.00	2.00
Finance	3.50	3.50	3.50	3.50
Law	2.50	2.50	2.50	2.00
Court	7.00	6.00	6.00	6.00
Security of Persons and Property				
Police	19.00	19.00	19.00	17.00
Police - Dispatchers	4.00	4.00	4.00	4.00
Police - Jailers	2.00	2.00	2.00	0.00
Fire	11.50	11.50	11.50	10.50
Ambulance	5.00	5.00	5.00	5.00
Public Health Services				
Health	3.00	3.00	3.00	3.00
Cemetery	1.00	1.00	1.00	1.00
Leisure Time Activities				
Recreation	1.00	1.00	1.00	1.00
Community Environment				
Litter Control/Recycling	0.00	0.00	0.00	0.00
Housing/Zoning	1.50	1.00	1.00	1.00
Transportation				
Street/Public Works	13.00	13.00	13.00	12.00
Basic Utility Services				
Water	15.00	15.00	15.00	15.00
Sewer	11.00	11.00	11.00	11.00
Totals:	<u>110.00</u>	<u>108.50</u>	<u>108.50</u>	<u>102.00</u>

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

Source: City Financial Records

2014	2013	2012	2011	2010	2009
7.00	7.00	7.00	7.00	7.00	7.00
1.00	1.00	1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	2.00	2.00
3.50	3.50	3.50	3.50	3.50	3.50
2.00	2.00	2.00	2.00	2.50	2.50
6.00	6.00	6.00	7.00	6.00	6.00
17.00	16.00	16.00	16.00	19.00	19.00
4.00	4.00	4.00	4.00	4.00	4.00
0.00	0.00	0.00	0.00	0.00	0.00
10.50	10.00	10.00	10.00	10.00	10.00
5.00	5.00	5.00	5.00	5.00	5.00
3.00	3.00	3.50	2.50	3.00	3.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.50	1.50	1.50	1.50
0.00	0.00	0.00	0.00	1.00	1.00
1.00	1.00	0.50	0.50	1.00	1.00
12.00	12.00	12.00	15.00	17.00	17.00
15.00	15.00	15.00	15.00	16.00	16.00
11.00	11.00	11.00	11.00	12.00	12.00
<u>102.00</u>	<u>100.50</u>	<u>101.00</u>	<u>104.00</u>	<u>112.50</u>	<u>112.50</u>

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

Function/Program	2018	2017	2016
General Government			
<i>Council and Clerk</i>			
Number of Ordinances Passed	89	97	118
Number of Resolutions Passed	9	12	7
<i>Finance Department</i>			
Number of checks/vouchers issued	3,775	3,154	3,046
Amount of checks written	\$14,468,162	\$15,672,972	\$13,684,900
Interest earnings for fiscal year (cash basis)	\$95,881	\$47,961	\$23,126
Number of Receipts issued	509	554	573
Number of Budget Adjustments issued	5	8	14
Agency Ratings - Moody's Financial Services	Aaa	Aaa	Aaa
Health Insurance Costs vs General Fund Expenditures %	14.18%	14.06%	12.76%
General Fund Receipts (cash basis)	\$4,358,140	\$4,510,408	\$4,583,015
General Fund Expenditures (cash basis)	\$4,653,990	\$4,514,923	\$4,822,199
General Fund Cash Balances	\$835,891	\$1,131,741	\$1,136,255
<i>Income Tax Department</i>			
Number of Individual Returns	4,322	4,322	4,249
Number of Business Returns	4,416	417	408
Number of business withholding accounts	593	532	526
Amount of Penalties and Interest Collected	\$37,633	\$48,537	\$50,216
Annual number of Corporate withholding forms processed	4,432	4,056	3,325
Annual number of balance due statements forms processed	1,123	1,224	1,181
Annual number of estimated payment forms processed	2,432	1,862	1,560
Annual number of reconciliations of withholdings processed	627	558	548
<i>Engineer Contracted Services</i>			
Dollar amount of Construction overseen by Engineer	\$1,406,743	\$1,804,480	\$755,002
<i>Municipal Court</i>			
Number of Civil Cases	290	261	270
Number of Criminal Cases	504	506	648
<i>Vital Statistics</i>			
<i>Certificates Filed</i>			
Number of Births	2	1	1
Number of Deaths	96	108	110
<i>Certificates Issued</i>			
Number of Births	380	330	355
Number of Deaths	452	393	443
Burial Permits Issued	152	134	129
<i>Civil Service</i>			
Number of police entry tests administered	0	0	11
Number of fire entry tests administered	17	0	9
Number of police promotional tests administered	0	0	0
Number of fire promotional tests administered	0	0	0
Number of hires of Police Officers from certified lists	0	2	0
Number of hires of Fire/Medics from certified lists	0	0	0
Number of promotions from fire certified lists	0	0	0

2015	2014	2013	2012	2011	2010	2009
116	100	119	106	112	107	123
6	7	7	7	8	11	19
3,347	3,122	3,356	3,248	3,321	3,230	3,530
\$13,893,413	\$14,399,049	\$13,965,336	\$13,598,713	\$15,117,766	\$13,879,192	\$13,559,134
\$6,818	\$5,253	\$5,002	\$3,716	\$2,935	\$3,828	\$6,005
509	519	667	545	541	458	492
9	11	8	12	6	11	6
Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa
12.40%	13.33%	11.85%	12.12%	12.04%	11.28%	11.50%
\$4,902,538	\$4,111,116	\$4,149,116	\$3,981,654	\$4,250,115	\$4,281,343	\$4,212,709
\$4,741,073	\$4,077,850	\$3,974,476	\$3,753,279	\$3,767,922	\$4,199,979	\$4,057,218
\$1,375,440	\$1,213,975	\$1,180,709	\$1,006,069	\$833,058	\$326,480	\$250,054
4,430	4,534	4,456	4,058	4,031	4,282	4,274
483	420	441	392	456	436	436
537	524	467	501	515	482	458
\$34,291	\$41,369	\$37,900	\$29,107	\$27,399	\$32,550	\$31,843
2,300	2,101	2,130	2,179	2,240	2,130	2,024
982	952	1,128	1,111	984	917	838
1,575	1,635	1,616	1,469	1,481	1,554	1,366
571	355	429	501	515	482	451
\$2,282,649	\$719,793	\$1,312,011	\$2,059,385	\$784,499	\$78,518	\$808,877
257	251	220	283	282	333	359
885	1,084	965	999	907	929	1,011
2	2	1	2	0	1	0
96	85	106	99	110	111	95
391	403	352	392	420	472	542
494	444	549	480	595	525	486
124	137	147	163	143	152	127
4	0	1	0	1	0	1
0	9	1	1	0	1	0
0	0	0	1	0	0	0
5	0	0	0	1	1	0
0	0	0	0	0	1	1
0	0	0	1	1	0	0
1	0	0	0	1	0	0

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

Function/Program	2018	2017	2016
<i>Building Department Indicators</i>			
Construction Permits			
Estimated Value of Construction	\$2,868,702	\$1,991,375	\$2,210,590
Number of permits issued	145	147	167
Amount of Revenue generated from permits	\$5,940	\$6,080	\$6,840
Security of Persons and Property			
<i>Police</i>			
Total Calls for Services	19,096	19,982	16,507
911 Calls Answered (1)	387	4,890	6,275
Arrests/Citations	1,474	1,572	1,107
Community Policing Hours	1,166	942	925
Investigations	2,066	1,918	2,319
Jail Inmates	390	289	324
Vehicle Crashes	215	245	222
Prisoner costs	\$9,046	\$5,827	\$7,230
Gasoline costs of fleet	\$32,828	\$29,026	\$22,564
<i>Fire</i>			
EMS Calls	1,661	1,645	1,727
Fire Calls	717	623	691
Fires with Loss	54	34	29
Fires with Losses exceeding \$10K	12	9	4
Fire Losses	\$653,380	\$467,330	\$272,416
Fire Safety Inspections	104	117	111
Number of times Mutual Aid given to Fire and EMS	12	6	7
Number of times Mutual Aid received for Fire and EMS	0	9	9
Public Health Services			
Cemetery burials	48	44	40
Cemetery sale of lots	39	13	7
Cemetery receipts	\$19,425	\$27,213	\$20,782
Leisure Time Activities			
<i>Recreation</i>			
City Tax	\$27,918	\$27,481	\$26,956
Softball Fees	0	0	0
Facilities rentals	7,500	40,605	37,375
Total Recreation Department receipts	<u>\$35,418</u>	<u>\$68,086</u>	<u>\$64,331</u>

2015	2014	2013	2012	2011	2010	2009
\$1,523,971	\$2,873,929	\$3,994,229	\$944,196	\$748,499	\$2,198,791	\$1,605,848
161	188	161	147	148	131	121
\$5,290	\$5,210	\$5,585	\$4,682	\$4,652	\$4,172	\$4,504
17,898	21,028	28,334	23,110	21,912	25,026	25,400
5,533	5,779	5,478	5,277	4,429	6,706	6,982
1,135	1,548	1,419	1,808	2,199	2,049	908
850	8,412	8,642	8,924	8,847	9,455	9,258
2,226	2,481	2,541	2,689	2,813	2,969	2,895
300	280	247	271	273	256	241
244	269	246	238	230	288	322
\$6,922	\$8,102	\$9,029	\$11,234	\$6,709	\$11,332	\$9,850
\$25,441	\$38,113	\$36,457	\$37,498	\$29,989	\$31,757	\$25,690
1,877	1,606	1,558	1,463	1,575	1,701	1,429
346	221	203	204	89	95	85
49	60	82	90	80	40	36
6	7	10	8	3	3	3
\$582,402	\$347,732	\$548,385	\$301,600	\$363,650	\$162,950	\$505,200
132	132	99	120	79	34	69
10	46	24	20	27	25	54
18	17	23	22	42	12	7
53	39	57	55	54	47	50
16	17	24	8	9	12	18
\$29,170	\$22,890	\$32,900	\$30,137	\$24,565	\$27,390	\$38,115
\$27,827	\$25,201	\$24,817	\$24,325	\$21,876	\$24,300	\$24,300
0	800	600	1,650	7,850	9,475	7,000
31,650	31,725	28,225	29,375	29,075	31,000	33,450
\$59,477	\$57,726	\$53,642	\$55,350	\$58,801	\$64,775	\$64,750

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

Function/Program	2018	2017	2016
Transportation			
Street Improvements - asphalt overlay (linear feet)	9,815	15,375	16,075
Crackseal Coating Program (Miles)	5	6	6
Street Repair (Curbs, aprons, berms, asphalt) (hours)	791	721	750
Paint Striping (hours)	239	243	224
Street Sweeper (hours)	391	385	380
Cold Patch (hours)	741	608	580
Snow and Ice Removal regular hours	1,560	1,864	1,750
Snow and Ice Removal overtime hours	389	636	375
Storm Sewer Calls for Service - Sewer Jet Regular Hours	1,173	1,241	1,200
Storm Sewer Calls for Service - Sewer Jet Overtime Hours	62	46	56
Sewer Crew (hours)	1,143	975	1,500
Landscaping Stump-Chipper service (hours)	0	0	0
Leaf collection (hours)	639	650	640
Holiday lights setup (hours)	60	60	60
Downtown Square Repair After Events	24	20	0
Street/Traffic Signs (Hours)	254	341	800
Equipment repair/body shop (hours)	2,080	2,080	2,080
Tons of snow melting salt purchased (Nov-Mar)	1,180	1,160	1,088
Cost of salt purchased	\$47,879	\$39,093	\$62,674
Water Department			
Water Rates per 1st 2,000 gallons of water	\$19.90	\$19.41	\$18.84
Avg. number of water accounts billed monthly (Cubic Feet)	4,877	4,901	4,880
Total Water Collections Annually (Including Principal and Interest)	\$2,383,344	\$2,332,586	\$2,327,785
Wastewater Department			
Wastewater Rates per 1st 300 Cubic feet of water used	\$20.10	\$20.10	\$19.70
Total flow of wastewater treatment plant (Billions of Gallons)	0.985	0.885	0.701
Average daily flow (Millions of gallons per day)	2.705	2.430	1.919
Tons of dry sludge removed	147.23	219.87	226.71

Source: City Financial Records and Departments

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

2015	2014	2013	2012	2011	2010	2009
17,935	7,320	0	14,347	8,092	8,580	7,985
5	7	8	6	31	4	0
771	1,454	578	2,879	2,198	784	2,441
192	177	274	172	231	104	145
349	375	308	553	390	360	303
404	501	380	361	482	248	651
1,542	2,177	1,763	1,656	1,743	1,824	1,616
315	454	529	285	492	391	239
1,311	1,180	1,467	1,397	1,280	432	203
45	48	24	53	6	0	0
446	431	774	784	1,114	400	415
10	31	0	0	0	0	0
0	0	0	0	0	0	652
29	30	28	54	16	16	16
0	0	0	0	0	0	0
311	280	352	547	646	510	464
2,010	1,200	2,281	2,218	5,760	6,240	6,240
1,564	1,237	937	918	899	776	773
\$105,000	\$47,741	\$39,565	\$39,253	\$40,522	\$43,921	\$48,842
\$18.29	\$18.29	\$17.76	\$17.00	\$17.24	\$17.24	\$17.24
4,850	4,800	4,800	4,900	4,900	4,900	4,900
\$2,266,166	\$2,256,350	\$2,168,960	\$2,228,733	\$2,103,537	\$2,068,133	\$2,215,799
\$19.70	\$19.70	\$19.30	\$18.90	\$19.76	\$19.76	\$17.18
0.729	0.949	1.162	0.972	1.212	0.694	0.846
1.998	26.020	3.187	2.657	3.316	1.902	2.324
317.28	177.98	292.48	270.54	186.06	268.91	281.39

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

Function/Program	2018	2017	2016	2015
General Government				
Square Footage Occupied	11,580	11,580	11,580	11,580
Inspection Vehicles	1	1	1	1
Police				
Stations	1	1	1	1
Square Footage Occupied	8,944	8,944	8,944	8,944
Vehicles	20	20	20	20
Fire				
Stations	2	2	2	2
Square Footage Occupied	12,880	12,880	12,880	12,880
Vehicles	10	10	10	10
Recreation				
Number of Parks	5	5	5	5
Number of Tennis Courts	2	2	2	2
Number of Skateboarding Areas	0	0	0	0
Number of Baseball Diamonds	2	2	2	2
Square Footage Occupied	1,790	1,790	1,790	1,790
Vehicles	2	2	2	2
Other Public Works				
Streets (lane miles)	565	565	565	565
Service Vehicles	22	22	22	22
Wastewater				
Sanitary Sewers (miles)	60	60	60	60
Storm Sewers (miles)	35	35	35	35
Water Department				
Water Lines (miles)	91	91	91	91
Vehicles	9	9	9	9

Source: City Financial Records

2014	2013	2012	2011	2010	2009
11,580 1	11,580 1	11,580 1	11,580 1	11,580 1	11,580 1
1 8,944 20	1 8,944 20	1 8,944 20	1 8,944 20	1 8,944 20	1 8,944 20
2 12,880 10	2 12,880 10	2 12,880 10	2 12,880 10	2 12,880 10	2 12,880 10
5 2 0 2 1,790 2	5 2 0 2 1,790 2	5 2 1 2 1,790 2	5 2 1 2 1,790 2	5 2 1 2 1,790 2	5 2 1 2 1,790 2
565 22	565 22	565 22	565 22	565 22	565 22
60 35	60 35	60 35	60 35	60 35	60 35
91 9	91 9	91 9	91 9	91 9	91 9

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OHIO AUDITOR OF STATE KEITH FABER



CITY OF CONNEAUT

ASHTABULA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 19, 2019**