

CITY OF WILLOUGHBY, OHIO

AUDIT REPORT

FOR THE YEAR ENDED DECEMBER 31, 2007



Mary Taylor, CPA
Auditor of State

Mayor, Members of Council
City of Willoughby
One Public Square
Willoughby, Ohio 44094

We have reviewed the *Independent Auditor's Report* of the City of Willoughby, Lake County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2007 through December 31, 2007. 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 Willoughby is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

June 5, 2008

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**CITY OF WILLOUGHBY, OHIO
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2007**

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Certified Public Accountants

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Ohio Society of Certified Public Accountants

**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***

To the Members of City Council
City of Willoughby, Ohio

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Willoughby, Lake County, Ohio, as of and for the year ended December 31, 2007, which collectively comprise the City of Willoughby, Ohio's basic financial statements and have issued our report thereon dated May 1, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Willoughby, Ohio's internal control over financial reporting as a basis for designing our auditing procedures 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 of Willoughby, Ohio's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Willoughby, Ohio's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Willoughby, Ohio's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City of Willoughby, Ohio's financial statements that is more than inconsequential will not be prevented or detected by the City of Willoughby, Ohio's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City of Willoughby, Ohio's internal control.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Willoughby, Ohio's financial statements are free of 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*.

We noted certain matters that we reported to the management of the City of Willoughby, Ohio, in a separate letter dated May 1, 2008.

This report is intended solely for the information and use of management, the audit committee, City Council, and others within the entity and is not intended to be and should not be used by anyone other than these specified parties.



James G. Zupka, CPA, Inc.
Certified Public Accountants

May 1, 2008

THE CITY OF WILLOUGHBY, OHIO



2007

Comprehensive Annual Financial Report

For the year ended December 31, 2007



2007

COMPREHENSIVE ANNUAL FINANCIAL REPORT

for the year ended December 31, 2007

The City of
Willoughby, Ohio

Publication of the Comprehensive Annual Financial Report of the City of Willoughby has been made possible by the personnel of the Finance Department.

Director of Finance
Raymond J. Rogowski, CGFM

Deputy Finance Director
Diane C. Bosley, CPA

Staff Accountant
Cher Hoffman

Secretary
Mia Cicirello

Finance Staff
Nancy Kukoleck
Christine Pedersen
Martha Schneider
Debbie Schreiber
Shawn Wilson

The City of
Willoughby, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2007

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City Of Willoughby

David E. Anderson
Mayor and Safety Director

May 2, 2008

To the Mayor, Members of Council and
Residents of the City of Willoughby, Ohio:

The Comprehensive Annual Financial Report (CAFR) of the City of Willoughby for the fiscal year ended December 31, 2007, is hereby submitted. State law requires that all public offices shall file a financial report for each fiscal year. The law also requires that the report be submitted within one hundred fifty days of the close of the fiscal year.

The City of Willoughby, and specifically the Finance Department, assumes responsibility for the accuracy, completeness, fairness of presentation, and all disclosures contained within this report. Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that:

- 1) the cost of a control should not exceed the benefits likely to be derived; and
- 2) the valuation of costs and benefits requires estimates and judgments by management.

The City's financial statements have been audited by James G. Zupka, CPA, Inc., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the year ended December 31, 2007, are free of material misstatement. The independent audit involved testing evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and the significant estimates made by management; and evaluation of the overall financial statement presentation. Based upon the audit, the independent auditor concluded that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended December 31, 2007, are fairly presented in conformity with GAAP. The independent auditor's report is presented at the front of the financial section of this report.

The Management discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative summarizing and analyzing the basic financial statements. The MD&A compliments this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

The Village of Willoughby was incorporated in 1853 under laws of the State of Ohio. On June 19, 1951, a voter-approved charter became effective establishing the City of Willoughby and a Mayor-Council form of government. The City is 9.9 square miles and serves a population of 22,621. The City, a suburb of Cleveland, is located in Lake County within Northeastern Ohio.

“The Courtesy City”

The City operates and is governed by its Charter. The City is also subject to some general laws applicable to all cities. Under the Ohio Constitution, the City may exercise all powers of local self-government and police powers to the extent that they do not conflict with applicable general laws.

Legislative authority is vested in a seven-member Council which is elected for a two-year term. The Council fixes compensation of city officials and employees and enacts ordinances and resolutions relating to city services, tax levies, appropriating and borrowing money, licensing and regulating businesses and trades and other municipal services. The presiding officer is the President, who is elected by the Council for a one-year term. The Charter establishes certain administrative departments. Council may establish divisions of those departments and additional departments. The Council serves the citizens of Willoughby on a part-time basis.

The City's Chief Executive and Administrative Officer is the Mayor who is elected by the voters for a four-year term. The Mayor appoints, subject to the approval of Council, all the directors of the City departments. The Mayor serves full-time as both Mayor and Safety Director.

The City of Willoughby provides a full range of services including:

- ◆ police and fire protection
- ◆ parks
- ◆ sanitary sewers
- ◆ aviation services through Lost Nation Airport
- ◆ the construction and maintenance of roads and other infrastructure
- ◆ cultural and recreation activities
- ◆ solid waste service

Water service is provided to the City by Lake County and is under the supervision and governance of the Lake County Commissioners and is included in their own separately released financial report. The Willoughby-Eastlake School district and the Willoughby Library do not meet the criteria for inclusion in these financial statements.

The City of Willoughby maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. Activities of the General Fund, Special Revenue Funds, Capital Projects Fund and Debt Service Funds are included in the annual appropriated budget. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) for those funds paying wages is at the department program level and within each program at the account classification level of personal services and benefits. For other account classifications the level of control selected by Council is at the fund level. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Budget-to-actual comparisons are provided in this report for each individual fund for which an appropriated annual budget has been adopted.

LOCAL ECONOMY

The City's economic base is highly diversified. Willoughby is home to the eighth largest number of manufacturing firms in the State of Ohio. The City is home to companies such as General Electric, Metal Seal & Products and Universal Screw.

In addition to our significant manufacturing base the City is also home to Lake Hospital System which has managed to remain an independent hospital system while establishing partnerships with the world renowned Cleveland Clinic for Heart Surgery and University Hospital System of Cleveland for world class cancer care.

The City also offers a full compliment of commercial areas and retail establishments as well as a vital historic downtown. The City has several new residential construction projects ranging from condominiums to stand alone houses with valuations of \$185,000 to \$450,000 exclusive of land costs which in many cases exceed \$100,000. These new developments compliment our existing neighborhoods and business areas.

MAJOR INITIATIVES

The City requested from the voters and received approval of a 2 mill road levy. This levy raises approximately \$1.2 million dollars on an annual basis beginning in 2007. This new levy enables the City to spend the proceeds on road repairs and rehabilitation.

The Mentor Avenue widening project began in 2006 and work continued in 2007. The City has completed construction in 2007 on the Lakeshore Boulevard Force Main and the River Road Sanitary Sewer project is planned for late 2008.

The City made a decision to change agencies collecting the City's 2% income tax. Effective January 1, 2008 the tax will be collected by the Regional Income Tax Agency (RITA). We hope that this will provide for greater efficiencies and convenience for our taxpayers.

RELEVANT FINANCIAL POLICIES

Union contracts were negotiated and completed in the first quarter of 2007. The contracts included an employee contribution of 10% of the total health care cost on a bi-weekly basis. All negotiations were completed in a timely manner.

LONG TERM FINANCIAL PLANNING

In 2006, the City prepared a 5 year forecast for the major operations of the City as well as a 10 year Capital Improvement Plan. This resulted in the request of the voters for a 2 mill levy for road & bridge improvements. The levy was successful and has relieved significant pressure on the City's main source of revenue, municipal income tax, which can be used for operations and other capital purposes. An update to both plans is expected to begin in 2008.

AWARDS & ACKNOWLEDGMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement of Excellence in Financial Reporting to the City of Willoughby for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2006. This was the 21st consecutive year that the City of Willoughby has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the City of Willoughby published an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy 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 Comprehensive Annual Financial Report 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 preparation of the Comprehensive Annual Financial Report, on a timely basis, was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

In closing, without the leadership and support of Mayor Anderson and the whole Council, preparation of this report would not have been possible.

Respectfully submitted,



Raymond J. Rogowski, CGFM
Finance Director



Diane C. Bosley, CPA
Deputy Finance Director

THE CITY OF WILLOUGHBY, OHIO



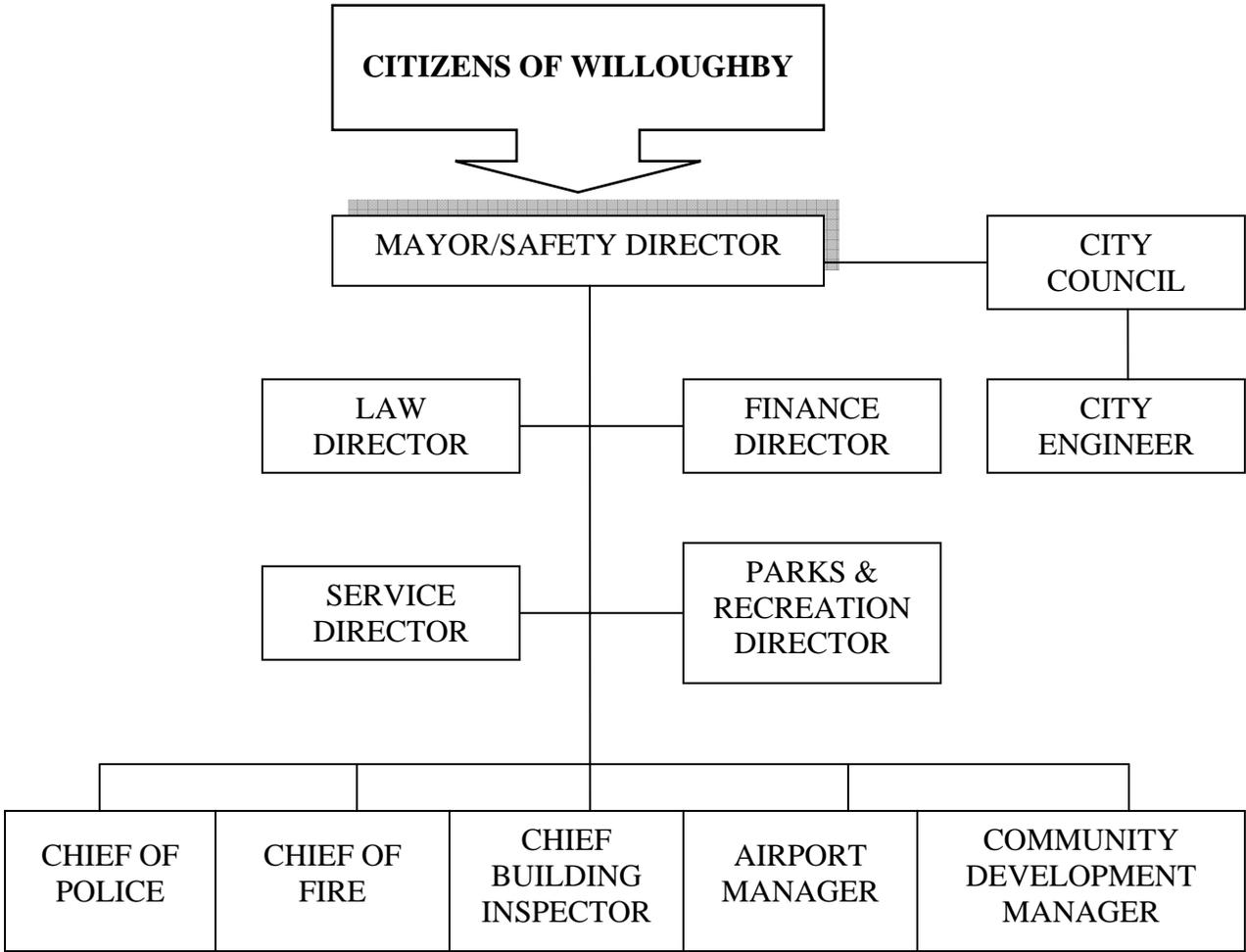
Enriched by its History

Prepared for its Future



ORGANIZATIONAL CHART

The City of
Willoughby, Ohio



ELECTED & APPOINTED OFFICIALS

The City of
Willoughby, Ohio

Mayor
David E. Anderson

CITY COUNCIL

Ward 4
Charles W. Cox / President

Ward 1
Christopher W. Woodin

Ward 3
Jerome P. Ranally

Ward 6
Robert J. Harrold

Ward 2
Robert A. Fiala

Ward 5
Karen T. Manning

Councilman-At-Large
Jeffrey H. Black

Director of Finance
Raymond J. Rogowski

Director of Public Service
Angelo Tomaselli

Director of Law
John W. Wiles

*Director of
Parks & Recreation*
Brian L. Katz

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Willoughby
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2006

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



Charles S. Cox

President

Jeffrey R. Emer

Executive Director



The City of Willoughby™

THE CITY OF WILLOUGHBY, OHIO



Financial *Information*



JAMES G. ZUPKA, C.P.A., INC.

Certified Public Accountants

5240 East 98th Street

Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

The Members of City Council
City of Willoughby, Ohio

The Honorable Mary Taylor
Auditor of State
State of Ohio

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Willoughby, Lake County, Ohio, as of and for the year ended December 31, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Willoughby, Ohio's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Willoughby, Lake County, Ohio, as of December 31, 2007, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 1, 2008, on our consideration of the City of Willoughby, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Willoughby, Ohio's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The accompanying introductory section and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.


James G. Zupka, CPA, Inc.
Certified Public Accountants

May 1, 2008

**CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
UNAUDITED**

The discussion and analysis of the City of Willoughby's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2007. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers are encouraged to consider the information presented here in conjunction with the additional information contained in the transmittal letter, financial statements and the notes to those financial statements to enhance their understanding of the City's performance.

Financial Highlights

The assets of the City of Willoughby exceeded liabilities by \$93,415,888. Assets in Governmental activities exceeded liabilities by \$61,036,153 and \$32,379,735 in Business-Type activities.

Total liabilities of the City of Willoughby increased \$1,123,106 as compared to 2006. Total liabilities of governmental activities decreased by \$82,063 and total liabilities of business type-activities increased by \$1,205,169.

The total unrestricted fund balance of the City is \$3,930,408, an increase of \$420,787 from 2006.

Long term liabilities of the City decreased by \$587,241.

The overall financial condition of the City did not materially change from 2006 to 2007.

Using This Annual Financial Report

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements - Reporting the City of Willoughby as a Whole

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. However, in evaluating the overall position of the City, nonfinancial factors such as the City's tax base, change in property and income tax laws, and the condition of the capital assets should also be considered.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

**CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
UNAUDITED**

Both the statement of net assets and the statement of activities use the accrual basis of accounting, similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

In the statement of net assets and the statement of activities, we divide the City into two kinds of activities:

- ◆ ***Governmental activities:*** most of the City's basic services are reported here, including the police, fire, street maintenance, parks and recreation, and general administration. Income taxes, property taxes, and charges for service fund most of these activities.
- ◆ ***Business-type activities:*** the City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's airport, sewer system, and golf course operations are reported here.

Government-wide financial statements can be found starting on page 14 of this report.

Fund Financial Statements - Reporting the City of Willoughby's Most Significant Funds

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objects. The City of Willoughby, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds are used to account for fundamentally the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on the balance of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Both the governmental fund balance sheet and the government fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate a comparison between governmental activities (reported in the statement of net assets and the statement of activities) and governmental funds.

The City maintains 22 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances, for the General fund, Capital Projects fund, and General Bond Retirement fund; these are considered to be major funds.

The General fund is the government's primary operating fund. It accounts for all financial resources of the City except those that are required to be accounted for in a separate fund. The Capital Projects fund is the City's primary fund for the purchase of capital assets not required for purchase by a separate fund.

**CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
UNAUDITED**

The General Bond Retirement fund accounts for resources accumulated and payments made for principal and interest on long-term debt on governmental funds.

Data from the other governmental funds are combined into single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for each of its funds. A budgetary comparison statement (non-GAAP basis) has been provided for each governmental and proprietary fund to demonstrate budgetary compliance.

Proprietary Funds - Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Sewer fund, Airport fund and Golf Course fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Sewer, Airport and Golf Course funds as they are considered major.

The basic proprietary fund financial statements can be found starting on page 21 of this report.

Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources are not available to support the City's own programs. The City has only agency funds to report within the fiduciary fund category. Agency funds are reported on a full accrual basis and only present statements of assets and liabilities.

Notes to the Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 26 of this report.

Other Information

In addition to the basic financial statements and the accompanying notes, this report also presents certain other information that the City believes readers will find useful.

After the notes to the financial statements, the combining statements referred to earlier in connection with nonmajor governmental funds are presented, as well as individual detailed budgetary comparisons for all funds. This information can be found starting on page 60 of this report.

CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
UNAUDITED

Government-wide Financial Analysis

As noted earlier, the statement of net assets looks at the City as a whole and can prove to be a useful indicator of the City's financial position. The statement of net assets and the statement of activities are divided into the following categories:

- ◆ Assets
- ◆ Liabilities
- ◆ Net Assets (Assets minus Liabilities)
- ◆ Program Expenses and Revenues
- ◆ General Revenues
- ◆ Net Assets Beginning and End of Year

The City of Willoughby as a Whole

By far the largest portion of the City's net assets (88%) reflects its investment in capital assets (e.g. land, infrastructure, building, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses those capital assets to provide services to its citizens; consequently these assets are not available for future spending. Although the City's investment is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities. The following table provides a summary of the City's net assets for 2007 compared to 2006.

	City of Willoughby's Net Assets				Total Government	
	Governmental Activities		Business-type Activities			
	2007	2006	2007	2006	2007	2006
Current and other assets	32,237,400	30,578,881	(516,838)	(1,328,551)	31,720,562	29,250,330
Capital assets	59,775,029	59,976,548	43,553,834	43,677,447	103,328,863	103,653,995
Total Assets	92,012,429	90,555,429	43,036,996	42,348,896	135,049,425	132,904,325
Current and other liabilities	11,907,301	11,362,284	1,712,672	547,342	13,619,973	11,909,626
Long term liabilities outstanding	19,068,975	19,696,055	8,944,589	8,904,750	28,013,564	28,600,805
Total Liabilities	30,976,276	31,058,339	10,657,261	9,452,092	41,633,537	40,510,431
Net Assets:						
Invested in capital assets, net of debt	46,994,662	46,348,394	35,229,071	35,534,234	82,223,733	81,882,628
Restricted	6,969,709	6,583,045	292,038	418,600	7,261,747	7,001,645
Unrestricted (deficit)	7,071,782	6,565,651	(3,141,374)	(3,056,030)	3,930,408	3,509,621
Total Net Assets	61,036,153	59,497,090	32,379,735	32,896,804	93,415,888	92,393,894

An additional portion of the City's net assets (7.8%) represents resources that have been restricted on how they may be used. The remaining balance of unrestricted net assets (\$3,930,408) may be used to meet the government's ongoing obligations to citizens and creditors.

**CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
UNAUDITED**

At the end of the current fiscal year, the City is able to report positive balances in governmental activities and the total government categories of net assets. Business-type activities show a net unrestricted deficit of \$3,141,374 which is primarily attributable to liabilities of the Airport fund consisting of amounts that are due to other funds.

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

	City of Willoughby's Change in Net Assets					
	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Revenues						
Program Revenues						
Charges for Services	4,802,946	4,745,527	5,273,752	4,815,476	10,076,698	9,561,003
Operating Grants, Contributions & Interest	118,956	358,392			118,956	358,392
Capital Grants & Contributions	110,980	4,165,287	247,053	564,392	358,033	4,729,679
General Revenues						
Municipal Income Taxes	15,570,705	13,948,654	200,000	625,000	15,770,705	14,573,654
Property & Other Local Taxes	4,981,602	3,780,557			4,981,602	3,780,557
Grants & Entitlements	4,797,309	4,502,842			4,797,309	4,502,842
Investment Earnings	990,190	869,675	53,393	56,756	1,043,583	926,431
Miscellaneous	7,511	53,097	3,012	1,982	10,523	55,079
Total Revenues	31,380,199	32,424,031	5,777,210	6,063,606	37,157,409	38,487,637
Expenses						
General Government	7,037,479	6,750,982			7,037,479	6,750,982
Security of Persons & Property	13,355,856	12,743,637			13,355,856	12,743,637
Public Health & Welfare	474,422	448,521			474,422	448,521
Community Environment	1,028,496	984,576			1,028,496	984,576
Leisure Time Activities	2,162,931	2,047,353			2,162,931	2,047,353
Transportation	3,316,323	2,736,148			3,316,323	2,736,148
Basic Utility Services	1,517,825	1,429,110			1,517,825	1,429,110
Interest & Fiscal Charges	879,804	881,977			879,804	881,977
Golf Course			923,882	867,957	923,882	867,957
Sewer			4,898,045	4,643,517	4,898,045	4,643,517
Airport			540,352	553,560	540,352	553,560
Total Expenses	29,773,136	28,022,304	6,362,279	6,065,034	36,135,415	34,087,338
Transfers	(68,000)	0	68,000	0	0	0
Change in Net Assets	1,539,063	4,401,727	(517,069)	(1,428)	1,021,994	4,400,299
Net Assets Beginning of Year	59,497,090	55,095,363	32,896,804	32,898,232	92,393,894	87,993,595
Net Assets End of Year	61,036,153	59,497,090	32,379,735	32,896,804	93,415,888	92,393,894

Governmental Activities

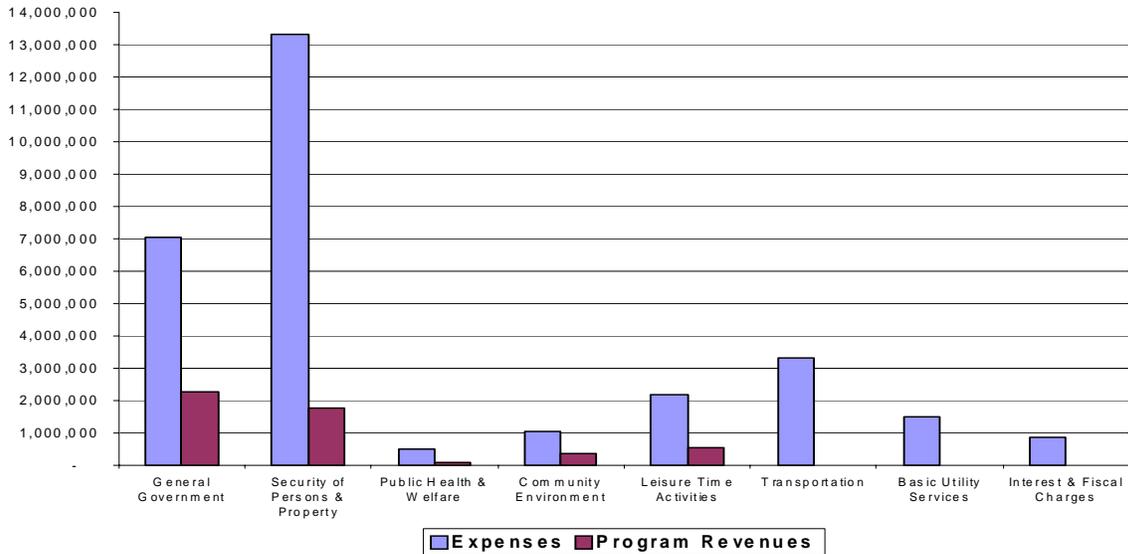
Income tax in governmental funds shows an increase of 11.63% because of increase in collections as well as a change in allocation of revenue away from Business-type activity funds.

Property and other local taxes increased by more than 31% with the first full year of collection for the newly voted road levy. Grants and entitlements increased by 6.5% and interest earnings were up 13.9% in a declining interest rate environment. The overall decrease in revenues is a result of donated infrastructure; a capital contribution that was recognized in 2006 and not repeated in 2007.

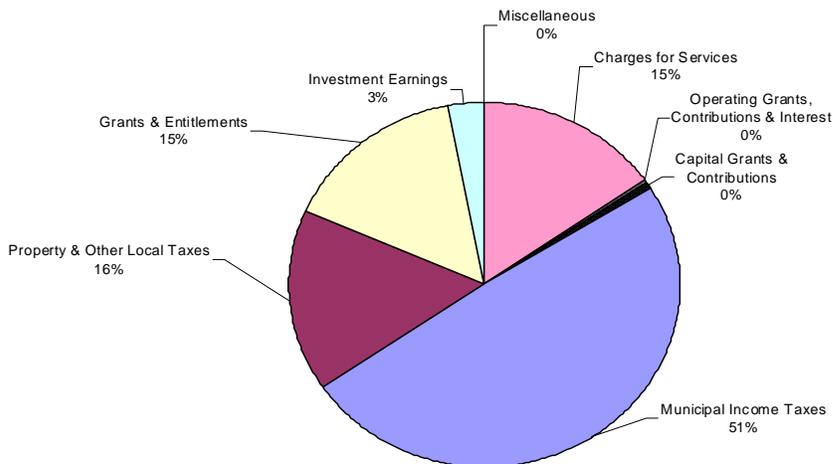
**CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
UNAUDITED**

Expenses in governmental activity increased by 6.2% in 2007 primarily due to wage increases and rising health care benefits' costs. Transportation costs were higher due to a heavier than normal winter season. Fulltime employment at the City remained static for 2007.

Expenses & Program Revenues - Governmental Activities



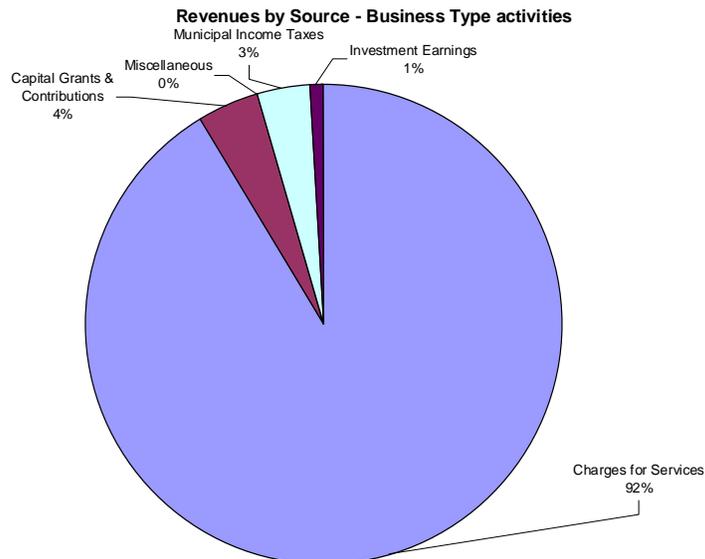
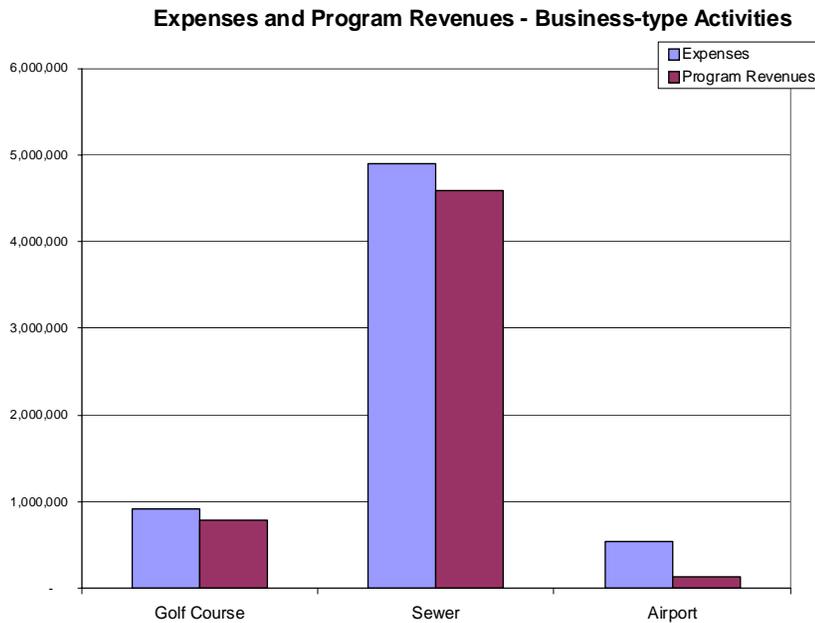
Revenues by Source - Governmental Activities



CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
UNAUDITED

Business-Type Activities

Business-type activities account for 34.7% of the City of Willoughby's total net assets. Revenues were down in 2007 with charges for service up 9.5% for the year. Expenditures increased 4.9% with costs increasing for personal services, contractual services and materials and supplies.



**CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
UNAUDITED**

Financial Analysis of the City of Willoughby's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Willoughby's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported an ending fund balance of \$16,471,647, an increase of \$856,901 from last year. The increase occurred significantly in the General fund because of strong revenue collections. Decreases in fund balances at year end in the Capital Projects fund are explained by lower revenue allocated to capital purposes. Unreserved fund balance, which is available at the government's discretion, increased by more than \$1,000,000 in the General fund and the Capital Projects fund unreserved deficit increased by \$241,745. The amount reserved for various purposes was not significantly changed in total or by fund in 2007.

Proprietary Funds - The City's proprietary fund statements provide similar information to that found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Golf Course fund reflect a deficit of (\$363,182) compared to (\$205,519) in 2006. The amount due to other funds increased to \$335,438 to meet debt service obligations.

Unrestricted net assets of the Sewer fund increased from \$942,774 to \$1,176,247. The increase in unrestricted net assets is primarily because of increased revenue.

Unrestricted net assets of the Airport fund carry a deficit unreserved balance of (\$3,954,439). The increase in the deficit is caused by the airport's inability to pay its own debt. The accumulated deficit is caused by past advances and debt payments that had to be made for the airport from other funds.

General Fund Budgetary Highlights - No changes to total budget were required to be made for the General Fund in 2007. The year saw revenues exceeding forecasts by nearly \$2,000,000 and expenditures more than \$900,000 under the amounts requested.

Capital Assets and Debt Administration

Capital Assets - The City's investment in capital assets for governmental and business-type activities as of December 31, 2007, was \$103,328,863 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment as well as infrastructure including roads, sidewalks, bridges, traffic signals, street lights, storm sewers, curbs and gutters. The City's investment in capital assets reflects a 3.1% increase over the prior year for governmental activities and 2.4% over for business-type activities. These changes are calculated before depreciation.

**CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
UNAUDITED**

City of Willoughby's Capital Assets						
	Governmental		Business-type		Total	
	Activities		Activities			
	2007	2006	2007	2006	2007	2006
Land	7,747,452	7,747,452	10,009,383	10,009,383	17,756,835	17,756,835
Construction in Progress	6,529,130	6,945,703	336,356	681,373	6,865,486	7,627,076
Buildings	19,023,527	18,495,361	18,351,091	18,340,370	37,374,618	36,835,731
Improvements	14,218,925	13,903,989	39,877,404	37,984,752	54,096,329	51,888,741
Machinery & Equipment	10,117,248	8,957,157	5,203,783	5,016,181	15,321,031	13,973,338
Infrastructure	35,236,996	34,042,402			35,236,996	34,042,402
Total Capital Assets	92,873,278	90,092,064	73,778,017	72,032,059	166,651,295	162,124,123
Accumulated Depreciation	(33,098,249)	(30,115,516)	(30,224,183)	(28,354,612)	(63,322,432)	(58,470,128)
Capital Assets (Net)	59,775,029	59,976,548	43,553,834	43,677,447	103,328,863	103,653,995

Major capital asset events during 2007 were as follows:

The City completed a road and rehabilitation project in 2007 utilizing funds from the voter-approved road levy.

Construction of the Mentor Avenue widening project continued this year.

Several vehicle replacements for various departments were completed including 2 new pumbers for use by the Fire Department.

Construction was complete for the Lakeshore Boulevard force main project.

Plans were near completion for the River Road Sanitary Sewer project.

Additional information regarding capital assets can be found starting on page 45 of the notes to the financial statements.

Outstanding Debt - The City's outstanding debt increased by \$413,180 (1.5%).

City of Willoughby's Outstanding Debt at December 31						
	Governmental		Business-Type		Total	
	Activities		Activities			
	2007	2006	2007	2006	2007	2006
General Obligation Bonds	12,762,760	13,609,312			12,762,760	13,609,312
Special Assessment Bonds	275,000	295,000			275,000	295,000
Enterprise Bonds w/ G.O. Commitment			3,450,662	3,851,926	3,450,662	3,851,926
OWDA & OPWC	17,607	18,842	4,724,594	4,330,082	4,742,201	4,348,924
Capital Notes Payable	5,000,000	5,060,000	1,350,000		6,350,000	5,060,000
Police Pension Liability	119,271	121,552			119,271	121,552
TOTAL	18,174,638	19,104,706	9,525,256	8,182,008	27,699,894	27,286,714

**CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
UNAUDITED**

State Law limits the amount of debt a city can issue in general obligation bonds to 10.5% of assessed valuation. The City had an assessed valuation of \$683,143,283 at the end of 2007. The City has borrowed less than 39% of our limitation and some debt that is in our total is not subject to that limitation by state law because the debt was actually issued by another party (i.e. O.W.D.A. or O.P.W.C.).

Short-term debt increased by \$1,290,000. The City has outstanding notes of \$5,000,000 for the Riverside Commons Special Assessment project and a \$1,350,000 note for improvements to the City owned and operated municipal golf course. Additional information regarding the City's debt can be found starting on page 53 of the notes to the financial statements.

Economic Factors and Next Year's Budget

The City of Willoughby has remained strong despite a challenged state economy, continues to weather the economic storm and had a substantial increase in income tax collections in 2007. The City plans a full capital program for 2008.

The City of Willoughby will continue to monitor the local, regional and national economy and make business decisions that best provide services to our citizens.

Requests for Information

This financial report is designed to provide a general overview of the City of Willoughby for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, City of Willoughby, One Public Square, Willoughby, Ohio, 44094.



The City of Willoughby™

CITY OF WILLOUGHBY, OHIO
STATEMENT OF NET ASSETS
DECEMBER 31, 2007

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Equity in City Treasury Cash and Investments	\$ 15,300,928	\$ 2,489,124	\$ 17,790,052
Inventory	141,585	43,462	185,047
Accrued Interest Receivable	136,481	5,969	142,450
Accounts Receivable	252,765	361,386	614,151
Prepaid Items	3,583	3,735	7,318
Intergovernmental Receivable	2,684,958	463,869	3,148,827
Taxes Receivable	8,266,488	0	8,266,488
Internal Balances	4,494,322	(4,494,322)	0
Restricted Assets -Cash	0	584,076	584,076
Special Assessments Receivable	956,290	0	956,290
Unamortized Bond Issuance Costs	0	25,863	25,863
Nondepreciable Capital Assets	14,276,582	10,345,739	24,622,321
Depreciable Capital Assets, Net	45,498,447	33,208,095	78,706,542
TOTAL ASSETS	<u>92,012,429</u>	<u>43,036,996</u>	<u>135,049,425</u>
LIABILITIES			
Accounts Payable	764,060	204,149	968,209
Matured Compensated Absences Payable	166,436	0	166,436
Salaries, Wages and Benefits Payable	1,735,780	52,855	1,788,635
Accrued Interest Payable	70,361	101,524	171,885
Property Taxes Payable	0	4,128	4,128
Intergovernmental Payable	1,471	16	1,487
Notes Payable	5,000,000	1,350,000	6,350,000
Unearned Revenue	4,166,253	0	4,166,253
Matured Bonds and Interest Payable	2,940	0	2,940
Long-Term Liabilities:			
Due Within One Year	2,217,156	953,374	3,170,530
Due In More Than One Year	16,851,819	7,991,215	24,843,034
TOTAL LIABILITIES	<u>30,976,276</u>	<u>10,657,261</u>	<u>41,633,537</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	46,994,662	35,229,071	82,223,733
Restricted for:			
Debt Service	3,694,588	0	3,694,588
Equipment Replacement	0	292,038	292,038
Special Revenue	3,070,349	0	3,070,349
Permanent Fund Purpose:			
Nonexpendable - Cemetery Fund	204,772	0	204,772
Unrestricted (Deficit)	7,071,782	(3,141,374)	3,930,408
TOTAL NET ASSETS	<u>\$ 61,036,153</u>	<u>\$ 32,379,735</u>	<u>\$ 93,415,888</u>

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2007

	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS		
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES							
General Government	\$ 7,037,479	\$ 2,273,281	\$ 0	\$ 5,036	\$ (4,759,162)		\$ (4,759,162)
Security of Persons and Property	13,355,856	1,635,610	117,081	32,624	(11,570,541)		(11,570,541)
Public Health and Welfare	474,422	77,460	0	0	(396,962)		(396,962)
Community Environment	1,028,496	350,933	0	0	(677,563)		(677,563)
Leisure Time Activities	2,162,931	465,415	1,875	73,320	(1,622,321)		(1,622,321)
Transportation	3,316,323	247	0	0	(3,316,076)		(3,316,076)
Basic Utility Services	1,517,825	0	0	0	(1,517,825)		(1,517,825)
Interest and Fiscal Charges	879,804	0	0	0	(879,804)		(879,804)
TOTAL GOVERNMENTAL ACTIVITIES	29,773,136	4,802,946	118,956	110,980	(24,740,254)		(24,740,254)
BUSINESS-TYPE ACTIVITIES							
Golf Course	923,882	783,322	0	0		\$ (140,560)	(140,560)
Sewer	4,898,045	4,352,307	0	247,053		(298,685)	(298,685)
Airport	540,352	138,123	0	0		(402,229)	(402,229)
TOTAL BUSINESS-TYPE ACTIVITIES	6,362,279	5,273,752	0	247,053		(841,474)	(841,474)
TOTAL	\$36,135,415	\$10,076,698	\$118,956	\$358,033	(24,740,254)	(841,474)	(25,581,728)
GENERAL REVENUES							
Property Taxes Levied for:							
					1,855,725		1,855,725
					1,772,735		1,772,735
					1,241,366		1,241,366
					111,776		111,776
Income Taxes Levied for:							
					13,947,017		13,947,017
						200,000	200,000
					1,623,688		1,623,688
					4,797,309		4,797,309
					5,093	2,039	7,132
					990,190	53,393	1,043,583
					2,418	973	3,391
TOTAL GENERAL REVENUE					26,347,317	256,405	26,603,722
Transfers					(68,000)	68,000	0
TOTAL GENERAL REVENUES AND TRANSFERS					26,279,317	324,405	26,603,722
CHANGE IN NET ASSETS					1,539,063	(517,069)	1,021,994
NET ASSETS BEGINNING OF YEAR					59,497,090	32,896,804	92,393,894
NET ASSETS END OF YEAR					\$ 61,036,153	\$ 32,379,735	\$ 93,415,888

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2007

	<u>GENERAL</u>	<u>CAPITAL PROJECTS</u>	<u>GENERAL BOND RETIREMENT</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS					
Assets:					
Equity in City Treasury Cash and Investments	\$7,743,905	\$3,228,369	\$80,911	\$4,247,743	\$15,300,928
Inventory-Supplies	87,616	0	0	53,969	141,585
Accrued Interest Receivable	109,743	26,738	0	0	136,481
Accounts Receivable	246,882	4,016	0	1,867	252,765
Prepaid Items	3,583	0	0	0	3,583
Due from Other Governments	2,047,612	8,842	47,098	581,406	2,684,958
Taxes Receivable	4,761,359	436,043	1,352,841	1,716,245	8,266,488
Due from Other Funds	1,382,283	30,169	3,122,407	0	4,534,859
Special Assessments Receivable	<u>0</u>	<u>0</u>	<u>0</u>	<u>956,290</u>	<u>956,290</u>
TOTAL ASSETS	<u>\$16,382,983</u>	<u>\$3,734,177</u>	<u>\$4,603,257</u>	<u>\$7,557,520</u>	<u>\$32,277,937</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$156,517	\$360,888	\$0	\$246,655	\$764,060
Matured Compensated Absences Payable	0	0	0	166,436	166,436
Salaries, Wages, and Benefits Payable	1,671,724	0	0	64,056	1,735,780
Due to Other Governments	1,471	0	0	0	1,471
Due to Other Funds	17,475	3,062	0	20,000	40,537
Notes Payable	0	5,000,000	0	0	5,000,000
Deferred Revenue	3,552,464	0	1,399,939	3,142,663	8,095,066
Matured Bonds & Interest Payable	<u>0</u>	<u>0</u>	<u>2,940</u>	<u>0</u>	<u>2,940</u>
TOTAL LIABILITIES	<u>5,399,651</u>	<u>5,363,950</u>	<u>1,402,879</u>	<u>3,639,810</u>	<u>15,806,290</u>
Fund Balances:					
Reserved for Encumbrances	882,759	801,982	9,466	420,940	2,115,147
Reserved for Inventory	87,616	0	0	53,969	141,585
Reserved for Debt Service	0	0	361,950	314,284	676,234
Reserved for Prepaid Items	3,583	0	0	0	3,583
Reserved for Long-Term Loan -Airport	1,326,019	23,176	2,828,962	0	4,178,157
Unreserved	8,683,355	(2,454,931)	0	0	6,228,424
Unreserved, Reported in Nonmajor					
Special Revenue Funds	0	0	0	2,923,745	2,923,745
Permanent Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>204,772</u>	<u>204,772</u>
TOTAL FUND BALANCES	<u>10,983,332</u>	<u>(1,629,773)</u>	<u>3,200,378</u>	<u>3,917,710</u>	<u>16,471,647</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$16,382,983</u>	<u>\$3,734,177</u>	<u>\$4,603,257</u>	<u>\$7,557,520</u>	<u>\$32,277,937</u>

See accompanying notes to the basic financial statements.

<p>CITY OF WILLOUGHBY, OHIO RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET ASSETS OF GOVERNMENTAL ACTIVITIES AS OF DECEMBER 31, 2007</p>
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TOTAL GOVERNMENTAL FUND BALANCES	\$16,471,647
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Amounts reported for government activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	59,775,029
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Other long-term assets are not available to pay for current-period expenditures and therefore are not revenue in the funds.

Property Taxes	249,506	
Grants and Entitlements	1,783,822	
Municipal Income Taxes	856,372	
Special Assessments	956,290	
Charges for Services	52,823	
Fines and Forfeitures	30,000	
	3,928,813	
Total		3,928,813

Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds.

General Obligation Bonds	(12,762,760)	
OPWC Loans	(17,607)	
Special Assessments	(275,000)	
Police Pension Liability	(119,271)	
Landfill Post Closure Care Liability	(947,026)	
Compensated Absences	(4,947,311)	
Accrued Interest Payable	(70,361)	
	(19,139,336)	
Total		(19,139,336)

NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 61,036,153</u>
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CITY OF WILLOUGHBY, OHIO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>GENERAL</u>	<u>CAPITAL PROJECTS</u>	<u>GENERAL BOND RETIREMENT</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
REVENUES:					
Municipal Income Taxes	\$13,786,288	\$1,623,688	\$0	\$0	\$15,409,976
Property and Other Local Taxes	1,892,301	111,776	1,281,279	1,721,148	5,006,504
Intergovernmental	3,314,495	93,222	168,749	1,332,649	4,909,115
Charges for Services	1,199,471	0	0	220,149	1,419,620
Special Assessments	0	0	0	626,565	626,565
Fines and Forfeitures	2,012,693	0	0	467,101	2,479,794
Licenses & Permits	265,348	0	0	0	265,348
Interest	906,587	44,741	38,862	0	990,190
Miscellaneous	<u>0</u>	<u>5,036</u>	<u>0</u>	<u>3,268</u>	<u>8,304</u>
TOTAL REVENUES	<u>23,377,183</u>	<u>1,878,463</u>	<u>1,488,890</u>	<u>4,370,880</u>	<u>31,115,416</u>
EXPENDITURES:					
Current:					
General Government	6,416,178	70,987	29,458	156,922	6,673,545
Security of Persons and Property	10,380,979	155,122	0	2,007,091	12,543,192
Public Health and Welfare	452,928	0	0	0	452,928
Community Environment	908,998	0	0	95,477	1,004,475
Leisure Time Activities	927,894	33,394	0	820,719	1,782,007
Transportation	0	0	0	1,651,544	1,651,544
Basic Utility Services	1,097,610	0	0	0	1,097,610
Capital Outlay	89,812	1,977,721	0	1,127,751	3,195,284
Debt Service:					
Principal	0	0	847,787	20,000	867,787
Interest	<u>0</u>	<u>215,050</u>	<u>647,018</u>	<u>17,257</u>	<u>879,325</u>
TOTAL EXPENDITURES	<u>20,274,399</u>	<u>2,452,274</u>	<u>1,524,263</u>	<u>5,896,761</u>	<u>30,147,697</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,102,784	(573,811)	(35,373)	(1,525,881)	967,719
OTHER FINANCING SOURCES (USES):					
Transfers In	0	54,479	300,000	1,875,000	2,229,479
Transfers Out	(2,029,479)	0	0	(268,000)	(2,297,479)
Sale of Assets	<u>0</u>	<u>5,093</u>	<u>0</u>	<u>0</u>	<u>5,093</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,029,479)</u>	<u>59,572</u>	<u>300,000</u>	<u>1,607,000</u>	<u>(62,907)</u>
NET CHANGE IN FUND BALANCES	1,073,305	(514,239)	264,627	81,119	904,812
FUND BALANCE BEGINNING OF YEAR	9,915,306	(1,115,534)	2,935,751	3,879,223	15,614,746
INCREASE (DECREASE) IN RESERVE FOR INVENTORY	<u>(5,279)</u>	<u>0</u>	<u>0</u>	<u>(42,632)</u>	<u>(47,911)</u>
FUND BALANCES END OF YEAR	<u>\$10,983,332</u>	<u>(\$1,629,773)</u>	<u>\$3,200,378</u>	<u>\$3,917,710</u>	<u>\$16,471,647</u>

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, 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, 2007

NET CHANGES IN FUND BALANCES-TOTAL GOVERNMENTAL FUNDS \$ 904,812

Amounts reported for government activities in the statement of activities are different because:

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

Capital Asset Additions	3,195,284	
Current Year Depreciation	<u>(3,396,803)</u>	
Total		(201,519)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property Taxes	(24,902)	
Grants and Entitlements	112,244	
Municipal Income Taxes	160,729	
Special Assessments	847	
Charges for Services	9,511	
Fines and Forfeitures	<u>(1,349)</u>	
Total		257,080

The repayment of bond principal, police pension, and landfill closure costs are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

899,794

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds an interest expenditure is reported when due.

(479)

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in government funds.

Compensated Absences	(272,714)	
Change in Inventory	<u>(47,911)</u>	
Total		<u>(320,625)</u>

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 1,539,063

CITY OF WILLOUGHBY, OHIO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (Non-GAAP Basis) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
REVENUES:				
Municipal Income Taxes	\$13,021,559	\$13,021,559	\$14,054,744	\$1,033,185
Property and Other Local Taxes	1,784,928	1,784,928	1,897,883	112,955
Intergovernmental	2,927,384	2,927,384	3,111,117	183,733
Charges for Services	927,850	927,850	1,089,365	161,515
Fines and Forfeitures	1,867,000	1,867,000	1,970,871	103,871
Licenses, Permits	273,200	273,200	264,954	(8,246)
Interest Income	600,000	600,000	884,560	284,560
Other	<u>0</u>	<u>0</u>	<u>112,500</u>	<u>112,500</u>
Total Revenues	<u>21,401,921</u>	<u>21,401,921</u>	<u>23,385,994</u>	<u>1,984,073</u>
EXPENDITURES:				
General Government	7,064,477	6,949,477	6,539,497	409,980
Security of Persons and Property	10,903,183	10,903,183	10,464,239	438,944
Public Health and Welfare	461,532	461,532	454,962	6,570
Community Environment	962,178	962,178	925,992	36,186
Leisure Time Activities	980,712	980,712	933,757	46,955
Basic Utility Service	<u>1,192,800</u>	<u>1,197,800</u>	<u>1,194,760</u>	<u>3,040</u>
Total Expenditures	<u>21,564,882</u>	<u>21,454,882</u>	<u>20,513,207</u>	<u>941,675</u>
Excess of Revenues Over (Under) Expenditures	(162,961)	(52,961)	2,872,787	2,925,748
OTHER FINANCING SOURCES (USES):				
Transfers Out	(1,939,479)	(2,029,479)	(2,029,479)	0
Advanced Out	0	(20,000)	(20,000)	0
Other	<u>0</u>	<u>0</u>	<u>168,634</u>	<u>168,634</u>
Total Other Financing Sources (Uses)	<u>(1,939,479)</u>	<u>(2,049,479)</u>	<u>(1,880,845)</u>	<u>168,634</u>
NET CHANGE IN FUND BALANCE	(2,102,440)	(2,102,440)	991,942	3,094,382
FUND BALANCE BEGINNING OF YEAR	4,197,400	4,197,400	4,197,400	0
Prior Year Encumbrances Appropriated	<u>24,450</u>	<u>24,450</u>	<u>24,450</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$2,119,410</u>	<u>\$2,119,410</u>	<u>\$5,213,792</u>	<u>\$3,094,382</u>

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
AS OF DECEMBER 31, 2007

BUSINESS-TYPE ACTIVITIES

	<u>GOLF COURSE</u>	<u>SEWER</u>	<u>AIRPORT</u>	<u>TOTAL</u> <u>2007</u>
ASSETS				
CURRENT ASSETS				
Equity in City Treasury Cash and Investments	\$1,225,082	\$1,116,439	\$147,603	\$2,489,124
Inventory	5,764	37,698	0	43,462
Accrued Interest Receivable	0	5,969	0	5,969
Accounts Receivable	3,205	116,905	241,276	361,386
Prepaid Expenses	0	751	2,984	3,735
Due from Other Funds	3,248	174,548	1,478	179,274
Due from Other Governments	<u>0</u>	<u>463,869</u>	<u>0</u>	<u>463,869</u>
TOTAL CURRENT ASSETS	<u>1,237,299</u>	<u>1,916,179</u>	<u>393,341</u>	<u>3,546,819</u>
NONCURRENT ASSETS				
Restricted Assets:				
Cash Investments	0	584,076	0	584,076
Unamortized Bond Issuance Costs	25,863	0	0	25,863
Land and Construction in Progress	2,328,358	682,005	7,335,376	10,345,739
Depreciable Capital Assets, Net	<u>1,465,052</u>	<u>29,763,364</u>	<u>1,979,679</u>	<u>33,208,095</u>
TOTAL NONCURRENT ASSETS	<u>3,819,273</u>	<u>31,029,445</u>	<u>9,315,055</u>	<u>44,163,773</u>
TOTAL ASSETS	<u>5,056,572</u>	<u>32,945,624</u>	<u>9,708,396</u>	<u>47,710,592</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable	6,279	195,300	2,570	204,149
Salaries, Wages & Benefits Payable	17,376	289,108	3,125	309,609
Accrued Interest Payable	14,030	86,431	1,063	101,524
Property Taxes Payable	0	0	4,128	4,128
Note Payable	1,350,000	0	0	1,350,000
Due to Other Funds	335,438	1,264	4,336,894	4,673,596
Due to Other Governments	0	16	0	16
Bonds Payable	<u>125,000</u>	<u>426,620</u>	<u>145,000</u>	<u>696,620</u>
TOTAL CURRENT LIABILITIES	<u>1,848,123</u>	<u>998,739</u>	<u>4,492,780</u>	<u>7,339,642</u>
NONCURRENT LIABILITIES				
Salaries, Wages & Benefits Payable	52,728	459,851	0	512,579
Bonds Payable	<u>2,480,000</u>	<u>4,848,636</u>	<u>150,000</u>	<u>7,478,636</u>
TOTAL NONCURRENT LIABILITIES	<u>2,532,728</u>	<u>5,308,487</u>	<u>150,000</u>	<u>7,991,215</u>
TOTAL LIABILITIES	<u>4,380,851</u>	<u>6,307,226</u>	<u>4,642,780</u>	<u>15,330,857</u>
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	1,038,903	25,170,113	9,020,055	35,229,071
Restricted for:				
Equipment Replacement	0	292,038	0	292,038
Unrestricted (Deficit)	<u>(363,182)</u>	<u>1,176,247</u>	<u>(3,954,439)</u>	<u>(3,141,374)</u>
TOTAL NET ASSETS	<u>\$675,721</u>	<u>\$26,638,398</u>	<u>\$5,065,616</u>	<u>\$32,379,735</u>

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

BUSINESS-TYPE ACTIVITIES

	<u>GOLF COURSE</u>	<u>SEWER</u>	<u>AIRPORT</u>	<u>TOTAL 2007</u>
OPERATING REVENUES:				
Charges for Services	\$783,322	\$4,352,307	\$33,235	\$5,168,864
Rentals	0	0	104,888	104,888
Other	<u>0</u>	<u>973</u>	<u>0</u>	<u>973</u>
Total Operating Revenues	<u>783,322</u>	<u>4,353,280</u>	<u>138,123</u>	<u>5,274,725</u>
OPERATING EXPENSES:				
Personal Services	414,955	2,158,260	105,484	2,678,699
Contractual Services	112,126	508,312	14,438	634,876
Materials & Supplies	152,792	188,301	18,136	359,229
Heat, Light & Power	34,832	400,535	14,508	449,875
Other Expenses	5,460	8,213	1,706	15,379
Depreciation	<u>72,715</u>	<u>1,428,795</u>	<u>368,061</u>	<u>1,869,571</u>
Total Operating Expenses	<u>792,880</u>	<u>4,692,416</u>	<u>522,333</u>	<u>6,007,629</u>
Net Income (Loss) from Operations	<u>(9,558)</u>	<u>(339,136)</u>	<u>(384,210)</u>	<u>(732,904)</u>
NON-OPERATING REVENUES (EXPENSES):				
Interest - Income	3,205	48,174	2,014	53,393
- Expense	(131,002)	(205,629)	(18,019)	(354,650)
Municipal Income Tax	0	200,000	0	200,000
Other - Income	<u>212</u>	<u>1,827</u>	<u>0</u>	<u>2,039</u>
Total Non-Operating Revenues (Expenses)	<u>(127,585)</u>	<u>44,372</u>	<u>(16,005)</u>	<u>(99,218)</u>
Net Income (Loss) Before Contributions and Transfers	(137,143)	(294,764)	(400,215)	(832,122)
Capital Contributions	0	247,053	0	247,053
Transfers In	<u>11,000</u>	<u>51,000</u>	<u>6,000</u>	<u>68,000</u>
CHANGE IN NET ASSETS	(126,143)	3,289	(394,215)	(517,069)
NET ASSETS BEGINNING OF YEAR	<u>801,864</u>	<u>26,635,109</u>	<u>5,459,831</u>	<u>32,896,804</u>
NET ASSETS END OF YEAR	<u>\$675,721</u>	<u>\$26,638,398</u>	<u>\$5,065,616</u>	<u>\$32,379,735</u>

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

(continued on following page)

Business-Type Activities

	<u>Golf</u>		<u>Sewer</u>		<u>Airport</u>		<u>Total</u>
	<u>Course</u>						
Cash flows from operating activities:							
Receipts from customers and users	\$790,953	\$4,301,689		\$170,999			\$5,263,641
Receipts from other fund	120,000	0		153,497			273,497
Payments to suppliers	(288,670)	(1,303,576)		(49,265)			(1,641,511)
Payments to employees	(401,799)	(2,115,205)		(104,092)			(2,621,096)
Other operating revenues	<u>0</u>	<u>973</u>		<u>0</u>			<u>973</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>220,484</u>	<u>883,881</u>		<u>171,139</u>			<u>1,275,504</u>
 Cash flows from noncapital financing activities:							
Municipal Income Tax	0	200,000		0			200,000
Transfers from other funds	<u>11,000</u>	<u>51,000</u>		<u>6,000</u>			<u>68,000</u>
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	<u>11,000</u>	<u>251,000</u>		<u>6,000</u>			<u>268,000</u>
 Cash flows from capital and related financing activities:							
Proceeds from sale of debt	1,350,000	647,627		0			1,997,627
Acquisition and construction of capital assets	(172,536)	(1,573,421)		0			(1,745,957)
Principal reduction on long-term debt	(120,000)	(399,379)		(135,000)			(654,379)
Interest paid on long-term debt	(131,002)	(205,629)		(18,019)			(354,650)
Contributions from customers	0	247,053		0			247,053
Proceeds from the sale of capital assets	<u>212</u>	<u>1,827</u>		<u>0</u>			<u>2,039</u>
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	<u>926,674</u>	<u>(1,281,922)</u>		<u>(153,019)</u>			<u>(508,267)</u>
 Cash flows from investing activities:							
Interest on investments	<u>3,205</u>	<u>48,174</u>		<u>2,014</u>			<u>53,393</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>3,205</u>	<u>48,174</u>		<u>2,014</u>			<u>53,393</u>
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,161,363	(98,867)		26,134			1,088,630
 CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>63,719</u>	<u>1,799,382</u>		<u>121,469</u>			<u>1,984,570</u>
 CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$1,225,082</u>	<u>\$1,700,515</u>		<u>\$147,603</u>			<u>\$3,073,200</u>

(Sewer Fund includes \$584,076 of cash and cash equivalent in restricted assets)

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

Business-Type Activities

	<u>Golf Course</u>	<u>Sewer</u>	<u>Airport</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:				
Operating income (loss)	(\$9,558)	(\$339,136)	(\$384,210)	(\$732,904)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation	72,715	1,428,795	368,061	\$1,869,571
Change in assets and liabilities:				
(Increase) decrease in inventory of supplies	(2,282)	2,969	0	687
(Increase) decrease in accounts receivable	(2,672)	17,812	27,173	42,313
(Increase) decrease in accrued interest receivable	0	1,254	0	1,254
(Increase) decrease in prepaid expense	0	(83)	(5)	(88)
(Increase) decrease in due from other funds	10,303	49,529	5,703	65,535
(Increase) decrease in due from other govts	0	(119,213)	0	(119,213)
Increase (decrease) in accounts payable	1,318	(205,461)	21	(204,122)
Increase (decrease) in accrued salaries, wages, and benefits	13,156	43,055	1,392	57,603
Increase (decrease) in accrued interest payable	4,572	4,360	(478)	8,454
Increase (decrease) in property tax liabilities	0	0	(15)	(15)
Increase (decrease) in due to other funds	120,000	0	153,497	273,497
Increase (decrease) in due to other governments	0	0	0	0
(Increase) decrease in deferred charges	12,932	0	0	12,932
TOTAL ADJUSTMENTS	<u>230,042</u>	<u>1,223,017</u>	<u>555,349</u>	<u>2,008,408</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>\$220,484</u>	<u>\$883,881</u>	<u>\$171,139</u>	<u>\$1,275,504</u>

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
AS OF DECEMBER 31, 2007

	AGENCY
ASSETS	
Equity in City Treasury Cash and Investments	\$1,312,055
Accounts Receivable	<u>100,000</u>
TOTAL ASSETS	<u>\$1,412,055</u>
LIABILITIES	
Accounts Payable	\$1,040,936
Deposits Held and Due to Others	163,718
Due to Other Governments	<u>207,401</u>
TOTAL LIABILITIES	<u>\$1,412,055</u>

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 1: REPORTING ENTITY

The Village of Willoughby was incorporated on August 3, 1853, under laws of the State of Ohio. On June 19, 1951, a voter-approved charter became effective establishing Willoughby as a city and a mayor-council form of government.

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 City of Willoughby's primary government consists of all funds and departments which are not legally separate from the City. They include police and fire protection, public health, parks and recreation, street maintenance, planning and zoning, municipal court, and other general government services. In addition, the City owns and operates a wastewater treatment and collection system, a golf course, and a general aviation airport that are reported as enterprise funds. None of these services are provided by legally separate organizations; therefore, these operations are included in the primary government. The operation of each of these activities is directly controlled by Council through the budgetary process.

A legally separate organization is a component unit of the primary government if 1) the primary government is financially accountable for the organization; 2) the nature and significance of the relationship between the primary government and the organization are such that the exclusion would cause the reporting entity's basic financial statements to be misleading or incomplete; or 3) the organization is closely related to or financially integrated with the primary government. Component units may also include organizations which are fiscally dependent on the City in that the City approves the budget, the issuance of debt, or the levying of taxes. The reporting entity of the City does not include any component units.

The City is associated with one jointly governed organization, the Northeast Ohio Public Energy Council. Information about the organization is presented in Note 20 to the basic financial statements.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Willoughby 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 City generally applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, in both government-wide and proprietary fund financial statements provided they do not conflict with or contradict GASB pronouncements. The City also has the option of following subsequent private-sector guidance for its business-type activities and enterprise funds, subject to this same limitation.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

The City has elected not to follow subsequent private-sector guidance. The more significant of the City's accounting policies are described below.

A. Basis of Presentation

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

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

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

Fund Financial Statements – Fund financial statements are designed to present financial information of the City at a 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.

B. 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.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

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

- ▶ **General Fund** – The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the charter of the City of Willoughby and/or the general laws of Ohio.
- ▶ **Capital Projects Fund** – This fund accounts for various capital projects and equipment financed by income tax receipts, interest, and sale of capital assets.
- ▶ **General Bond Retirement Fund** – The general bond retirement fund accounts for the accumulation of resources for and the payment of interest and principal on general obligation bonds.

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

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

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

- ▶ **Golf Course Fund** – accounts for the operation and services provided at the Willoughby Lost Nation Golf Course.
- ▶ **Sewer Fund** – accounts for sanitary sewer services provided to the residential and commercial users of the cities of Willoughby and Eastlake.
- ▶ **Airport Fund** – accounts for the operations and services provided at Willoughby Lost Nation Municipal Airport acquired in May 1986.

Fiduciary Funds – Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: *pension trust funds*, *investment trust funds*, *private-purpose trust funds*, and *agency funds*. Trust funds are used to account for assets held by the City under a trust agreement for individuals,

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private organizations, or other governments and are therefore not available to support the City's own programs. The City of Willoughby has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's agency funds account for money received for insurance and payment of utility bills, deposits held for contractors and developers, and money on deposit with Willoughby Municipal Court.

C. Measurement Focus

Government-wide Financial Statements—The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net assets.

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

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

D. 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 revenue, and in the presentation of expenses versus expenditures.

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

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basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within sixty days of year end.

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

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

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

Property taxes for which there is an enforceable legal claim as of December 31, 2007 but which were levied to finance year 2008 operations, have been recorded as Unearned Revenue on the Statement of Net Assets. Grants and entitlements received before the eligibility requirements are met are also recorded as unearned revenue.

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

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

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

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E. **Pooled Cash and Cash Equivalents**

To improve cash management, cash received by the City is pooled. Monies for all funds, including proprietary funds, with the exception of the Municipal Court, are maintained in this pool. Individual fund integrity is maintained through the City's records. Each fund's interest in the pool is presented as "Equity in City Treasury Cash and Investments."

The City has segregated bank accounts for monies held separate from the City's central bank account. Some of these interest bearing depository accounts are presented on the statement of net assets as "Restricted Assets".

For presentation on the financial statements, investments of the cash management pool and investments with original maturity of three months or less at the time they are purchased by the City are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

The City complies with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. In applying GASB Statement No. 31, the City utilized the following methods and assumptions as of December 31, 2007:

- The portfolio includes U.S. Government Securities, nonparticipating investment contracts, and the State Treasury Asset Reserve of Ohio (STAROhio).
- Most of the City's investments are reported at fair value, which is the quoted market price as of the valuation date. For investments in STAROhio, fair value is determined by the pool's share price. Nonparticipating investment contracts, such as repurchase agreements are reported at cost.

Aside from investments clearly identified as belonging to a specific fund, any unrealized gain/loss resulting from the valuation will be recognized within the General fund to the extent its cash and investments balance exceeds the cumulative value of those investments.

The gain/loss resulting from valuation will be reported within the investment earnings account on the statement of activities.

Following Ohio statutes, the City has specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General fund during fiscal year 2007 amounted to \$906,587 which includes \$389,257 assigned from other City funds.

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F. Receivables

Receivables at December 31, 2007 consist of taxes, amounts due from other governments, accounts (billings for user charged services), special assessments, and accrued interest on investments. All are deemed collectible in full.

G. Materials and Supplies Inventory

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Inventories of the proprietary funds are expensed when used.

Inventory consists of expendable supplies held for consumption.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2007 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

I. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City's capitalization threshold is \$5,000. The City's infrastructure consists of roads, sidewalks, curbs and gutters, storm sewers, street lights, traffic signals, and bridges. Infrastructure acquired prior to implementation of GASB34 has been reported, using City records and data provided by the City Engineer. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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Interest incurred during the construction of proprietary fund capital assets is also capitalized. All capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets.

Useful lives for infrastructure were estimated based on the City’s historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Buildings and Improvements	4 – 40 years	5 – 45 years
Land Improvements	5 – 50 years	5 – 50 years
Machinery and Equipment	3 – 20 years	3 – 40 years
Infrastructure	10 – 50 years	50 years

J. Interfund Balances

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as “due to/from other funds.” Interfund loans which do not represent available expendable resources are offset by a fund balance reserve account. Interfund balance amounts are eliminated in the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

K. 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.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those that the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employee wage rates at year end, taking into consideration any limits specified in the City’s termination policy.

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

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account “Matured Compensated Absences Payable” in the fund or funds which the

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employees who have accumulated the leave are paid. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

L. 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, landfill post closure care, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and long-term loans are recognized as a liability on the governmental fund financial statements when due.

M. Fund Balance Reserves

The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditure. Fund balance reserves have been established for encumbrances, inventories, debt service, prepaid items, and long-term loan-airport.

N. Net Assets

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

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

O. Grants and Intergovernmental Revenues

Federal grants and assistance awards made on the basis of entitlement periods are recorded as intergovernmental receivables and revenues when entitlement occurs. Federal reimbursement-type grants are recorded as intergovernmental receivables and revenues in the period when all applicable eligibility requirements have been met and the resources are available.

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P. **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 sewer, golf course, and airport services. Operating expenses are necessary costs that have been incurred in order to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating.

Q. **Contributions of Capital**

Contributions of capital in governmental and business activities financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

R. **Interfund Activity**

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

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 nonoperating 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.

S. **Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence; neither occurred in 2007.

T. **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.

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U. Budgetary Data

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 primary level of budgetary control for those funds paying wages is at the department program level (general government, security of persons, public health, community environment, leisure, transportation and basic utility services) and within each program at the account classification level of personal services and benefits as required by Ohio law. For other account classifications including services and supplies, capital and transfers the level of control selected by Council is at the fund level. 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 budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during 2007.

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: COMPLIANCE AND ACCOUNTABILITY

A. Change in Accounting Principles

For fiscal year 2007, the City has implemented GASB Statement No. 45, *Accounting and Financial Reporting for Post-employment Benefits other than Pensions* and GASB Statement No. 48, *Sale and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*.

GASB Statement No. 45 supersedes GASB Statement No. 12 and establishes standards for disclosure of information on post-employment benefits other than pension benefits by all state and local government employers. This information can be found in Note 10.

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GASB Statement No. 48 establishes criteria that governments use to ascertain whether certain transactions should be regarded as sales or collateralized borrowings and the required disclosure requirements.

The implementation of GASB Statements No. 45 and No. 48 did not have an effect on the financial statements of the City.

B. Fund Deficits

At December 31, 2007, the Airport fund had deficit unrestricted net assets of \$3,954,439. The Due to Other Funds amount represents long-term debt on behalf of the Airport fund paid by the General fund, the General Retirement Bond fund, the Sewer fund and the Capital fund. The Airport fund has liabilities (due to other funds) in the amount of \$4,336,894, which consists of \$1,326,019 due to the General fund, \$2,828,962 to the General Retirement Bond fund, \$158,737 to the Sewer fund and \$23,176 to the Capital fund. The Airport fund is ultimately responsible for its long-term debt based upon the intent of Council and the Administration of the City. This has not been possible due to insufficient revenue received by this Enterprise fund. The airport, when and if capable, will be required to repay all liabilities to other funds.

The Golf Course fund had deficit unrestricted net assets of \$363,182. The "Due to Other Funds" amount includes \$335,438 of advances from the General, General Bond and Capital Projects funds.

The Capital Projects fund had a deficit unreserved fund balance of \$2,454,931. The Notes Payable liability of \$5,000,000 remains. Encumbrances of \$801,982 are primarily for the Riverside Commons project, the Senior Center bus and several infrastructure projects.

NOTE 4: DEPOSITS AND INVESTMENTS

A. Deposits

State statutes require the classification of funds held by the City into three categories:

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

Inactive deposits are public funds not required for use within the current five year period of designation of depositories. Inactive deposits may be deposited or invested only as certificates of deposit maturing no later than the end of the current period of designation of depositories.

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Interim deposits are public funds not needed for immediate use but 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.

B. Investments

The Finance Director is permitted to invest in any security authorized by the Ohio Revised Code, Section 135.14, or other relevant sections as amended. All investment procedures are conducted as specified in the Ohio Revised Code including, but not limited to, the collateralization of deposits and repurchase agreements. The maximum final maturity of any investment will be five years from the date of purchase. The City's investment practices have consistently protected the portfolio from unnecessary credit risk (safety) and market risks (liquidity) while providing a competitive yield. Generally only eligible investments with remaining terms of two years or less are purchased. Average days to maturity of the City's investments at December 31, 2007 were 227.

No derivative securities or investment "pools" with the exception of STAROhio will be permitted. STAROhio is an investment pool professionally managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. The fund follows all state statutes from the Ohio Revised Code under the Uniform Depository Act. The fund is audited by the State of Ohio to ensure compliance with these laws.

Investments are permitted in the following securities:

- United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above;
- Bonds or other obligations of the State of Ohio;
- Certificates of deposits (collateralized as described below) in eligible institutions or savings or deposit accounts;

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- No-load money market funds consisting exclusively of obligations described in division 1 or 2 of this section and repurchase agreements secured as described are made only through eligible institutions mentioned in Section 135.03 of the Ohio Revised Code;
- The State Treasury Asset Reserve Funds (STAROhio) as provided in Section 135.45 of the Ohio Revised Code;
- Bankers' acceptances and commercial paper, if training requirements have been met.

The following disclosure is based on the criteria described in GASB Statement No. 40, "Deposits and Investments Risk Disclosures".

Cash on Hand

At December 31, 2007 the City had \$4,570 in undeposited cash on hand, which is included on the balance sheet of the City as part of "Equity in City Treasury Cash and Investments".

Deposits

Custodial credit risk is the risk that in the event of a bank failure the City's deposits may not be returned. The City's policy is to place deposits with major local banks approved by Council. All deposits except for deposits held by fiscal and escrow agents or trustees, are collateralized with eligible securities in amount equal to at least 105 percent of the carrying value of the deposits. Such collateral, as permitted by Chapter 135 of the ORC is held in financial institution pools at Federal Reserve banks, or at member banks of the Federal Reserve system in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds, or as specific collateral held at a Federal Reserve bank in the name of the City.

At December 31, 2007, the carrying amount of the City's deposits was \$10,153,384 including restricted cash of \$584,076 and the bank balance was \$10,736,785. \$800,000 of the City's bank balance was covered by Federal Depository Insurance. \$5,422,704 was uninsured and collateralized with securities held by the pledging financial institutions trust department or agent in the City's name. \$4,514,081 was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name. Although the securities were held by the pledging institution's trust department and all statutory requirements for the investments of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

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Investments

As of December 31, 2007 the City had the following investments and maturities:

Investment Type	Moody's Rating	S&P Rating	Fair Value	Investment Maturities	
				Less than 1 Year	1 to 2 Years
STAROhio		AAAm	\$ 3,073,245	\$ 3,073,245	\$ 0
FHLB	Aaa	AAA	3,025,974	1,005,234	2,020,740
FNMA	Aaa	AAA	2,005,007	1,003,785	1,001,222
FHLMC	Aaa	AAA	1,000,155	1,000,155	0
Repurchase Agreements	Aaa	AAA	423,848	423,848	0
			<u>\$ 9,528,229</u>	<u>\$ 6,506,267</u>	<u>\$ 3,021,962</u>

Interest Rate Risk: As a means of limiting its exposure to fair value losses caused by rising interest rates, it is the City's investment policy that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase and 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 intent of this policy is to avoid the need to sell securities prior to maturity. In current practice, no investment is purchased with a term greater than two years.

Credit Risk: The credit risk of the City's investments is in the table above. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The City has no investments policy that would further limit its investment choices.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The U.S. Agency notes are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the City's name. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Finance Director or qualified trustee.

Concentration of Credit Risk: The City investment policy places no limit on the amount it may invest in any one issuer. Of the City's total investments 21% are in FNMA, 10.5% in FHLMC and 31.8% in FHLB Notes. Other investments not specifically guaranteed by the U.S. government total 36.7% of the City's investments.

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NOTE 5: INTERFUND TRANSFERS AND BALANCES

As of December 31, 2007, interfund transfers were as follows:

<u>Transfer To</u>	<u>Transfer From</u>		<u>Total</u>
	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	
Capital Projects Fund	\$ 54,479	\$ 0	\$ 54,479
General Bond Retirement Fund	100,000	200,000	300,000
Golf Course	0	11,000	11,000
Sewer	0	51,000	51,000
Airport	0	6,000	6,000
Nonmajor Governmental Funds	1,875,000	0	1,875,000
Total	<u>\$ 2,029,479</u>	<u>\$ 268,000</u>	<u>\$ 2,297,479</u>

The General fund transfers to the Capital Projects, General Bond Retirement and nonmajor Governmental funds were made to provide additional resources for current operations. Transfers from nonmajor governmental funds were to the General Bond Retirement fund for debt payments and to the Golf, Sewer and Airport funds for repayment from FEMA.

As of December 31, 2007, interfund balances were as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
<u>Major Funds</u>		
General	\$ 1,382,283	\$ 17,475
Capital Projects	30,169	3,062
General Bond Retirement	3,122,407	0
Golf Course	3,248	335,438
Sewer	174,548	1,264
Airport	1,478	4,336,894
<u>Nonmajor Governmental</u>	<u>0</u>	<u>20,000</u>
	<u>\$ 4,714,133</u>	<u>\$ 4,714,133</u>

Interfund balances of \$4,494,322 are a result of advances from the General fund for Airport and Golf Course operations, the General Bond Retirement fund for Airport and Golf Course debt payments and the Capital Projects fund for equipment purchases of the Airport and Golf enterprise funds. Remaining amounts are for reimbursements due from operations.

NOTE 6: BUDGETARY BASIS OF ACCOUNTING

While the City is reporting financial position, results of operations, and changes in fund balances 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

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receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances – Budget (Non-GAAP Basis) and Actual for the General fund 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 that:

- A. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
- B. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
- C. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).
- D. Advances In and Advances Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).
- E. Investments are reported at cost (budget) rather than fair value (GAAP).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statement to the budget basis statement for the General fund.

Net Change in Fund Balance	
GAAP Basis	\$ 1,073,305
Net Adjustment for Revenue Accruals	(171,289)
Fair Value Adjustment for Investments	(28,737)
Net Adjustment for Expenditure Accruals	189,243
Encumbrances	(822,338)
Current Expense Against Prior Year Encumbrances	751,758
Budget Basis	<u>\$ 991,942</u>

NOTE 7: RECEIVABLES

Receivables at December 31, 2007, consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements and shared revenues, special assessments, accrued interest on investments, and accounts (billings for user charged services).

No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

A. Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2007 for real and public property taxes represents collections of 2006 taxes. Property tax payments received during 2007 for tangible personal property (other than public utility property) are for 2007 taxes.

2007 real property taxes are levied after October 1, 2007, on the assessed value as of January 1, 2007, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2007 real property taxes are collected in and intended to finance 2008 operations.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2007 public utility property taxes which became a lien December 31, 2006, are levied after October 1, 2007, and are collected in 2008 with real property taxes.

2007 tangible personal property taxes are levied after October 1, 2006, on the value as of December 31, 2006. Collections are made in 2007. Tangible personal property assessments are 25 percent of true value.

The full tax rate for all City operations for the year ended December 31, 2007, was \$8.56 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2007 property tax receipts were based are as follows:

Real Property	\$622,145,440
Public Utility Tangible	\$13,906,380
Tangible Personal	\$47,091,463
Total	\$683,143,283

Real property taxes are payable annually or semiannually. The due date for the 2007 levy was February 20, 2008, for all or one half of the taxes due. The second half due date is July 16, 2008.

Tangible personal property taxes paid by multi-county taxpayers are due by September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable at September 20.

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Willoughby. The County Auditor periodically remits to the City its portion of the taxes collected.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2007 and for which there is an enforceable legal claim. In general, for Police Pension, Fire Pension, Recreation, and General Bond Retirement funds, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2007 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

B. Municipal Income Taxes

The City levies a municipal income tax of 2 percent on all salaries, wages, commissions, and other compensation, and net profits earned within the City, as well as resident incomes earned outside the City. In the latter case, the City allows a credit of 100 percent of the tax paid to another municipality. All taxes are remitted to the Central Collection Agency, acting as an agent of the City.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the Central Collection Agency either monthly or quarterly, as required. Corporations and other individual taxpayers are required to pay their estimated tax at least quarterly and file a final return annually.

C. Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

Governmental Activities:	
Property & Other Local Taxes	\$ 13,262
Estate Tax	341,460
Gasoline & Motor Vehicle Tax	493,660
Local Government	1,339,608
Charges for Service	54,374
Homestead and Rollback	142,370
Fines	300,224
Total Governmental	<u>2,684,958</u>
Business-Type Activities:	
Charges for Service	<u>463,869</u>
Total Business-Type	<u>463,869</u>
Total Intergovernmental Receivables	\$ <u>3,148,827</u>

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 8: CAPITAL ASSETS

A summary of changes in capital assets during 2007 follows:

	Balance 01/01/07	Additions	Deletions	Balance 12/31/07
Governmental Activities				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$7,747,452	\$0	\$0	\$7,747,452
Construction in Progress	6,945,703	292,515	(709,088)	6,529,130
<i>Total Capital Assets Not Being Depreciated</i>	<u>14,693,155</u>	<u>292,515</u>	<u>(709,088)</u>	<u>14,276,582</u>
<i>Capital Assets Being Depreciated</i>				
Buildings	18,495,361	528,166	0	19,023,527
Improvements	13,903,989	323,526	(8,590)	14,218,925
Machinery and Equipment	8,957,157	1,565,571	(405,480)	10,117,248
Infrastructure:				
Roads	21,989,119	1,178,633	0	23,167,752
Sidewalks	1,144,321	8,640	0	1,152,961
Curbs & Gutters	985,795	0	0	985,795
Storm Sewers	7,852,268	0	0	7,852,268
Street Lights	41,948	0	0	41,948
Traffic Signals	1,495,740	7,321	0	1,503,061
Bridges	533,211	0	0	533,211
<i>Total Capital Assets Being Depreciated</i>	<u>75,398,909</u>	<u>3,611,857</u>	<u>(414,070)</u>	<u>78,596,696</u>
<i>Less Accumulated Depreciation</i>				
Buildings	(4,832,015)	(566,977)	0	(5,398,992)
Improvements	(7,002,455)	(472,422)	8,590	(7,466,287)
Machinery and Equipment	(5,916,489)	(699,782)	405,480	(6,210,791)
Infrastructure:				
Roads	(7,911,884)	(1,239,630)	0	(9,151,514)
Sidewalks	(462,950)	(41,477)	0	(504,427)
Curbs & Gutters	(415,072)	(34,589)	0	(449,661)
Storm Sewers	(2,453,188)	(246,680)	0	(2,699,868)
Street Lights	(25,168)	(2,797)	0	(27,965)
Traffic Signals	(1,023,869)	(81,785)	0	(1,105,654)
Bridges	(72,426)	(10,664)	0	(83,090)
<i>Total Accumulated Depreciation</i>	<u>(30,115,516)</u>	<u>(3,396,803)</u>	<u>414,070</u>	<u>(33,098,249)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>45,283,393</u>	<u>215,054</u>	<u>0</u>	<u>45,498,447</u>
Total Government Activities Capital Assets, Net	<u><u>\$59,976,548</u></u>	<u><u>\$507,569</u></u>	<u><u>(\$709,088)</u></u>	<u><u>\$59,775,029</u></u>
Roads and sidewalks were reclassified within Infrastructure balances at 01/01/07.				

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 8: CAPITAL ASSETS (CONTINUED)

	Balance 01/01/07	Additions	Deletions	Balance 12/31/07
<u>Business-Type Activities</u>				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$10,009,383	\$0	\$0	\$10,009,383
Construction in Progress	681,373	254,969	(599,986)	336,356
<i>Total Capital Assets Not Being Depreciated</i>	<u>10,690,756</u>	<u>254,969</u>	<u>(599,986)</u>	<u>10,345,739</u>
<i>Capital Assets Being Depreciated</i>				
Buildings	18,340,370	10,721	0	18,351,091
Improvements	37,984,752	1,892,652	0	39,877,404
Machinery and Equipment	5,016,181	187,602	0	5,203,783
<i>Total Capital Assets Being Depreciated</i>	<u>61,341,303</u>	<u>2,090,975</u>	<u>0</u>	<u>63,432,278</u>
<i>Less Accumulated Depreciation</i>				
Buildings	(9,164,103)	(483,361)	0	(9,647,464)
Improvements	(16,548,368)	(1,143,508)	0	(17,691,876)
Machinery and Equipment	(2,642,141)	(242,702)	0	(2,884,843)
<i>Total Accumulated Depreciation</i>	<u>(28,354,612)</u>	<u>(1,869,571)</u>	<u>0</u>	<u>(30,224,183)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>32,986,691</u>	<u>221,404</u>	<u>0</u>	<u>33,208,095</u>
Total Business-Type Capital Assets, Net	<u><u>\$43,677,447</u></u>	<u><u>\$476,373</u></u>	<u><u>(\$599,986)</u></u>	<u><u>\$43,553,834</u></u>
*Depreciation expense was charged to governmental functions as follows:				
General Government				\$300,716
Security of Persons and Property				666,509
Public Health and Welfare				16,136
Community Environment				7,243
Leisure Time Activities				354,359
Transportation				1,634,235
Basic Utility Service				417,605
Total				<u><u>\$3,396,803</u></u>
Depreciation expense was charged to business-type activities as follows:				
Golf				\$72,715
Sewer				1,428,795
Airport				368,061
Total				<u><u>\$1,869,571</u></u>

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 9: PENSION PLANS

All of the City's full-time employees participate in one of two separate retirement systems which are cost-sharing multiple-employer pension plans.

A. Ohio Public Employees Retirement System (OPERS)

The following information was provided by OPERS to assist the City in complying with GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*.

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans as described below:

- 1). **The Traditional Pension Plan (TP)** – a cost-sharing multiple-employer defined benefit pension plan.
- 2). **The Member-Directed Plan (MD)** – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings.
- 3). **The Combined Plan (CO)** – a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the Traditional Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

The City of Willoughby contributes to OPERS. OPERS provides retirement, disability, annual cost of living adjustments, survivor and death benefits to members of the Traditional Plan and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by the state statute per Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to OPERS at 277 East Town Street, Columbus, Ohio 43215-4642 or by calling 1-800-222-PERS (7377) or (614) 222-5601.

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2007, member and employer contribution rates were consistent across all three plans (TP, MD and CO).

CITY OF WILLOUGHBY, OHIO
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Plan members, other than those engaged in law enforcement and public safety, are required to contribute 9.5 percent of their annual covered salary to fund pension obligations. For 2007, the City was required to contribute 13.85 percent of covered payroll. The City's contributions for all plans (TP, MD and CO) for the years 2007, 2006, and 2005 were \$ 928,441, \$ 1,137,836, and \$ 1,106,380, respectively. As of December 31, 2007 only 78 percent of 2007's required contributions had been paid out and 100 percent for the years 2006 and 2005.

Effective with the January 2008 liability, as part of House Bill 272, employers are required to move to a monthly liability payment schedule from a quarterly basis. The bill provides employers with a deferral program of their fourth quarter liability for 2007 which the City has opted to do. The City's deferred liability for fourth quarter amounts to \$260,594. The result of this program requires employers to remit 13 monthly payments each year for the next three years: October 2007 liabilities will be due by December 31, 2008, November 2007 liabilities will be due by December 31, 2009 and December 2007 will be due by December 31, 2010.

B. Ohio Police and Fire Pension Fund (OP&F)

The following information was provided by Ohio Police and Fire Pension Fund (OP&F) to assist the City in complying with GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*.

The City of Willoughby contributes to OP&F, a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by writing to OP&F at 140 East Town Street, Columbus, Ohio 43215-5164.

Police and firefighters are required to contribute 10.00 percent of their annual covered salary to fund pension obligations and the City is required to contribute 19.50 percent for police and 24.00 percent for firefighters. The City's contributions to OP&F for the years 2007, 2006 and 2005 were \$ 643,599, \$625,442, and \$627,035 for police and \$691,923, \$670,851, and \$667,806 for firefighters, respectively. As of December 31, 2007, only 77 percent of 2007's required contributions for both police and firefighters had been paid and 100 percent for the years 2006 and 2005.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 10: POST-EMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System (OPERS)

Plan Description - 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 healthcare plan. For qualifying members of the Traditional Pension and Combined Plans, this plan includes a medical plan, prescription drug program, and Medicare Part B premium reimbursement. Those belonging to the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2007, local government employer units contributed at 13.85% of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for state and local employer units. Active members do not make contributions to the OPEB Plan.

OPERS' Post employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. For 2007, the employer contribution allocated to the health care plan from January 1 through June 30, 2007 and July 1 through December 31, 2007 was 5.0% and 6.0% of covered payroll, respectively. The City's actual contributions for 2007, which were used to fund post-employment benefits, were

CITY OF WILLOUGHBY, OHIO
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\$208,681 for January through June and \$ 264,673 for July through December. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The OPERS Retirement Board adopted the Health Care Preservation Plan (HCPP) on September 9, 2004, was effective on January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008 which allowed additional funds to be allocated to the healthcare plan.

B. Ohio Police and Fire Pension Fund (OP&F)

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

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

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

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, 19.50% and 24.00% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of the covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB plan.

OP&F's post employment healthcare plan was established and is administrated as an Internal Revenue Code 401(h) account within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F board of Trustees. The board of trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the 401(h) account as the employer contribution for retiree healthcare benefits. For the year ended December 31, 2007, the employer contribution allocated to the healthcare plan was 6.75% of covered payroll. The amount of employer contributions

CITY OF WILLOUGHBY, OHIO
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allocated to the healthcare plan each year is subject to the trustees' primary responsibility to ensure that pension benefits are adequately funded and also is limited by the provisions of Section 401(h).

The OP&F board of trustees also is authorized to establish requirements for contributions to the healthcare 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 of Willoughby's contributions to OP&F for the years ending December 31, 2007, 2006, and 2005 were \$ 643,599, \$ 625,442 and \$ 627,035 for police and \$ 691,923, \$ 670,851 and \$ 667,806 for firefighters, respectively. The portion of the City's contributions that was used to pay post-employment benefits for 2007, 2006 and 2005 was \$ 222,685, \$ 248,301 and \$ 248,933 for police and \$ 194,430, \$ 216,685 and \$ 215,701 for firefighters, respectively.

NOTE 11: OTHER EMPLOYEE BENEFITS – COMPENSATED ABSENCES

A. Accumulated Unpaid Vacation

Each bargaining unit and the management staff earn vacation based upon length of service. Vacation should be used in the calendar year subsequent to the year earned, except that 40 hours vacation may be brought over to the following year. In the case of death, termination, or retirement, an employee (or his estate) is paid for any unused vacation.

B. Accumulated Unpaid Sick Leave

All full-time employees earn sick leave at a rate of 1.25 days for each completed full month of service. Sick leave is accumulated without limit. Upon retirement, an employee is entitled to receive payment for accumulated sick leave. The amount paid is based upon length of service with the maximum amount of accumulated sick leave being 960 hours. Employees with 15 years service receive an additional amount of 20 percent for sick leave hours accumulated in excess of 960 hours for most City employees and 1159.2 hours for firefighters. Employees with 20 to 25 years of service receive an additional amount of 30 percent for sick leave accumulated in excess of 960 hours or 1159.2 for firefighters. With 25 years or more of service employees receive an additional amount of 40 percent for sick leave accumulated in excess of 960 hours or 1159.2 for firefighters.

C. Accumulated Unpaid Compensatory Time

Firefighters may accrue compensatory time to a maximum of 96 hours and police officers may accrue to a maximum of 180 hours. Communications clerks and operators may accrue a maximum of 80 hours of compensatory time.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 12: CONTRACTUAL COMMITMENTS

At December 31, 2007, the City's significant contractual commitments consisted of:

Project	Contract Amount	Amount Paid	Remaining on Contract
·Riverside Commons	\$ 4,419,631	\$ 4,248,401	\$ 171,230
·Lakeshore Blvd Force Main	1,388,314	1,333,264	55,050
·Road Programs	1,069,872	889,891	179,981
·Municipal Court Computer System	221,072	122,109	98,963
·Senior Center Passenger Bus	<u>116,140</u>	<u>0</u>	<u>116,140</u>
Total	\$7,215,029	\$6,593,665	\$621,364

NOTE 13: CONTINGENCIES, CLAIMS AND JUDGMENTS

A. Litigation

The City is subject to various types of claims including worker compensation and unemployment, damage to privately owned vehicles by government owned vehicles, improper police arrest, and claims relating to personal injuries and property damage. The City carries adequate insurance coverage for most risks including property damage and personal liability and estimates that any potential claims not covered by such insurance would not materially affect the financial statements.

B. Special Assessment/Enterprise Bonds

Special assessment bonds are being retired by assessments against the affected property owners. Special assessment bonds are nonetheless backed by the full faith and credit of the City. However, management does not foresee any circumstances that would change the source of funding for these bonds. In addition, options exist in the law to assist in protecting general tax dollars from the special assessment obligations should those assessed default. General obligation bonds in the enterprise funds are being retired by use of revenues generated by those funds. An exception is the Airport fund where current income does not support debt repayment. The General Bond Retirement fund is currently paying the obligation. As a result of lower revenues following the FEMA flood incident in 2006 and during reconstruction, a portion of the Golf Course debt is also being paid by this fund.

NOTE 14: OTHER COMMITMENTS

Water/Sewer Billing Agreement

The City has an agreement with the Lake County Board of Commissioners whereby the County provides the City with water treatment and distribution services. The County is responsible for billing and collecting water usage charges. In addition, the County collects, on behalf of the City, the City sanitary sewer charges. The County deducts an administrative charge for each billing and remits the net amount to the City of Willoughby.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 15: LONG-TERM OBLIGATIONS

The original issue date, maturity date, interest rate, and original issuance amount for each of the City's bonds follows:

	Original Issue Date	Maturity Date	Interest Rate	Original Issue Amount
<u>Governmental Activities:</u>				
<u>General Obligations Bonds Voted</u>				
Service Garage	1986	2007	6.875%	1,500,000
Fire Station Construction	1999	2024	4.95%	6,200,000
<u>General Obligation Bonds Unvoted</u>				
Lost Nation Road Improvement	1990	2011	6.25%-7.40%	2,600,000
Landfill and Erosion Control	1992	2012	3.0%-6.375%	1,601,148
Various Purpose Bond Issue	1996	2016	4.3%-5.45%	3,230,000
Municipal Building Improvement	2003	2023	3.94%	6,350,000
<u>OPWC</u>				
Karen Isle Watermains	2001	2020	Interest Free	9,003
Brown Avenue Watermains	2001	2022	Interest Free	15,675
<u>Special Assessment Bonds</u>				
Biltmore Place	1995	2016	5.66%	464,000
<u>Other General Long -Term Liabilities</u>				
Police Pension Liability	1968	2035	4.25%	148,460
Landfill Postclosure Care	1994	2024		1,227,640
<u>Business-Type Activities:</u>				
<u>Enterprise Fund G.O. Debt Sewer Bonds</u>				
Sewer 1992	1992	2012	3.0%-6.375%	1,343,852
Sewer Equipment	2005	2010	3.34%	400,000
<u>OPWC</u>				
Waldamere-Glenwood Sanitary Sewer	1997	2017	Interest Free	200,000
Vine Street Area Sanitary Sewer	2001	2022	Interest Free	223,351
Center-Wood Sanitary Sewer	2003	2024	Interest Free	78,505
Lakeshore Blvd	2007	2028	Interest Free	103,420
<u>OWDA</u>				
Grove-Erie Sanitary Sewer	1994	2013	4.8%	639,009
Waldamere-Glenwood Sanitary Sewer	1997	2017	4.04%	305,320
Downtown Sanitary Sewer	2001	2020	3.91%	1,372,534
Highland-Maple-Wood Sanitary Sewer	2002	2022	3.53-3.99%	1,734,234
Center-Wood Sanitary Sewer	2003	2023	3.65%	974,020
Van Gorder Sewer Lining	2003	2023	4.78%	88,505
Lakeshore Blvd	2007	2027	3.34%	544,207
<u>Airport Bonds</u>				
Airport Improvement	1999	2009	4.23%	1,360,000
<u>Golf Bonds</u>				
Golf Course Improvement	2002	2022	4.179%	3,150,000

CITY OF WILLOUGHBY, OHIO
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Long-Term Obligations (cont)

	Balance 01/01/07	Increases	Decreases	Balance 12/31/07	Amounts Due Within One Year
Governmental Activities:					
<u>General Obligation Bonds Voted</u>					
Service Garage	\$ 75,000	\$ 0	\$ 75,000	\$ 0	\$ 0
Fire Station Construction	4,920,000	0	180,000	4,740,000	185,000
<i>Subtotal - General Obligation Bonds Voted</i>	<u>4,995,000</u>	<u>0</u>	<u>255,000</u>	<u>4,740,000</u>	<u>185,000</u>
<u>General Obligation Bonds Unvoted</u>					
Lost Nation Road Improvement	650,000	0	130,000	520,000	130,000
Landfill and Erosion Control	489,312	0	81,552	407,760	81,553
Various Purpose Bond Issue	1,625,000	0	125,000	1,500,000	135,000
Municipal Building Improvement	5,850,000	0	255,000	5,595,000	265,000
OPWC					
Karen Isle Watermains	6,302	0	451	5,851	450
Brown Avenue Watermains	12,540	0	784	11,756	784
<i>Subtotal - General Obligation Bonds Unvoted</i>	<u>8,633,154</u>	<u>0</u>	<u>592,787</u>	<u>8,040,367</u>	<u>612,787</u>
Total Government Fund General Obligation Bonds	<u>13,628,154</u>	<u>0</u>	<u>847,787</u>	<u>12,780,367</u>	<u>797,787</u>
<u>Special Assessment Bonds</u>					
Biltmore Place	295,000	0	20,000	275,000	25,000
<i>Subtotal - Special Assessment Bonds</i>	<u>295,000</u>	<u>0</u>	<u>20,000</u>	<u>275,000</u>	<u>25,000</u>
<u>Other General Long Term Liabilities</u>					
Police Pension Liability	121,552	0	2,281	119,271	2,379
Landfill Post Closure Care	976,752	0	29,726	947,026	46,794
Compensated Absences	4,674,597	1,598,471	1,325,757	4,947,311	1,345,196
<i>Subtotal - Other General Long -Term Liabilities</i>	<u>5,772,901</u>	<u>1,598,471</u>	<u>1,357,764</u>	<u>6,013,608</u>	<u>1,394,369</u>
Subtotal Governmental Activities	<u>\$ 19,696,055</u>	<u>\$ 1,598,471</u>	<u>\$ 2,225,551</u>	<u>\$ 19,068,975</u>	<u>\$ 2,217,156</u>

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

Long-Term Obligations (cont)

	Balance 01/01/07	Increases	Decreases	Balance 12/31/07	Amounts Due Within One Year
Business-Type Activities:					
<u>Enterprise Fund General Obligation</u>					
<u>Debt - Sewer Bonds</u>					
1992 Sewer Bond	\$ 410,686	\$ 0	\$ 68,447	\$ 342,239	\$ 68,447
2005 Sewer Equipment	286,240	0	77,817	208,423	80,438
<u>OPWC</u>					
Waldamere-Glenwood Sanitary Sewer	105,000	0	10,000	95,000	10,000
Vine Street Area Sanitary Sewer	166,141	0	10,383	155,758	10,384
Center-Wood Sanitary Sewer	70,655	0	3,925	66,730	3,925
Lakeshore Blvd	0	103,420	0	103,420	5,000
<u>OWDA</u>					
Grove-Erie Sanitary Sewer	294,654	0	36,345	258,309	38,110
Waldamere-Glenwood Sanitary Sewer	190,150	0	14,868	175,282	15,474
Downtown Sanitary Sewer	1,065,559	0	58,460	1,007,099	60,768
Highland-Maple-Wood Sanitary Sewer	1,489,146	0	68,167	1,420,979	70,901
Center-Wood Sanitary Sewer	868,843	0	37,673	831,170	39,060
Van Gorder Sewer Lining	79,934	0	3,138	76,796	3,289
Lakeshore Blvd	0	544,207	10,156	534,051	20,824
Subtotal - Sewer Bonds	5,027,008	647,627	399,379	5,275,256	426,620
<u>Airport Bonds</u>					
Airport Improvement	430,000	0	135,000	295,000	145,000
Subtotal - Airport Bonds	430,000	0	135,000	295,000	145,000
<u>Golf Bonds</u>					
Golf Course Improvement	2,725,000	0	120,000	2,605,000	125,000
Total Bonds Payable	8,182,008	647,627	654,379	8,175,256	696,620
<u>Other Liabilities</u>					
Compensated Absences	722,742	279,524	232,933	769,333	256,754
Subtotal Business-Type Activities	8,904,750	927,151	887,312	8,944,589	953,374
Total Long-Term Liabilities	\$ 28,600,805	\$ 2,525,622	\$ 3,112,863	\$ 28,013,564	\$ 3,170,530

General Obligation Bonds – The City has issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities and projects. Bonds have been issued for both governmental and business-type activities.

General obligation bonds are direct obligations of the City for which its full faith and credit are pledged for repayment. General obligation bonds are to be repaid from both voted and unvoted general property taxes levied on all taxable property located within the City. Tax monies will be received in and the debt will be retired from the General Bond Retirement fund.

During the year 2002, the City refunded golf course debt with bond issuance costs being recognized over the remaining life of the original debt. At December 31, 2007, the balance of the unamortized bond issuance costs is \$25,863.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending December 31	General Obligation Bonds			
	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2008	796,553	603,654	418,886	151,288
2009	816,553	564,248	432,746	132,518
2010	841,553	523,868	242,135	113,843
2011	861,548	481,973	208,447	104,769
2012	761,553	439,177	213,448	95,328
2013-2017	3,710,000	1,669,857	835,000	364,136
2018-2022	3,720,000	832,704	1,100,000	162,322
2023-2025	1,255,000	80,165	0	0
Total	\$ 12,762,760	\$ 5,195,646	\$ 3,450,662	\$ 1,124,204

Special Assessment Bonds – Special assessment bonds are payable from the proceeds of assessments against the specific property owners who primarily benefited from the project. Special assessment monies will be received in and the debt will be retired from the Special Assessment Debt Service fund. In the event that property owners fail to make their special assessment payments, the City is responsible for providing the resources to meet the annual principal and interest payments.

Annual debt service requirements to maturity for special assessment bonds are as follows:

Year Ending December 31	Special Assessment	
	Governmental Activities	
	Principal	Interest
2008	25,000	16,088
2009	25,000	14,626
2010	25,000	13,162
2011	30,000	11,700
2012	30,000	9,946
2013-2016	140,000	20,476
Total	\$ 275,000	\$ 85,998

Other Long-Term Obligations – Compensated absences will be paid from the fund in which the employee’s salary is paid. The General fund and Future Retirement fund pay the most significant amounts. Enterprise funds pay for all of their employee costs including retirements. Police Pension liability is paid from the Police Pension fund. See Note 18 for further detail on landfill liability.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

The City's legal debt margin at December 31, 2007 was \$71,730,045. Annual debt service requirements to maturity for other debt are as follows:

Year Ending December 31	Other Debt				
	Governmental Activities			Business-type Activities	
	Police Pension Principal	Liability Interest	O.P.W.C. Principal	O.W.D.A. & O.P.W.C. Principal	O.P.W.C. Interest
2008	2,379	5,044	1,234	277,735	165,613
2009	2,481	4,942	1,234	287,761	155,585
2010	2,588	4,835	1,234	298,197	145,151
2011	2,698	4,724	1,234	309,054	134,289
2012	2,815	4,608	1,234	320,362	122,986
2013-2017	15,994	21,121	6,169	1,554,131	446,172
2018-2022	19,738	17,376	5,268	1,431,066	174,263
2023-2027	24,358	12,758	0	242,868	15,062
2028-2032	30,057	7,059	0	3,420	0
2033-2035	16,163	986	0	0	0
Total	\$ 119,271	\$ 83,453	\$ 17,607	\$ 4,724,594	\$ 1,359,121

NOTE 16: CONDUIT DEBT

The City of Willoughby is party to certain conduit debt obligations:

TYPE	ON BEHALF OF	ORIGINAL AMOUNT	OUTSTANDING BALANCE	YEAR OF ISSUE
Multi-Family Housing Mortgage Revenue Bonds	Oakhill Village	\$5,955,000	\$5,955,000	2002A
	Oakhill Village	\$3,395,000	\$2,765,000	2002B
Industrial Development Revenue Bonds	Kennedy Group	\$6,500,000	\$2,955,000	1998
Industrial Development Revenue Refunding Bonds	Ohio Presbyterian Retirement Services	\$8,200,000	\$5,000,000	1996

Although conduit debt obligations bear the name of the City of Willoughby, the City has no responsibility for principal and interest payments of these issues.

NOTE 17: NOTES PAYABLE

The Ohio Revised Code provides that notes and renewal notes issued in anticipation of the issuance of general obligation bonds may be issued and outstanding from time to time up to a maximum period of 20 years from the date of issuance of the original notes. The maximum maturity for notes anticipating general obligation bonds payable from special assessments is five years. Any period in excess of five years must be deducted from the permitted maximum

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

maturity of the bonds anticipated, and portions of the principal amount of notes outstanding for more than five years must be retired in amounts at least equal to and payable no later than the principal maturities required if the bonds had been issued at the expiration of the initial five year period.

The following general obligation note was payable at December 31, 2007:

	Maturity Date	Balance December 31, 2006	Issued	Retired	Balance December 31, 2007
Capital Projects Note Payable: 4.0%	Nov. 28, 2008	\$5,060,000	\$5,000,000	\$5,060,000	\$5,000,000
Golf Improvement Note Payable: 4.0%	Nov. 28, 2008	\$0	\$1,350,000	\$0	\$1,350,000
Total Note Payable		<u>\$5,060,000</u>	<u>\$6,350,000</u>	<u>\$5,060,000</u>	<u>\$6,350,000</u>

NOTE 18: LANDFILL CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations require the City to perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. The City's landfill placed its final cover in 1995. The \$947,026 reported as Landfill Postclosure Care at December 31, 2007 represents estimated cost of maintenance and monitoring through 2024. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The City is required by state and federal laws and regulations to provide assurances that financial resources will be available to provide for postclosure care and remediation or containment of environmental hazards at the landfill. Financial assurances may take the form of financial test and corporate guarantee. The financial test on the closure and postclosure care financial assurance requirements was performed during the audit period.

NOTE 19: INSURANCE AND RISK MANAGEMENT

The City is exposed to various risks of loss related to property and casualty, general liability, workers' compensation, and employee health and dental benefits.

The City has contracted with a commercial insurance company to provide property and liability insurance with the following claim limits and deductibles.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

Coverage	Company	Claim Limit	Deductible
General Liability	Selective Insurance	\$1,000,000	\$ 0
Public Officials Liability	Redland Insurance	2,000,000	25,000
Law Enforcement Liability	Redland Insurance	1,000,000	7,500
Commercial Property	Selective Insurance	63,944,971	25,000
Commercial Crime	Selective Insurance	10,000	2,500
Equipment Breakdown	Selective Insurance	63,944,971	25,000
Automobile Liability	Selective Insurance	1,000,000	0
Automobile Comprehensive	Selective Insurance	Per Schedule	1,000/2,000
Automobile Collision	Selective Insurance	Per Schedule	1,000/2,000
Excess General Liability (Umbrella)	American Alternative Ins.	10,000,000	10,000
Fire Errors and Omissions	Selective Insurance	1,000,000	0
Ambulance Malpractice	Selective Insurance	1,000,000	0
Blanket Bond	Selective Insurance	100,000	2,500
Bond-Finance Director	State Automobile Mutual Insurance Company	40,000	0

The City provides health care insurance through a commercial insurance company. There has been no significant reduction in insurance coverage from coverage in prior years. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 20: JOINT ORGANIZATION

Northeast Ohio Public Energy Council

The City is a member of the Northeast Ohio Public Energy Council (NOPEC). NOPEC is 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 energy. NOPEC is currently comprised of 126 communities who have been authorized by ballot to purchase energy on behalf of their citizens. The intent of NOPEC is to provide energy at the lowest possible rates while at the same time ensuring stability in prices by entering into long-term contracts with suppliers to provide energy to the citizens of its member communities.

NOPEC is governed by a 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 oversees and manages the operation of the aggregation program. 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 Willoughby did not contribute to NOPEC during 2007. Financial information can be obtained by contacting Joseph Migliorini, Board Chairman, 1615 Clark Avenue, Cleveland, Ohio 44109.

*Individual Fund Schedules of Revenues, Expenditures/Expenses
and Changes in Fund Balances ~ Budget (Non-GAAP Basis)
and Actual For Major Funds*

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>FINAL BUDGET</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
REVENUES:				
Municipal Income Taxes	\$13,021,559	\$13,021,559	\$14,054,744	\$1,033,185
Property and Other Local Taxes	1,784,928	1,784,928	1,897,883	112,955
Intergovernmental	2,927,384	2,927,384	3,111,117	183,733
Charges for Services	927,850	927,850	1,089,365	161,515
Fines and Forfeitures	1,867,000	1,867,000	1,970,871	103,871
Licenses, Permits	273,200	273,200	264,954	(8,246)
Interest Income	600,000	600,000	884,560	284,560
Other	<u>0</u>	<u>0</u>	<u>112,500</u>	<u>112,500</u>
Total Revenues	<u>21,401,921</u>	<u>21,401,921</u>	<u>23,385,994</u>	<u>1,984,073</u>
EXPENDITURES:				
General Government	7,064,477	6,949,477	6,539,497	409,980
Security of Persons and Property	10,903,183	10,903,183	10,464,239	438,944
Public Health and Welfare	461,532	461,532	454,962	6,570
Community Environment	962,178	962,178	925,992	36,186
Leisure Time Activities	980,712	980,712	933,757	46,955
Basic Utility Service	<u>1,192,800</u>	<u>1,197,800</u>	<u>1,194,760</u>	<u>3,040</u>
Total Expenditures	<u>21,564,882</u>	<u>21,454,882</u>	<u>20,513,207</u>	<u>941,675</u>
Excess of Revenues Over (Under) Expenditures	(162,961)	(52,961)	2,872,787	2,925,748
OTHER FINANCING SOURCES (USES):				
Transfers Out	(1,939,479)	(2,029,479)	(2,029,479)	0
Advanced Out	0	(20,000)	(20,000)	0
Other	<u>0</u>	<u>0</u>	<u>168,634</u>	<u>168,634</u>
Total Other Financing Sources (Uses)	<u>(1,939,479)</u>	<u>(2,049,479)</u>	<u>(1,880,845)</u>	<u>168,634</u>
NET CHANGE IN FUND BALANCE	(2,102,440)	(2,102,440)	991,942	3,094,382
FUND BALANCE BEGINNING OF YEAR	4,197,400	4,197,400	4,197,400	0
Prior Year Encumbrances Appropriated	<u>24,450</u>	<u>24,450</u>	<u>24,450</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$2,119,410</u>	<u>\$2,119,410</u>	<u>\$5,213,792</u>	<u>\$3,094,382</u>

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>FINAL BUDGET</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
REVENUES:				
Municipal Income Taxes	\$1,217,645	\$1,277,645	\$1,437,645	\$160,000
Property and Other Local Taxes	82,355	82,355	111,842	29,487
Intergovernmental	0	0	93,223	93,223
Interest Income	<u>10,000</u>	<u>10,000</u>	<u>49,077</u>	<u>39,077</u>
Total Revenues	<u>1,310,000</u>	<u>1,370,000</u>	<u>1,691,787</u>	<u>321,787</u>
EXPENDITURES:				
Capital Outlay	3,706,565	3,501,565	1,694,371	1,807,194
Debt Service				
Principal Retirement	5,060,000	5,060,000	5,060,000	0
Interest	<u>215,050</u>	<u>215,050</u>	<u>215,050</u>	<u>0</u>
Total Expenditures	<u>8,981,615</u>	<u>8,776,615</u>	<u>6,969,421</u>	<u>1,807,194</u>
Excess of Revenues Over (Under) Expenditures	(7,671,615)	(7,406,615)	(5,277,634)	2,128,981
OTHER FINANCING SOURCES (USES):				
Notes Issued	5,275,050	5,175,050	5,000,000	(175,050)
Other	0	0	12,168	12,168
Transfers In	<u>50,000</u>	<u>66,183</u>	<u>54,479</u>	<u>(11,704)</u>
Total Other Financing Sources (Uses)	<u>5,325,050</u>	<u>5,241,233</u>	<u>5,066,647</u>	<u>(174,586)</u>
NET CHANGE IN FUND BALANCE	(2,346,565)	(2,165,382)	(210,987)	1,954,395
FUND BALANCE BEGINNING OF YEAR	2,539,844	2,539,844	2,539,844	<u>0</u>
Prior Year Encumbrances Appropriated	<u>8,317</u>	<u>8,317</u>	<u>8,317</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$201,596</u>	<u>\$382,779</u>	<u>\$2,337,174</u>	<u>\$1,954,395</u>

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (Non-GAAP Basis) AND ACTUAL
GENERAL BOND RETIREMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES:				
Property and Other Local Taxes	\$1,310,840	\$1,310,840	\$1,286,517	(\$24,323)
Intergovernmental	137,285	137,285	168,749	31,464
Interest Income	<u>0</u>	<u>0</u>	<u>38,862</u>	<u>38,862</u>
Total Revenues	<u>1,448,125</u>	<u>1,448,125</u>	<u>1,494,128</u>	<u>46,003</u>
EXPENDITURES:				
General Government	36,000	36,000	29,345	6,655
Debt Service				
Principal	982,786	1,262,786	1,102,786	160,000
Interest	<u>665,515</u>	<u>665,515</u>	<u>665,515</u>	<u>0</u>
Total Expenditures	<u>1,684,301</u>	<u>1,964,301</u>	<u>1,797,646</u>	<u>166,655</u>
Excess of Revenues Over (Under) Expenditures	(236,176)	(516,176)	(303,518)	212,658
OTHER FINANCING SOURCES (USES):				
Transfer In	<u>0</u>	<u>300,000</u>	<u>300,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>300,000</u>	<u>300,000</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	(236,176)	(216,176)	(3,518)	212,658
FUND BALANCE BEGINNING OF YEAR	<u>74,964</u>	<u>74,964</u>	<u>74,964</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>(\$161,212)</u>	<u>(\$141,212)</u>	<u>\$71,446</u>	<u>\$212,658</u>

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN FUND EQUITY - BUDGET(Non-GAAP Basis) AND ACTUAL
GOLF COURSE FUND
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
REVENUES:				
Charges for Services	\$867,500	\$867,500	\$783,145	(\$84,355)
Other	<u>0</u>	<u>0</u>	<u>710</u>	<u>710</u>
Total Revenues	<u>867,500</u>	<u>867,500</u>	<u>783,855</u>	<u>(83,645)</u>
EXPENSES:				
Leisure Time Activities	680,865	700,865	695,851	5,014
Capital Outlay	0	1,300,000	263,405	1,036,595
Debt Principal	120,000	100,000	0	100,000
Debt Interest	<u>113,498</u>	<u>113,498</u>	<u>113,498</u>	<u>0</u>
Total Expenses	<u>914,363</u>	<u>2,214,363</u>	<u>1,072,754</u>	<u>1,141,609</u>
Excess of Revenues Over (Under) Expenses	(46,863)	(1,346,863)	(288,899)	1,057,964
OTHER FINANCING SOURCES (USES):				
Other	0	0	3,805	3,805
Transfer In	0	11,000	11,000	
Sale of Notes	<u>0</u>	<u>1,300,000</u>	<u>1,350,000</u>	<u>50,000</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>1,311,000</u>	<u>1,364,805</u>	<u>53,805</u>
NET CHANGE IN FUND BALANCE	(46,863)	(35,863)	1,075,906	1,111,769
FUND EQUITY BEGINNING OF YEAR	53,698	53,698	53,698	0
Prior Year Encumbrances Appropriated	<u>2,340</u>	<u>2,340</u>	<u>2,340</u>	<u>0</u>
FUND EQUITY END OF YEAR	<u>\$9,175</u>	<u>\$20,175</u>	<u>\$1,131,944</u>	<u>\$1,111,769</u>

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN FUND EQUITY - BUDGET(Non-GAAP Basis) AND ACTUAL
SEWER FUND
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>(NEGATIVE)</u>
REVENUES:				
Municipal Income Taxes	\$200,000	\$200,000	\$200,000	\$0
Intergovernmental	598,900	149,900	149,900	0
Charges for Services	4,414,500	4,414,500	4,304,832	(109,668)
Interest Income	30,000	30,000	69,711	39,711
Other	<u>150,000</u>	<u>150,000</u>	<u>182,290</u>	<u>32,290</u>
Total Revenues	<u>5,393,400</u>	<u>4,944,400</u>	<u>4,906,733</u>	<u>(37,667)</u>
EXPENSES:				
Basic Utility Service	6,511,704	4,116,313	3,789,224	327,089
Debt Principal	389,863	399,863	399,378	485
Debt Interest	<u>191,087</u>	<u>206,087</u>	<u>201,269</u>	<u>4,818</u>
Total Expenses	<u>7,092,654</u>	<u>4,722,263</u>	<u>4,389,871</u>	<u>332,392</u>
Excess of Revenues Over (Under) Expenses	(1,699,254)	222,137	516,862	294,725
OTHER FINANCING SOURCES (USES):				
Sale of Debt	2,501,000	650,000	647,627	(2,373)
Transfer In	<u>0</u>	<u>51,000</u>	<u>51,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>2,501,000</u>	<u>701,000</u>	<u>698,627</u>	<u>(2,373)</u>
NET CHANGE IN FUND BALANCE	801,746	923,137	1,215,489	292,352
FUND EQUITY BEGINNING OF YEAR	92,310	92,310	92,310	0
Prior Year Encumbrances Appropriated	<u>23,132</u>	<u>23,132</u>	<u>23,132</u>	<u>0</u>
FUND EQUITY END OF YEAR	<u>\$917,188</u>	<u>\$1,038,579</u>	<u>\$1,330,931</u>	<u>\$292,352</u>

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN FUND EQUITY - BUDGET(Non-GAAP Basis) AND ACTUAL
AIRPORT FUND
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES:				
Charges for Services	\$22,000	\$22,000	\$35,505	\$13,505
Interest Income	0	0	2,037	2,037
Rental	<u>130,500</u>	<u>130,500</u>	<u>132,807</u>	<u>2,307</u>
Total Revenues	<u>152,500</u>	<u>152,500</u>	<u>170,349</u>	<u>17,849</u>
EXPENSES:				
Transportation	<u>207,120</u>	<u>207,120</u>	<u>156,497</u>	<u>50,623</u>
Total Expenses	<u>207,120</u>	<u>207,120</u>	<u>156,497</u>	<u>50,623</u>
Excess of Revenues Over (Under) Expenses	<u>(54,620)</u>	<u>(54,620)</u>	<u>13,852</u>	<u>68,472</u>
OTHER FINANCING SOURCES (USES):				
Other	0	0	1,210	1,210
Transfer In	<u>0</u>	<u>6,000</u>	<u>6,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>6,000</u>	<u>7,210</u>	<u>1,210</u>
NET CHANGE IN FUND BALANCE	(54,620)	(48,620)	21,062	69,682
FUND EQUITY BEGINNING OF YEAR	116,281	116,281	116,281	0
Prior Year Encumbrances Appropriated	<u>1,365</u>	<u>1,365</u>	<u>1,365</u>	<u>0</u>
FUND EQUITY END OF YEAR	<u>\$63,026</u>	<u>\$69,026</u>	<u>\$138,708</u>	<u>\$69,682</u>



The City of Willoughby™

Combining Statements and Individual Fund Schedules

Combining Statements – Nonmajor Funds

NONMAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds account for revenues from specific sources which legally, or otherwise are restricted to expenditures for specific purposes.

Fire Pension Fund - to account for the accumulation of property taxes levied for the partial payment of the current liability for firefighters' pension.

Police Pension Fund - to account for the accumulation of property taxes levied for the partial payment of the current and accrued liability for police pension. Amounts collected for the police and fire pensions are periodically remitted to the Ohio Police and Fire Pension Fund.

Law Enforcement Fund - to account for the accumulation of proceeds from the public auction, of contraband, and the payment of related costs incurred by the Law Enforcement Agency.

Recreation Fund - to account for the accumulation of voted property tax for the purpose of recreation programs.

Street Construction Maintenance and Repair Fund - required by the Ohio Revised Code to account for that portion of the state gasoline tax and motor vehicle registration fees designated for maintenance of streets within the City.

State Highway Fund - required by the Ohio Revised Code to account for that portion of the state gasoline tax and motor vehicle registration fees designated for maintenance of state highways within the City.

Road & Bridge Fund – to account for revenue received from taxes and other sources to pay for the cost of road and bridge maintenance and improvements.

Corporate Maintenance Fund – the function of this fund is to assess small projects that occur during the year, but are neither a regular occurrence nor a long-term project. This may include sidewalks, house razing, noxious weeds and lot clean up.

Enforcement and Education Fund - required by the Ohio Revised Code to account for fines received and distributed as a result of convictions pertaining to the operation of a motor vehicle while under the influence of alcohol or drugs. Funds may be used to pay cost increases in enforcing this or similar laws.

Indigent Drivers Treatment Fund - required by the Ohio Revised Code to account for fines received as a result of convictions pertaining to operation of a motor vehicle while under the influence of alcohol or drugs. Funds may be used to secure treatment of indigent defendants at the discretion of the Municipal Court Judge.

Court Computer Fund - the Municipal Court has established this fund for the purpose of acquisition, improvement, replacement or repair of court technology capital assets and for related staff training. These funds are collected from additional court costs levied on each case.

General Special Projects Fund - the Municipal Court has established this fund for the purpose of special projects as determined by the judge and for partial payment of debt related to the Municipal Court building. These funds are collected from additional court costs levied on each case.

Urban Forest Management Fund – the City originally established this fund to account for a matching fund grant from the State of Ohio. Currently only funds from tree planting fees are being recorded here. The funds are used to buy inventory and provide trees throughout the City.

Victims Assistance Fund - to account for grant funds provided by the State of Ohio with matching funds from the City. These funds provide services to victims of crime.

Street Lighting Fund – to account for the .9 mill rate the City assesses on all real property to provide city wide public street lights. These funds are collected in the same manner as other assessments by the Lake County Treasurer.

Future Retirement Reserve Fund – to fund the retirements of employees in the City's operating funds. These funds are derived from a transfer from the General Fund and other funds.

FEMA Fund – to account for Federal and State grants to reimburse the City for costs incurred in managing the 2006 flood with labor and equipment use as well as property damage.

Railroad Grade Crossing Fund – to account for fines received and expenditures for crossing improvements. This is a state mandated fund. There has been no activity therefore there are no financial statement presentations in 2007.

NONMAJOR DEBT SERVICE FUND

Special Assessments Fund - to accumulate special revenues collected by the County Treasurer and remitted to the City by the County Auditor for payment of special assessment bonds and coupons. These bonds and coupons were sold to finance construction of various projects that were deemed to benefit only those residents and/or businesses in the immediate area of the project and are paid for through assessments against their property.

PERMANENT FUND

Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

Cemetery Care Fund - was established to hold and invest all perpetual care deposits made from the sale of lots in the cemetery. The earnings from the Cemetery Care Fund are to be used to maintain the two City of Willoughby cemeteries and are reported in the fund.

CITY OF WILLOUGHBY, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2007

	NONMAJOR SPECIAL REVENUE FUNDS	SPECIAL ASSESSMENTS DEBT SERVICE FUND	CEMETERY CARE PERMANENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS				
Equity in City Treasury Cash and Investments	\$3,728,762	\$314,284	\$204,697	\$4,247,743
Inventory - Supplies	53,969	0	0	53,969
Accounts Receivable	1,792	0	75	1,867
Due from Other Governments	581,406	0	0	581,406
Taxes Receivable	1,716,245	0	0	1,716,245
Special Assessments Receivable	<u>573,627</u>	<u>382,663</u>	<u>0</u>	<u>956,290</u>
TOTAL ASSETS	<u>\$6,655,801</u>	<u>\$696,947</u>	<u>\$204,772</u>	<u>\$7,557,520</u>
LIABILITIES				
Accounts Payable	\$246,655	\$0	\$0	\$246,655
Matured Compensated Absences Payable	166,436	0	0	166,436
Salaries, Wages & Benefits Payable	64,056	0	0	64,056
Due to Other Governments	0	0	0	0
Due to Other Funds	20,000	0	0	20,000
Deferred Revenue	<u>2,760,000</u>	<u>382,663</u>	<u>0</u>	<u>3,142,663</u>
TOTAL LIABILITIES	<u>3,257,147</u>	<u>382,663</u>	<u>0</u>	<u>3,639,810</u>
FUND BALANCES				
Reserved for Encumbrances	420,940	0	0	420,940
Reserved for Inventory	53,969	0	0	53,969
Reserved for Debt Service	0	314,284	0	314,284
Unreserved, Undesignated Reported in:				
Special Revenue Funds	2,923,745	0	0	2,923,745
Permanent Fund	<u>0</u>	<u>0</u>	<u>204,772</u>	<u>204,772</u>
TOTAL FUND BALANCES	<u>3,398,654</u>	<u>314,284</u>	<u>204,772</u>	<u>3,917,710</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$6,655,801</u>	<u>\$696,947</u>	<u>\$204,772</u>	<u>\$7,557,520</u>

CITY OF WILLOUGHBY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	NONMAJOR SPECIAL REVENUE FUNDS	SPECIAL ASSESSMENTS DEBT SERVICE FUND	CEMETERY CARE PERMANENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES:				
Property and Other Local Taxes	\$1,721,148	\$0	\$0	\$1,721,148
Intergovernmental	1,332,649	0	0	1,332,649
Charges for Services	209,434	0	10,715	220,149
Special Assessments	582,953	43,612	0	626,565
Fines and Forfeitures	467,101	0	0	467,101
Miscellaneous	<u>3,268</u>	<u>0</u>	<u>0</u>	<u>3,268</u>
Total Revenues	<u>4,316,553</u>	<u>43,612</u>	<u>10,715</u>	<u>4,370,880</u>
EXPENDITURES:				
Current:				
General Government	155,538	1,384	0	156,922
Security of Persons and Property	2,007,091	0	0	2,007,091
Community Environment	95,477	0	0	95,477
Leisure Time Activities	820,719	0	0	820,719
Transportation	1,651,544	0	0	1,651,544
Capital Outlay	1,127,751	0	0	1,127,751
Debt Service:				
Principal	0	20,000	0	20,000
Interest	<u>0</u>	<u>17,257</u>	<u>0</u>	<u>17,257</u>
Total Expenditures	<u>5,858,120</u>	<u>38,641</u>	<u>0</u>	<u>5,896,761</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,541,567)	4,971	10,715	(1,525,881)
OTHER FINANCING SOURCES (USES):				
Transfers In	1,875,000	0	0	1,875,000
Transfers (Out)	<u>(268,000)</u>	<u>0</u>	<u>0</u>	<u>(268,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,607,000</u>	<u>0</u>	<u>0</u>	<u>1,607,000</u>
NET CHANGE IN FUND BALANCES	65,433	4,971	10,715	81,119
FUND BALANCES BEGINNING OF YEAR	3,375,853	309,313	194,057	3,879,223
INCREASE (DECREASE) IN RESERVE FOR INVENTORY	<u>(42,632)</u>	<u>0</u>	<u>0</u>	<u>(42,632)</u>
FUND BALANCES END OF YEAR	<u>\$3,398,654</u>	<u>\$314,284</u>	<u>\$204,772</u>	<u>\$3,917,710</u>

CITY OF WILLOUGHBY, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2007

	<u>FIRE PENSION</u>	<u>POLICE PENSION</u>	<u>LAW ENFORCEMENT</u>	<u>RECREATION</u>	<u>STREET CONSTRUCTION MAINTENANCE AND REPAIR</u>	<u>STATE HIGHWAY</u>	<u>ROAD & BRIDGE</u>	<u>CORPORATE MAINTENANCE</u>
ASSETS								
Equity in City Treasury Cash and Investments	\$70,868	\$107,579	\$125,178	\$108,998	\$413,233	\$65,571	\$365,936	\$34,539
Inventory - Supplies	0	0	0	0	53,969	0	0	0
Accounts Receivable	0	0	0	222	100	0	0	1,470
Due from Other Governments	7,246	7,246	0	2,389	461,056	37,024	43,435	0
Taxes Receivable	215,028	215,028	0	116,775	0	0	1,169,414	0
Special Assessments Receivable	0	0	0	0	0	0	0	20,636
Due from Other Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL ASSETS	<u>\$293,142</u>	<u>\$329,853</u>	<u>\$125,178</u>	<u>\$228,384</u>	<u>\$928,358</u>	<u>\$102,595</u>	<u>\$1,578,785</u>	<u>\$56,645</u>
LIABILITIES								
Accounts Payable	\$0	\$0	\$0	\$13,921	\$43,114	\$0	\$92,091	\$0
Salaries, Wages & Benefits Payable	16,381	15,154	0	10,559	21,243	0	0	0
Matured Compensated Absences Payable	0	0	0	0	0	0	0	0
Due to Other Funds	0	0	0	0	0	0	0	10,000
Deferred Revenue	<u>222,274</u>	<u>222,274</u>	<u>0</u>	<u>119,164</u>	<u>379,077</u>	<u>30,735</u>	<u>1,212,849</u>	<u>20,636</u>
TOTAL LIABILITIES	<u>238,655</u>	<u>237,428</u>	<u>0</u>	<u>143,644</u>	<u>443,434</u>	<u>30,735</u>	<u>1,304,940</u>	<u>30,636</u>
FUND BALANCES								
Reserved for Encumbrances	0	0	0	25,912	90,514	33,210	66,783	23,269
Reserved for Inventory	0	0	0	0	53,969	0	0	0
Unreserved, Undesignated Reported in:								
Special Revenue Funds	<u>54,487</u>	<u>92,425</u>	<u>125,178</u>	<u>58,828</u>	<u>340,441</u>	<u>38,650</u>	<u>207,062</u>	<u>2,740</u>
TOTAL FUND BALANCES	<u>54,487</u>	<u>92,425</u>	<u>125,178</u>	<u>84,740</u>	<u>484,924</u>	<u>71,860</u>	<u>273,845</u>	<u>26,009</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$293,142</u>	<u>\$329,853</u>	<u>\$125,178</u>	<u>\$228,384</u>	<u>\$928,358</u>	<u>\$102,595</u>	<u>\$1,578,785</u>	<u>\$56,645</u>

<u>ENFORCEMENT AND EDUCATION</u>	<u>INDIGENT DRIVERS TREATMENT</u>	<u>COURT COMPUTER</u>	<u>GENERAL SPECIAL PROJECTS</u>	<u>URBAN FOREST MANAGEMENT</u>	<u>VICTIMS ASSISTANCE</u>	<u>STREET LIGHTING</u>	<u>FUTURE RETIREMENT RESERVE</u>	<u>FEMA</u>	<u>TOTAL 2007</u>
\$8,375	\$306,934	\$165,677	\$144,095	\$47,184	\$5,375	\$563,618	\$1,038,523	\$157,079	\$3,728,762
0	0	0	0	0	0	0	0	0	53,969
0	0	0	0	0	0	0	0	0	1,792
155	1,079	8,332	13,444	0	0	0	0	0	581,406
0	0	0	0	0	0	0	0	0	1,716,245
0	0	0	0	0	0	552,991	0	0	573,627
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$8,530</u>	<u>\$308,013</u>	<u>\$174,009</u>	<u>\$157,539</u>	<u>\$47,184</u>	<u>\$5,375</u>	<u>\$1,116,609</u>	<u>\$1,038,523</u>	<u>\$157,079</u>	<u>\$6,655,801</u>
\$0	\$10,400	\$5,800	\$0	\$0	\$89	\$81,240	\$0	\$0	\$246,655
0	0	0	0	0	719	0	0	0	64,056
0	0	0	0	0	0	0	166,436	0	166,436
0	0	10,000	0	0	0	0	0	0	20,000
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>552,991</u>	<u>0</u>	<u>0</u>	<u>2,760,000</u>
<u>0</u>	<u>10,400</u>	<u>15,800</u>	<u>0</u>	<u>0</u>	<u>808</u>	<u>634,231</u>	<u>166,436</u>	<u>0</u>	<u>3,257,147</u>
0	16,353	148,786	1,306	3,368	0	4,541	0	6,898	420,940
0	0	0	0	0	0	0	0	0	53,969
<u>8,530</u>	<u>281,260</u>	<u>9,423</u>	<u>156,233</u>	<u>43,816</u>	<u>4,567</u>	<u>477,837</u>	<u>872,087</u>	<u>150,181</u>	<u>2,923,745</u>
<u>8,530</u>	<u>297,613</u>	<u>158,209</u>	<u>157,539</u>	<u>47,184</u>	<u>4,567</u>	<u>482,378</u>	<u>872,087</u>	<u>157,079</u>	<u>3,398,654</u>
<u>\$8,530</u>	<u>\$308,013</u>	<u>\$174,009</u>	<u>\$157,539</u>	<u>\$47,184</u>	<u>\$5,375</u>	<u>\$1,116,609</u>	<u>\$1,038,523</u>	<u>\$157,079</u>	<u>\$6,655,801</u>

CITY OF WILLOUGHBY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>FIRE</u>	<u>POLICE</u>	<u>LAW</u>		<u>STREET</u>				
	<u>PENSION</u>	<u>PENSION</u>	<u>ENFORCEMENT</u>	<u>RECREATION</u>	<u>CONSTRUCTION</u>	<u>STATE</u>	<u>ROAD &</u>	<u>CORPORATE</u>	
					<u>MAINTENANCE</u>	<u>HIGHWAY</u>	<u>BRIDGE</u>	<u>MAINTENANCE</u>	
					<u>AND REPAIR</u>				
REVENUES:									
Property and Other Local Taxes	\$194,127	\$194,127	\$0	\$96,437	\$55,886	\$0	\$1,180,571	\$0	
Intergovernmental	30,180	30,180	0	104,697	954,202	77,369	88,736	0	
Charges for Services	0	0	0	200,987	247	0	0	0	
Special Assessments	0	0	0	0	0	0	0	72,603	
Fines and Forfeitures	0	0	115,224	0	0	0	0	0	
Miscellaneous	<u>0</u>	<u>0</u>	<u>850</u>	<u>0</u>	<u>2,418</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Total Revenues	<u>224,307</u>	<u>224,307</u>	<u>116,074</u>	<u>402,121</u>	<u>1,012,753</u>	<u>77,369</u>	<u>1,269,307</u>	<u>72,603</u>	
EXPENDITURES:									
Current:									
General Government	2,471	2,471	0	0	0	0	15,071	155	
Security of Persons and Property	693,950	654,162	768	0	0	0	0	0	
Community Environment	0	0	0	0	0	0	0	87,479	
Leisure Time Activities	0	0	0	820,719	0	0	0	0	
Transportation	0	0	0	0	1,542,207	65,859	0	0	
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,427</u>	<u>2,000</u>	<u>0</u>	<u>980,391</u>	<u>0</u>	
Total Expenditures	<u>696,421</u>	<u>656,633</u>	<u>768</u>	<u>823,146</u>	<u>1,544,207</u>	<u>65,859</u>	<u>995,462</u>	<u>87,634</u>	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(472,114)	(432,326)	115,306	(421,025)	(531,454)	11,510	273,845	(15,031)	
OTHER FINANCING SOURCES (USES):									
Transfers In	475,000	450,000	0	350,000	375,000	0	0	0	
Transfers (Out)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
TOTAL OTHER FINANCING SOURCES (USES)	<u>475,000</u>	<u>450,000</u>	<u>0</u>	<u>350,000</u>	<u>375,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	
NET CHANGE IN FUND BALANCES	2,886	17,674	115,306	(71,025)	(156,454)	11,510	273,845	(15,031)	
FUND BALANCES BEGINNING OF YEAR	51,601	74,751	9,872	155,765	684,010	60,350	0	41,040	
INCREASE (DECREASE) IN RESERVE FOR INVENTORY	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(42,632)</u>	<u>0</u>	<u>0</u>	<u>0</u>	
FUND BALANCES END OF YEAR	<u>\$54,487</u>	<u>\$92,425</u>	<u>\$125,178</u>	<u>\$84,740</u>	<u>\$484,924</u>	<u>\$71,860</u>	<u>\$273,845</u>	<u>\$26,009</u>	

<u>ENFORCEMENT AND EDUCATION</u>	<u>INDIGENT DRIVERS TREATMENT</u>	<u>COURT COMPUTER</u>	<u>GENERAL SPECIAL PROJECTS</u>	<u>URBAN FOREST MANAGEMENT</u>	<u>VICTIMS ASSISTANCE</u>	<u>STREET LIGHTING</u>	<u>FUTURE RETIREMENT RESERVE</u>	<u>FEMA</u>	<u>TOTAL 2007</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,721,148
0	0	0	0	0	32,184	0	0	15,101	1,332,649
0	0	0	0	8,200	0	0	0	0	209,434
0	0	0	0	0	0	510,350	0	0	582,953
3,214	35,897	119,321	193,445	0	0	0	0	0	467,101
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,268</u>
<u>3,214</u>	<u>35,897</u>	<u>119,321</u>	<u>193,445</u>	<u>8,200</u>	<u>32,184</u>	<u>510,350</u>	<u>0</u>	<u>15,101</u>	<u>4,316,553</u>
0	24,652	87,362	7,968	0	0	15,388	0	0	155,538
0	0	0	0	0	45,756	485,653	176,734	(49,932)	2,007,091
0	0	0	0	7,998	0	0	0	0	95,477
0	0	0	0	0	0	0	0	0	820,719
0	0	0	0	0	0	0	43,478	0	1,651,544
<u>0</u>	<u>0</u>	<u>117,733</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>25,200</u>	<u>1,127,751</u>
<u>0</u>	<u>24,652</u>	<u>205,095</u>	<u>7,968</u>	<u>7,998</u>	<u>45,756</u>	<u>501,041</u>	<u>220,212</u>	<u>(24,732)</u>	<u>5,858,120</u>
3,214	11,245	(85,774)	185,477	202	(13,572)	9,309	(220,212)	39,833	(1,541,567)
0	0	0	0	0	0	0	225,000	0	1,875,000
<u>0</u>	<u>0</u>	<u>0</u>	<u>(200,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(68,000)</u>	<u>(268,000)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>(200,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>225,000</u>	<u>(68,000)</u>	<u>1,607,000</u>
3,214	11,245	(85,774)	(14,523)	202	(13,572)	9,309	4,788	(28,167)	65,433
5,316	286,368	243,983	172,062	46,982	18,139	473,069	867,299	185,246	3,375,853
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(42,632)</u>
<u>\$8,530</u>	<u>\$297,613</u>	<u>\$158,209</u>	<u>\$157,539</u>	<u>\$47,184</u>	<u>\$4,567</u>	<u>\$482,378</u>	<u>\$872,087</u>	<u>\$157,079</u>	<u>\$3,398,654</u>

CITY OF WILLOUGHBY, 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, 2007

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>(NEGATIVE)</u>
REVENUES:				
Property and Other Local Taxes	\$184,803	\$184,803	\$194,774	\$9,971
Intergovernmental	<u>28,780</u>	<u>28,780</u>	<u>30,180</u>	<u>1,400</u>
Total Revenues	<u>213,583</u>	<u>213,583</u>	<u>224,954</u>	<u>11,371</u>
EXPENDITURES:				
Security of Persons and Property	<u>718,498</u>	<u>718,498</u>	<u>693,159</u>	<u>25,339</u>
Total Expenditures	<u>718,498</u>	<u>718,498</u>	<u>693,159</u>	<u>25,339</u>
Excess of Revenues Over (Under) Expenditures	(504,915)	(504,915)	(468,205)	36,710
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>475,000</u>	<u>475,000</u>	<u>475,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>475,000</u>	<u>475,000</u>	<u>475,000</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	(29,915)	(29,915)	6,795	36,710
FUND BALANCE BEGINNING OF YEAR	<u>64,073</u>	<u>64,073</u>	<u>64,073</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$34,158</u>	<u>\$34,158</u>	<u>\$70,868</u>	<u>\$36,710</u>

CITY OF WILLOUGHBY, 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, 2007

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES:				
Property and Other Local Taxes	\$184,803	\$184,803	\$194,774	\$9,971
Intergovernmental	<u>28,780</u>	<u>28,780</u>	<u>30,180</u>	<u>1,400</u>
Total Revenues	<u>213,583</u>	<u>213,583</u>	<u>224,954</u>	<u>11,371</u>
EXPENDITURES:				
Security of Persons and Property	<u>706,561</u>	<u>706,561</u>	<u>653,493</u>	<u>53,068</u>
Total Expenditures	<u>706,561</u>	<u>706,561</u>	<u>653,493</u>	<u>53,068</u>
Excess of Revenues Over (Under) Expenditures	(492,978)	(492,978)	(428,539)	64,439
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>450,000</u>	<u>450,000</u>	<u>450,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>450,000</u>	<u>450,000</u>	<u>450,000</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	(42,978)	(42,978)	21,461	64,439
FUND BALANCE BEGINNING OF YEAR	<u>86,118</u>	<u>86,118</u>	<u>86,118</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$43,140</u>	<u>\$43,140</u>	<u>\$107,579</u>	<u>\$64,439</u>

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL
LAW ENFORCEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES:				
Fines and Forfeitures	<u>\$500</u>	<u>\$115,500</u>	<u>\$115,224</u>	<u>(\$276)</u>
Total Revenues	<u>500</u>	<u>115,500</u>	<u>115,224</u>	<u>(276)</u>
EXPENDITURES:				
Security of Persons and Property	<u>5,000</u>	<u>5,000</u>	<u>(82)</u>	<u>5,082</u>
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>(82)</u>	<u>5,082</u>
NET CHANGE IN FUND BALANCE	(4,500)	110,500	115,306	4,806
FUND BALANCE BEGINNING OF YEAR	<u>9,872</u>	<u>9,872</u>	<u>9,872</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$5,372</u>	<u>\$120,372</u>	<u>\$125,178</u>	<u>\$4,806</u>

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL
RECREATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>(NEGATIVE)</u>
REVENUES:				
Property and Other Local Taxes	\$86,085	\$86,085	\$97,515	\$11,430
Intergovernmental	66,875	66,875	104,697	37,822
Charges for Services	<u>215,000</u>	<u>215,000</u>	<u>200,765</u>	<u>(14,235)</u>
Total Revenues	<u>367,960</u>	<u>367,960</u>	<u>402,977</u>	<u>35,017</u>
EXPENDITURES:				
Leisure Time Activities	<u>853,020</u>	<u>853,020</u>	<u>828,974</u>	<u>24,046</u>
Total Expenditures	<u>853,020</u>	<u>853,020</u>	<u>828,974</u>	<u>24,046</u>
Excess of Revenues Over (Under) Expenditures	(485,060)	(485,060)	(425,997)	59,063
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	(135,060)	(135,060)	(75,997)	59,063
FUND BALANCE BEGINNING OF YEAR	146,554	146,554	146,554	0
Prior Year Encumbrances Appropriated	<u>165</u>	<u>165</u>	<u>165</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$11,659</u>	<u>\$11,659</u>	<u>\$70,722</u>	<u>\$59,063</u>

CITY OF WILLOUGHBY, 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, 2007

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES:				
Property and Other Local Taxes	\$55,000	\$55,000	\$55,920	\$920
Intergovernmental	895,000	895,000	950,822	55,822
Charges for Services	<u>550</u>	<u>550</u>	<u>247</u>	<u>(303)</u>
Total Revenues	<u>950,550</u>	<u>950,550</u>	<u>1,006,989</u>	<u>56,439</u>
EXPENDITURES:				
Transportation	<u>1,712,701</u>	<u>1,712,701</u>	<u>1,515,108</u>	<u>197,593</u>
Total Expenditures	<u>1,712,701</u>	<u>1,712,701</u>	<u>1,515,108</u>	<u>197,593</u>
Excess of Revenues Over (Under) Expenditures	(762,151)	(762,151)	(508,119)	254,032
OTHER FINANCING SOURCES (USES):				
Transfers In	375,000	375,000	375,000	0
Other	<u>0</u>	<u>0</u>	<u>2,418</u>	<u>2,418</u>
Total Other Financing Sources (Uses)	<u>375,000</u>	<u>375,000</u>	<u>377,418</u>	<u>2,418</u>
NET CHANGE IN FUND BALANCE	(387,151)	(387,151)	(130,701)	256,450
FUND BALANCE BEGINNING OF YEAR	410,596	410,596	410,596	0
Prior Year Encumbrances Appropriated	<u>2,979</u>	<u>2,979</u>	<u>2,979</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$26,424</u>	<u>\$26,424</u>	<u>\$282,874</u>	<u>\$256,450</u>

CITY OF WILLOUGHBY, 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, 2007

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES:				
Intergovernmental	<u>\$71,000</u>	<u>\$71,000</u>	<u>\$77,094</u>	<u>\$6,094</u>
Total Revenues	<u>71,000</u>	<u>71,000</u>	<u>77,094</u>	<u>6,094</u>
EXPENDITURES:				
Transportation	<u>80,000</u>	<u>80,000</u>	<u>70,000</u>	<u>10,000</u>
Total Expenditures	<u>80,000</u>	<u>80,000</u>	<u>70,000</u>	<u>10,000</u>
NET CHANGE IN FUND BALANCE	(9,000)	(9,000)	7,094	16,094
FUND BALANCE BEGINNING OF YEAR	<u>25,266</u>	<u>25,266</u>	<u>25,266</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$16,266</u>	<u>\$16,266</u>	<u>\$32,360</u>	<u>\$16,094</u>

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (Non-GAAP Basis) AND ACTUAL
ROAD AND BRIDGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES:				
Property and Other Local Taxes	\$1,135,817	\$1,142,598	\$1,180,571	\$37,973
Intergovernmental	<u>65,153</u>	<u>65,153</u>	<u>88,736</u>	<u>23,583</u>
Total Revenues	<u>1,200,970</u>	<u>1,207,751</u>	<u>1,269,307</u>	<u>61,556</u>
EXPENDITURES:				
Transportation	<u>1,000,000</u>	<u>1,150,000</u>	<u>1,062,245</u>	<u>87,755</u>
Total Expenditures	<u>1,000,000</u>	<u>1,150,000</u>	<u>1,062,245</u>	<u>87,755</u>
NET CHANGE IN FUND BALANCE	200,970	57,751	207,062	149,311
FUND BALANCE BEGINNING OF YEAR	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$200,970</u>	<u>\$57,751</u>	<u>\$207,062</u>	<u>\$149,311</u>

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL
CORPORATE MAINTENANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES:				
Special Assessments	<u>\$33,000</u>	<u>\$77,500</u>	<u>\$77,635</u>	<u>\$135</u>
Total Revenues	<u>33,000</u>	<u>77,500</u>	<u>77,635</u>	<u>135</u>
EXPENDITURES:				
Community Environment	<u>40,700</u>	<u>90,000</u>	<u>88,629</u>	<u>1,371</u>
Total Expenditures	<u>40,700</u>	<u>90,000</u>	<u>88,629</u>	<u>1,371</u>
Excess of Revenues Over (Under) Expenditures	(7,700)	(12,500)	(10,994)	1,506
OTHER FINANCING SOURCES (USES):				
Advance In	<u>0</u>	<u>10,000</u>	<u>10,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>10,000</u>	<u>10,000</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	(7,700)	(2,500)	(994)	1,506
FUND BALANCE BEGINNING OF YEAR	<u>12,264</u>	<u>12,264</u>	<u>12,264</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$4,564</u>	<u>\$9,764</u>	<u>\$11,270</u>	<u>\$1,506</u>

CITY OF WILLOUGHBY, 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, 2007

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	VARIANCE WITH
	<u>ORIGINAL</u>	<u>FINAL</u>		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES:				
Fines and Forfeitures	<u>\$3,000</u>	<u>\$3,000</u>	<u>\$3,311</u>	<u>\$311</u>
Total Revenues	<u>3,000</u>	<u>3,000</u>	<u>3,311</u>	<u>311</u>
EXPENDITURES:				
Capital Outlay	<u>5,000</u>	<u>5,000</u>	<u>0</u>	<u>5,000</u>
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>0</u>	<u>5,000</u>
NET CHANGE IN FUND BALANCE	(2,000)	(2,000)	3,311	5,311
FUND BALANCE BEGINNING OF YEAR	<u>5,064</u>	<u>5,064</u>	<u>5,064</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$3,064</u>	<u>\$3,064</u>	<u>\$8,375</u>	<u>\$5,311</u>

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL
INDIGENT DRIVERS TREATMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES:				
Fines and Forfeitures	<u>\$38,000</u>	<u>\$38,000</u>	<u>\$35,918</u>	<u>(\$2,082)</u>
Total Revenues	<u>38,000</u>	<u>38,000</u>	<u>35,918</u>	<u>(2,082)</u>
EXPENDITURES:				
General Government	<u>75,000</u>	<u>75,000</u>	<u>30,000</u>	<u>45,000</u>
Total Expenditures	<u>75,000</u>	<u>75,000</u>	<u>30,000</u>	<u>45,000</u>
NET CHANGE IN FUND BALANCE	(37,000)	(37,000)	5,918	42,918
FUND BALANCE BEGINNING OF YEAR	<u>274,263</u>	<u>274,263</u>	<u>274,263</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$237,263</u>	<u>\$237,263</u>	<u>\$280,181</u>	<u>\$42,918</u>

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL
COURT COMPUTER FUND
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>(NEGATIVE)</u>
REVENUES:				
Fines and Forfeitures	\$125,000	\$135,000	\$129,902	(\$5,098)
Total Revenues	<u>125,000</u>	<u>135,000</u>	<u>129,902</u>	<u>(5,098)</u>
EXPENDITURES:				
General Government	75,000	305,000	299,747	5,253
Capital Outlay	<u>220,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>295,000</u>	<u>305,000</u>	<u>299,747</u>	<u>5,253</u>
NET CHANGE IN FUND BALANCE	(170,000)	(170,000)	(169,845)	155
FUND BALANCE BEGINNING OF YEAR	173,456	173,456	173,456	0
Prior Year Encumbrances Appropriated	<u>8,776</u>	<u>8,776</u>	<u>8,776</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$12,232</u>	<u>\$12,232</u>	<u>\$12,387</u>	<u>\$155</u>

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL
GENERAL SPECIAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>(NEGATIVE)</u>
REVENUES:				
Fines and Forfeitures	<u>\$180,000</u>	<u>\$180,000</u>	<u>\$194,455</u>	<u>\$14,455</u>
Total Revenues	<u>180,000</u>	<u>180,000</u>	<u>194,455</u>	<u>14,455</u>
EXPENDITURES:				
General Government	<u>25,000</u>	<u>25,000</u>	<u>9,274</u>	<u>15,726</u>
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>9,274</u>	<u>15,726</u>
Excess of Revenues Over (Under) Expenditures	155,000	155,000	185,181	30,181
OTHER FINANCING SOURCES (USES):				
Transfers Out	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	(45,000)	(45,000)	(14,819)	30,181
FUND BALANCE BEGINNING OF YEAR	156,801	156,801	156,801	0
Prior Year Encumbrances Appropriated	807	807	807	0
FUND BALANCE END OF YEAR	<u>\$112,608</u>	<u>\$112,608</u>	<u>\$142,789</u>	<u>\$30,181</u>

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL
URBAN FOREST MANAGEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Charges for Services	<u>\$9,000</u>	<u>\$9,000</u>	<u>\$8,200</u>	<u>(\$800)</u>
Total Revenues	<u>9,000</u>	<u>9,000</u>	<u>8,200</u>	<u>(800)</u>
EXPENDITURES:				
Community Environment	<u>25,000</u>	<u>25,000</u>	<u>10,163</u>	<u>14,837</u>
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>10,163</u>	<u>14,837</u>
NET CHANGE IN FUND BALANCE	(16,000)	(16,000)	(1,963)	14,037
FUND BALANCE BEGINNING OF YEAR	<u>45,779</u>	<u>45,779</u>	<u>45,779</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$29,779</u>	<u>\$29,779</u>	<u>\$43,816</u>	<u>\$14,037</u>

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL
VICTIMS ASSISTANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES:				
Intergovernmental	<u>\$32,000</u>	<u>\$32,000</u>	<u>\$32,184</u>	<u>\$184</u>
Total Revenues	<u>32,000</u>	<u>32,000</u>	<u>32,184</u>	<u>184</u>
EXPENDITURES:				
Security of Persons and Property	<u>47,200</u>	<u>47,200</u>	<u>45,503</u>	<u>1,697</u>
Total Expenditures	<u>47,200</u>	<u>47,200</u>	<u>45,503</u>	<u>1,697</u>
NET CHANGE IN FUND BALANCE	(15,200)	(15,200)	(13,319)	1,881
FUND BALANCE BEGINNING OF YEAR	<u>18,652</u>	<u>18,652</u>	<u>18,652</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$3,452</u>	<u>\$3,452</u>	<u>\$5,333</u>	<u>\$1,881</u>

CITY OF WILLOUGHBY, 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, 2007

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES:				
Special Assessments	<u>\$479,962</u>	<u>\$479,962</u>	<u>\$510,350</u>	<u>\$30,388</u>
Total Revenues	<u>479,962</u>	<u>479,962</u>	<u>510,350</u>	<u>30,388</u>
EXPENDITURES:				
Security of Persons and Property	<u>550,000</u>	<u>550,000</u>	<u>485,405</u>	<u>64,595</u>
General Government	<u>20,000</u>	<u>20,000</u>	<u>15,388</u>	<u>4,612</u>
Total Expenditures	<u>570,000</u>	<u>570,000</u>	<u>500,793</u>	<u>69,207</u>
NET CHANGE IN FUND BALANCE	<u>(90,038)</u>	<u>(90,038)</u>	<u>9,557</u>	<u>99,595</u>
FUND BALANCE BEGINNING OF YEAR	<u>505,057</u>	<u>505,057</u>	<u>505,057</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>3,500</u>	<u>3,500</u>	<u>3,500</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$418,519</u>	<u>\$418,519</u>	<u>\$518,114</u>	<u>\$99,595</u>

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL
FUTURE RETIREMENT RESERVE FUND
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>FINAL BUDGET</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
REVENUES:				
Other	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXPENDITURES:				
General Government	65,114	65,114	0	65,114
Security of Persons	321,282	321,282	87,877	233,405
Community Environment	<u>59,600</u>	<u>59,600</u>	<u>0</u>	<u>59,600</u>
Total Expenditures	<u>445,996</u>	<u>445,996</u>	<u>87,877</u>	<u>358,119</u>
Excess of Revenues Over (Under) Expenditures	(445,996)	(445,996)	(87,877)	358,119
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>225,000</u>	<u>225,000</u>	<u>225,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>225,000</u>	<u>225,000</u>	<u>225,000</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	(220,996)	(220,996)	137,123	358,119
FUND BALANCE BEGINNING OF YEAR	<u>901,400</u>	<u>901,400</u>	<u>901,400</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$680,404</u>	<u>\$680,404</u>	<u>\$1,038,523</u>	<u>\$358,119</u>

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL
FEMA FUND
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES:				
Intergovernmental	<u>\$0</u>	<u>\$0</u>	<u>\$15,101</u>	<u>\$15,101</u>
Total Revenues	<u>0</u>	<u>0</u>	<u>15,101</u>	<u>15,101</u>
EXPENDITURES:				
Security of Persons and Property	<u>100,000</u>	<u>100,000</u>	<u>48,745</u>	<u>51,255</u>
Total Expenditures	<u>100,000</u>	<u>100,000</u>	<u>48,745</u>	<u>51,255</u>
Excess of Revenues Over (Under) Expenditures	(100,000)	(100,000)	(33,644)	66,356
OTHER FINANCING SOURCES (USES):				
Transfers Out	<u>(150,000)</u>	<u>(150,000)</u>	<u>(68,000)</u>	<u>82,000</u>
Total Other Financing Sources (Uses)	<u>(150,000)</u>	<u>(150,000)</u>	<u>(68,000)</u>	<u>82,000</u>
NET CHANGE IN FUND BALANCE	(250,000)	(250,000)	(101,644)	148,356
FUND BALANCE BEGINNING OF YEAR	<u>251,824</u>	<u>251,824</u>	<u>251,824</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$1,824</u>	<u>\$1,824</u>	<u>\$150,180</u>	<u>\$148,356</u>

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL
SPECIAL ASSESSMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES:				
Special Assessments	<u>\$40,140</u>	<u>\$40,140</u>	<u>\$43,612</u>	<u>\$3,472</u>
Total Revenues	<u>40,140</u>	<u>40,140</u>	<u>43,612</u>	<u>3,472</u>
EXPENDITURES:				
General Government	10,000	10,000	1,384	8,616
Debt Service				
Principal	20,000	20,000	20,000	0
Interest	<u>17,258</u>	<u>17,258</u>	<u>17,257</u>	<u>1</u>
Total Expenditures	<u>47,258</u>	<u>47,258</u>	<u>38,641</u>	<u>8,617</u>
NET CHANGE IN FUND BALANCE	(7,118)	(7,118)	4,971	12,089
FUND BALANCE BEGINNING OF YEAR	<u>309,313</u>	<u>309,313</u>	<u>309,313</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$302,195</u>	<u>\$302,195</u>	<u>\$314,284</u>	<u>\$12,089</u>

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL
CEMETERY CARE FUND
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES:				
Miscellaneous	<u>\$5,000</u>	<u>\$5,000</u>	<u>\$10,640</u>	<u>\$5,640</u>
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>10,640</u>	<u>5,640</u>
FUND BALANCE BEGINNING OF YEAR	<u>194,057</u>	<u>194,057</u>	<u>194,057</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$199,057</u>	<u>\$199,057</u>	<u>\$204,697</u>	<u>\$5,640</u>

Combining Statements – Agency Funds

Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, other governmental units, and other funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

Deposits and Inspections - was established to hold deposits for various aspects of construction such as inspections, street openings, grade settings, and building deposits and to hold as agent monies received for insurance and payment of utility bills which are to be remitted as required.

Municipal Court - was established to account for those monies on deposit with Willoughby Municipal Court.

CITY OF WILLOUGHBY, OHIO
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
AS OF DECEMBER 31, 2007

	<u>DEPOSITS & INSPECTIONS</u>	<u>MUNICIPAL COURT</u>	<u>TOTAL 2007</u>
ASSETS			
Equity in City Treasury Cash and Investments	\$974,406	\$337,649	\$1,312,055
Accounts Receivable	<u>0</u>	<u>100,000</u>	<u>100,000</u>
TOTAL ASSETS	<u>\$974,406</u>	<u>\$437,649</u>	<u>\$1,412,055</u>
LIABILITIES			
Accounts Payable	\$972,597	\$68,339	\$1,040,936
Deposits Held and Due to Others	0	163,718	163,718
Due to Other Governments	<u>1,809</u>	<u>205,592</u>	<u>207,401</u>
TOTAL LIABILITIES	<u>\$974,406</u>	<u>\$437,649</u>	<u>\$1,412,055</u>

CITY OF WILLOUGHBY, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>BALANCE</u> <u>1/1/2007</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>12/31/2007</u>
DEPOSITS & INSPECTIONS				
ASSETS				
Equity in City Treasury Cash and Investments	<u>\$877,287</u>	<u>\$898,049</u>	<u>\$800,930</u>	<u>\$974,406</u>
TOTAL ASSETS	<u>\$877,287</u>	<u>\$898,049</u>	<u>\$800,930</u>	<u>\$974,406</u>
LIABILITIES				
Accounts Payable	\$875,239	\$767,557	\$670,199	\$972,597
Due to Other Governments	<u>2,048</u>	<u>130,492</u>	<u>130,731</u>	<u>1,809</u>
TOTAL LIABILITIES	<u>\$877,287</u>	<u>\$898,049</u>	<u>\$800,930</u>	<u>\$974,406</u>
MUNICIPAL COURT				
ASSETS				
Equity in City Treasury Cash and Investments	\$338,017	\$4,968,283	\$4,968,651	\$337,649
Accounts Receivable	<u>102,333</u>	<u>100,000</u>	<u>102,333</u>	<u>100,000</u>
TOTAL ASSETS	<u>\$440,350</u>	<u>\$5,068,283</u>	<u>\$5,070,984</u>	<u>\$437,649</u>
LIABILITIES				
Accounts Payable	\$72,627	\$1,531,570	\$1,535,858	\$68,339
Deposits Held and Due to Others	177,889	2,236,608	2,250,779	163,718
Due to Other Governments	<u>189,834</u>	<u>1,300,105</u>	<u>1,284,347</u>	<u>205,592</u>
TOTAL LIABILITIES	<u>\$440,350</u>	<u>\$5,068,283</u>	<u>\$5,070,984</u>	<u>\$437,649</u>
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Equity in City Treasury Cash and Investments	\$1,215,304	\$5,866,332	\$5,769,581	\$1,312,055
Accounts Receivable	<u>102,333</u>	<u>100,000</u>	<u>102,333</u>	<u>100,000</u>
TOTAL ASSETS	<u>\$1,317,637</u>	<u>\$5,966,332</u>	<u>\$5,871,914</u>	<u>\$1,412,055</u>
LIABILITIES				
Accounts Payable	\$947,866	\$2,299,127	\$2,206,057	\$1,040,936
Deposits Held and Due to Others	177,889	2,236,608	2,250,779	163,718
Due to Other Governments	<u>191,882</u>	<u>1,430,597</u>	<u>1,415,078</u>	<u>207,401</u>
TOTAL LIABILITIES	<u>\$1,317,637</u>	<u>\$5,966,332</u>	<u>\$5,871,914</u>	<u>\$1,412,055</u>



The City of Willoughby™

THE CITY OF WILLOUGHBY, OHIO



Statistical *Information*



Statistical Section

This part of the City of Willoughby'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.

<u>Contents</u>	<u>Page #</u>
<i>Financial Trends</i>	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	100-106
<i>Revenue Capacity</i>	
These schedules contain information to help the reader assess the City's most significant local revenue sources, the municipal income tax and the property tax.	107-110
<i>Debt Capacity</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.	111-115
<i>Demographic and Economic Information</i>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	116-117
<i>Operating Information</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 government provides and the activities it performs.	118-120

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2002. Schedules presenting government-wide information begin in that year.

CITY OF WILLOUGHBY, OHIO
NET ASSETS BY COMPONENT
LAST SIX YEARS
(Accrual Basis of Accounting)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
GOVERNMENTAL ACTIVITIES						
Invested in Capital Assets, Net of Related Debt	\$ 36,040,109	\$ 40,931,168	\$ 39,876,454	\$ 41,224,834	\$ 46,348,394	\$ 46,994,662
Restricted For:						
Capital Projects	5,697,451	5,837,728	4,275,201	0	0	0
Debt Service	4,275,119	273,062	1,812,314	3,952,630	3,477,601	3,694,588
Special Revenue	2,674,081	1,532,116	2,128,717	1,994,616	2,911,387	3,070,349
Permanent Fund Purpose	158,408	167,340	177,502	185,650	194,057	204,772
Unrestricted (Deficit)	<u>9,282,482</u>	<u>8,415,071</u>	<u>7,514,212</u>	<u>7,737,633</u>	<u>6,565,651</u>	<u>7,071,782</u>
Total Governmental Activities Net Assets	<u>58,127,650</u>	<u>57,156,485</u>	<u>55,784,400</u>	<u>55,095,363</u>	<u>59,497,090</u>	<u>61,036,153</u>
BUSINESS-TYPE ACTIVITIES						
Invested in Capital Assets, Net of Related Debt	34,642,111	35,223,998	35,096,164	34,959,081	35,534,234	35,229,071
Restricted For:						
Equipment Replacement	558,381	510,868	456,940	456,973	418,600	292,038
Unrestricted (Deficit)	<u>(289,790)</u>	<u>(1,461,194)</u>	<u>(2,322,769)</u>	<u>(2,517,822)</u>	<u>(3,056,030)</u>	<u>(3,141,374)</u>
Total Business-type Activities Net Assets	<u>34,910,702</u>	<u>34,273,672</u>	<u>33,230,335</u>	<u>32,898,232</u>	<u>32,896,804</u>	<u>32,379,735</u>
PRIMARY GOVERNMENT						
Invested in Capital Assets, Net of Related Debt	70,682,220	76,155,166	74,972,618	76,183,915	81,882,628	82,223,733
Restricted For:						
Capital Projects	5,697,451	5,837,728	4,275,201	0	0	0
Debt Service	4,275,119	273,062	1,812,314	3,952,630	3,477,601	3,694,588
Equipment Replacement	558,381	510,868	456,940	456,973	418,600	292,038
Special Revenue	2,674,081	1,532,116	2,128,717	1,994,616	2,911,387	3,070,349
Permanent Fund Purpose	158,408	167,340	177,502	185,650	194,057	204,772
Unrestricted (Deficit)	<u>8,992,692</u>	<u>6,953,877</u>	<u>5,191,443</u>	<u>5,219,811</u>	<u>3,509,621</u>	<u>3,930,408</u>
Total Primary Government Net Assets	<u>\$ 93,038,352</u>	<u>\$ 91,430,157</u>	<u>\$ 89,014,735</u>	<u>\$ 87,993,595</u>	<u>\$ 92,393,894</u>	<u>\$ 93,415,888</u>

CITY OF WILLOUGHBY, OHIO
CHANGES IN NET ASSETS
LAST SIX YEARS
(Accrual Basis of Accounting)

(continued on following page)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
PROGRAM REVENUES						
Governmental Activities						
Charges for Services:						
General Government	\$ 1,859,780	\$ 1,808,601	\$ 2,073,794	\$ 1,979,498	\$ 2,329,581	\$ 2,273,281
Security of Persons and Property	767,404	774,148	1,133,232	1,595,353	1,464,031	1,635,610
Public Health and Welfare	67,620	69,642	82,227	60,859	57,752	77,460
Community Environment	325,590	329,721	731,694	380,138	410,789	350,933
Leisure Time Activities	436,663	415,191	408,566	463,156	482,654	465,415
Transportation	980	850	1,416	1,360	720	247
Operating Grants, Contributions and Interest	986,298	78,071	56,572	51,133	358,392	118,956
Capital Grants and Contributions	73,232	541,506	143,860	1,183,817	4,165,287	110,980
Total Governmental Activities Program Revenues	<u>4,517,567</u>	<u>4,017,730</u>	<u>4,631,361</u>	<u>5,715,314</u>	<u>9,269,206</u>	<u>5,032,882</u>
Business-type Activities:						
Charges for Services:						
Golf Course	793,405	727,217	793,299	882,293	778,425	783,322
Sewer	3,185,803	3,320,402	3,532,603	3,858,155	3,849,829	4,352,307
Airport	153,950	164,347	179,783	180,788	187,222	138,123
Capital Grants and Contributions	408,749	456,368	102,787	277,783	564,392	247,053
Total Business-type Activities Program Revenues	<u>4,541,907</u>	<u>4,668,334</u>	<u>4,608,472</u>	<u>5,199,019</u>	<u>5,379,868</u>	<u>5,520,805</u>
Total Primary Government Program Revenues	<u>9,059,474</u>	<u>8,686,064</u>	<u>9,239,833</u>	<u>10,914,333</u>	<u>14,649,074</u>	<u>10,553,687</u>
EXPENSES						
Governmental Activities						
General Government	5,962,383	6,037,557	6,030,958	6,617,751	6,750,982	7,037,479
Security of Persons and Property	11,538,823	12,011,078	11,987,818	12,910,718	12,743,637	13,355,856
Public Health and Welfare	360,111	381,304	370,060	391,957	448,521	474,422
Community Environment	906,903	817,519	867,212	893,576	984,576	1,028,496
Leisure Time Activities	2,017,390	2,141,809	2,037,094	2,229,233	2,047,353	2,162,931
Transportation	2,892,787	2,992,462	2,853,179	3,218,135	2,736,148	3,316,323
Basic Utility Services	1,541,443	1,363,511	1,574,874	1,458,202	1,429,110	1,517,825
Interest and Fiscal Charges	700,779	734,157	918,977	938,369	881,977	879,804
Total Governmental Activities Expenses	<u>25,920,619</u>	<u>26,479,397</u>	<u>26,640,172</u>	<u>28,657,941</u>	<u>28,022,304</u>	<u>29,773,136</u>
Business-type Activities:						
Golf Course	790,733	885,864	900,161	888,853	867,957	923,882
Sewer	4,348,504	4,551,402	4,702,286	4,943,662	4,643,517	4,898,045
Airport	570,955	679,595	693,580	508,526	553,560	540,352
Total Business-type Activities Expenses	<u>5,710,192</u>	<u>6,116,861</u>	<u>6,296,027</u>	<u>6,341,041</u>	<u>6,065,034</u>	<u>6,362,279</u>
Total Primary Government Expenses	<u>31,630,811</u>	<u>32,596,258</u>	<u>32,936,199</u>	<u>34,998,982</u>	<u>34,087,338</u>	<u>36,135,415</u>
NET (EXPENSE)/REVENUE						
Governmental Activities	(21,403,052)	(22,461,667)	(22,008,811)	(22,942,627)	(18,753,098)	(24,740,254)
Business-type Activities	(1,168,285)	(1,448,527)	(1,687,555)	(1,142,022)	(685,166)	(841,474)
Total Primary Government	<u>\$ (22,571,337)</u>	<u>\$ (23,910,194)</u>	<u>\$ (23,696,366)</u>	<u>\$ (24,084,649)</u>	<u>\$ (19,438,264)</u>	<u>\$ (25,581,728)</u>

CITY OF WILLOUGHBY, OHIO
CHANGES IN NET ASSETS
LAST SIX YEARS
(Accrual Basis of Accounting)

(continued)

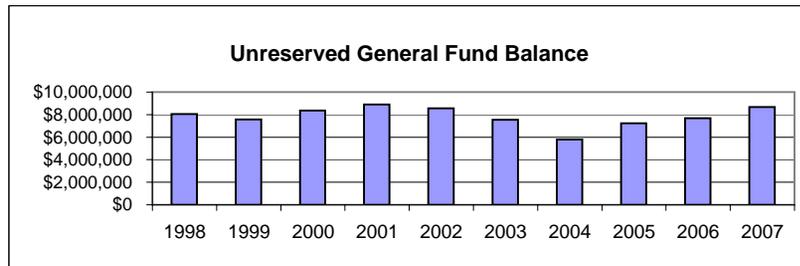
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS						
Governmental Activities:						
Property Taxes	\$ 3,542,044	\$ 3,406,795	\$ 3,908,020	\$ 3,694,441	\$ 3,780,557	\$ 4,981,602
Income Taxes	13,287,833	12,775,995	12,335,764	13,613,117	13,948,654	15,570,705
Unrestricted Grants, Entitlements and Contributions	3,072,611	3,827,506	3,979,013	4,270,153	4,508,744	4,797,309
Gain on Sale of Capital Assets	-	35,131	42,204	30,798	0	5,093
Investment Earnings	753,337	385,766	347,035	635,182	869,675	990,190
Miscellaneous	219,719	11,170	26,945	9,899	47,195	2,418
Transfers	<u>0</u>	<u>0</u>	<u>(2,255)</u>	<u>0</u>	<u>0</u>	<u>(68,000)</u>
Total Governmental Activities	<u>20,875,544</u>	<u>20,442,363</u>	<u>20,636,726</u>	<u>22,253,590</u>	<u>23,154,825</u>	<u>26,279,317</u>
Business-type Activities:						
Income Taxes	800,000	750,000	625,000	750,000	625,000	200,000
Gain on Sale of Capital Assets	0	0	0	0	0	2,039
Investment Earnings	34,317	23,108	14,763	38,817	56,756	53,393
Miscellaneous	12,014	38,389	2,200	21,102	1,982	973
Transfers	<u>0</u>	<u>0</u>	<u>2,255</u>	<u>0</u>	<u>0</u>	<u>68,000</u>
Total Business-type Activities	<u>846,331</u>	<u>811,497</u>	<u>644,218</u>	<u>809,919</u>	<u>683,738</u>	<u>324,405</u>
Total Primary Government	<u>21,721,875</u>	<u>21,253,860</u>	<u>21,280,944</u>	<u>23,063,509</u>	<u>23,838,563</u>	<u>26,603,722</u>
CHANGE IN NET ASSETS						
Governmental Activities	(527,508)	(2,019,304)	(1,372,085)	(689,037)	4,401,727	1,539,063
Business-type Activities	<u>(321,954)</u>	<u>(637,030)</u>	<u>(1,043,337)</u>	<u>(332,103)</u>	<u>(1,428)</u>	<u>(517,069)</u>
Total Primary Government	<u>\$ (849,462)</u>	<u>\$ (2,656,334)</u>	<u>\$ (2,415,422)</u>	<u>\$ (1,021,140)</u>	<u>\$ 4,400,299</u>	<u>\$ 1,021,994</u>

CITY OF WILLOUGHBY, OHIO
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST SIX YEARS
(Accrual Basis of Accounting)

<u>Year</u>	<u>Municipal Income Taxes</u>	<u>Property and Other Local Taxes</u>	<u>Total</u>
2002	\$13,287,833	\$3,542,044	\$16,829,877
2003	\$12,775,995	\$3,406,795	\$16,182,790
2004	\$12,335,764	\$3,908,020	\$16,243,784
2005	\$13,613,117	\$3,694,441	\$17,307,558
2006	\$13,948,654	\$3,780,557	\$17,729,211
2007	\$15,570,705	\$4,981,602	\$20,552,307

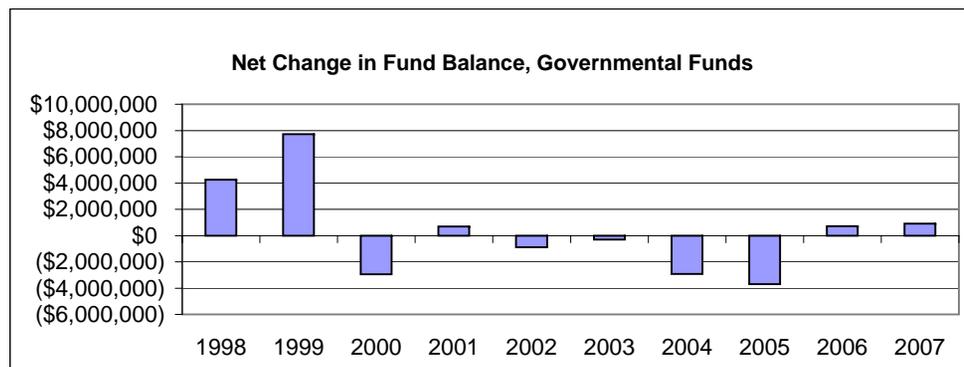
CITY OF WILLOUGHBY, OHIO
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS
(Modified Accrual Basis of Accounting)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
GENERAL FUND										
Reserved for Encumbrances	\$ 220,427	\$ 334,903	\$ 415,673	\$ 284,971	\$ 626,927	\$ 623,957	\$ 737,236	\$ 771,531	\$ 823,806	\$ 882,759
Reserved for Inventory	75,605	80,805	78,737	74,236	78,332	69,932	80,453	94,976	92,895	87,616
Reserved for Prepaid Items	98,137	96,794	103,802	257	494	444	4,975	2,176	756	3,583
Reserved for Long-Term Loan - Airport	1,326,019	1,326,019	1,326,019	1,326,019	1,326,019	1,326,019	1,326,019	1,326,019	1,326,019	1,326,019
Unreserved	<u>8,058,633</u>	<u>7,584,591</u>	<u>8,352,242</u>	<u>8,901,027</u>	<u>8,569,892</u>	<u>7,538,817</u>	<u>5,789,582</u>	<u>7,240,733</u>	<u>7,671,830</u>	<u>8,683,355</u>
Total General Fund	<u>9,778,821</u>	<u>9,423,112</u>	<u>10,276,473</u>	<u>10,586,510</u>	<u>10,601,664</u>	<u>9,559,169</u>	<u>7,938,265</u>	<u>9,435,435</u>	<u>9,915,306</u>	<u>10,983,332</u>
CAPITAL PROJECTS FUND										
Reserved for Encumbrances	926,549	7,106,533	1,645,123	959,118	3,834,942	869,192	4,080,565	1,238,442	1,074,476	801,982
Reserved for Long-Term Loan - Airport	23,176	23,176	23,176	23,176	23,176	23,176	23,176	23,176	23,176	23,176
Unreserved	<u>2,440,975</u>	<u>4,200,015</u>	<u>5,599,781</u>	<u>6,067,075</u>	<u>1,796,861</u>	<u>4,947,920</u>	<u>178,595</u>	<u>(1,624,815)</u>	<u>(2,213,186)</u>	<u>(2,454,931)</u>
Total Capital Projects Fund	<u>3,390,700</u>	<u>11,329,724</u>	<u>7,268,080</u>	<u>7,049,369</u>	<u>5,654,979</u>	<u>5,840,288</u>	<u>4,282,336</u>	<u>(363,197)</u>	<u>(1,115,534)</u>	<u>(1,629,773)</u>
GENERAL BOND RETIREMENT FUND										
Reserved for Encumbrances	1,023	9,877	10,569	11,243	10,342	10,342	10,135	9,786	9,579	9,466
Reserved for Debt Service	87,105	97,729	137,838	149,263	312,866	424,206	264,877	113,013	250,707	361,950
Reserved for Long-Term Loan - Airport	<u>1,445,055</u>	<u>1,597,836</u>	<u>1,752,401</u>	<u>1,908,553</u>	<u>2,060,800</u>	<u>2,213,922</u>	<u>2,367,617</u>	<u>2,521,572</u>	<u>2,675,465</u>	<u>2,828,962</u>
Total General Bond Retirement Fund	<u>1,533,183</u>	<u>1,705,442</u>	<u>1,900,808</u>	<u>2,069,059</u>	<u>2,384,008</u>	<u>2,648,470</u>	<u>2,642,629</u>	<u>2,644,371</u>	<u>2,935,751</u>	<u>3,200,378</u>
ALL OTHER GOVERNMENTAL FUNDS										
Reserved for Encumbrances	145,126	147,319	108,038	171,762	187,584	151,531	165,289	346,559	269,305	420,940
Reserved for Inventory	152,522	107,170	78,861	74,822	90,441	72,295	91,556	89,761	96,601	53,969
Reserved for Debt Service	552,740	527,987	520,772	524,780	501,299	494,498	501,839	407,111	309,313	314,284
Reserved for Non-Current Investments	0	0	0	135,163	155,414	97,416	0	0	0	0
Unreserved, Reported in Non-major:										
Special Revenue Funds	1,609,694	1,603,995	1,705,114	2,055,523	2,223,921	2,529,278	2,782,400	2,149,819	3,009,947	2,923,745
Permanent Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,670</u>	<u>2,994</u>	<u>69,924</u>	<u>177,502</u>	<u>185,650</u>	<u>194,057</u>	<u>204,772</u>
Total All Other Governmental Funds	<u>2,460,082</u>	<u>2,386,471</u>	<u>2,412,785</u>	<u>2,966,720</u>	<u>3,161,653</u>	<u>3,414,942</u>	<u>3,718,586</u>	<u>3,178,900</u>	<u>3,879,223</u>	<u>3,917,710</u>
Total Governmental Funds	<u>\$ 17,162,786</u>	<u>\$ 24,844,749</u>	<u>\$ 21,858,146</u>	<u>\$ 22,671,658</u>	<u>\$ 21,802,304</u>	<u>\$ 21,462,869</u>	<u>\$ 18,581,816</u>	<u>\$ 14,895,509</u>	<u>\$ 15,614,746</u>	<u>\$ 16,471,647</u>



CITY OF WILLOUGHBY, OHIO
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS
(Modified Accrual Basis of Accounting)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
REVENUES:										
Municipal Income Taxes	\$ 12,655,910	\$ 12,680,563	\$ 14,810,764	\$ 13,354,406	\$ 12,992,665	\$ 12,668,369	\$ 12,397,156	\$ 13,785,433	\$ 14,492,846	\$ 15,409,976
Property and Other Local Taxes	3,347,419	3,820,786	3,262,155	3,313,722	3,502,486	3,413,528	3,731,758	3,765,454	3,758,121	5,006,504
Intergovernmental	4,105,691	4,605,130	4,921,733	4,821,165	4,125,294	3,990,786	3,746,018	4,628,339	4,970,308	4,909,115
Charges for Services	359,546	379,439	465,399	510,914	546,521	653,144	1,247,253	1,494,868	1,501,349	1,419,620
Special Assessments	1,196,634	1,177,676	1,050,957	999,391	940,926	823,953	749,889	804,264	795,111	626,565
Fines and Forfeitures	1,394,239	1,411,399	1,743,858	1,792,593	1,960,853	1,919,942	2,206,786	2,093,376	2,413,687	2,479,794
Licenses & Permits	352,760	313,868	278,782	256,144	267,526	295,391	256,505	295,003	290,084	265,348
Interest Income	958,359	1,247,685	1,524,249	1,169,800	751,380	383,453	342,562	613,964	868,133	990,190
Miscellaneous	1,019,766	658,128	705,807	339,659	356,275	122,524	31,540	41,099	53,097	8,304
Total Revenues	25,390,324	26,294,674	28,763,704	26,557,794	25,443,926	24,271,090	24,709,467	27,521,800	29,142,736	31,115,416
EXPENDITURES:										
General Government	5,958,354	6,196,063	7,777,078	5,136,145	5,638,762	5,732,459	5,797,111	6,266,850	6,553,602	6,673,545
Security of Persons and Property	6,959,434	8,018,149	8,573,790	10,028,770	10,553,571	10,901,632	11,364,567	11,823,182	11,914,013	12,543,192
Public Health and Welfare	248,499	261,344	282,611	317,099	343,020	358,299	360,094	365,795	401,034	452,928
Community Environment	624,382	707,381	636,717	776,451	842,798	789,561	842,565	864,530	960,689	1,004,475
Leisure Time Activities	1,093,118	1,165,211	1,301,193	1,614,383	1,596,663	1,702,114	1,630,472	1,753,660	1,686,071	1,782,007
Transportation	984,836	1,239,257	1,366,847	1,485,855	1,633,448	1,706,108	1,521,732	1,671,763	1,377,708	1,651,544
Basic Utility Services	860,534	784,543	858,730	856,023	1,633,448	1,019,488	1,225,040	1,044,993	1,079,277	1,097,610
Capital Outlay	2,891,394	4,662,325	9,129,477	4,015,432	2,877,147	7,317,537	3,357,513	5,468,114	3,214,120	3,195,284
Debt Service:										
Principal	866,794	1,086,795	998,667	945,723	965,723	892,786	792,787	1,052,787	1,082,786	867,787
Interest	670,577	815,847	830,648	764,140	700,328	712,433	921,710	939,959	883,072	879,325
Total Expenditures	21,157,922	24,936,915	31,755,758	25,940,021	26,349,944	31,132,417	27,813,591	31,251,633	29,152,372	30,147,697
Excess of Revenues Over (Under) Expenditures	4,232,402	1,357,759	(2,992,054)	617,773	(906,018)	(6,861,327)	(3,104,124)	(3,729,833)	(9,636)	967,719
OTHER FINANCING SOURCES (USES)										
Transfers In	3,594,383	5,530,931	3,893,196	3,594,283	2,332,691	2,408,457	2,282,225	3,187,377	3,052,750	2,229,479
Transfers Out	(3,594,283)	(5,530,931)	(3,893,196)	(3,594,283)	(2,332,691)	(2,408,457)	(2,284,480)	(3,187,377)	(2,352,608)	(2,297,479)
Debt Issued	0	6,322,460	9,003	15,675	0	6,350,000	0	0	0	0
Sale of Capital Assets	34,020	41,896	26,825	48,771	16,949	198,438	195,544	30,798	23,972	5,093
Total Other Financing Sources (Uses)	34,120	6,364,356	35,828	64,446	16,949	6,548,438	193,289	30,798	724,114	(62,907)
Net Change in Fund Balances	\$ 4,266,522	\$ 7,722,115	\$ (2,956,226)	\$ 682,219	\$ (889,069)	\$ (312,889)	\$ (2,910,835)	\$ (3,699,035)	\$ 714,478	\$ 904,812
Debt Service as a Percentage of Noncapital Expenditures	8.42%	9.38%	8.08%	7.80%	7.10%	6.74%	7.01%	7.73%	7.58%	6.48%



CITY OF WILLOUGHBY, OHIO
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN YEARS
(Modified Accrual Basis of Accounting)

<u>Year</u>	<u>Municipal Income Taxes</u>	<u>Property & Other Local Taxes</u>	<u>Total</u>
1998	\$12,655,910	\$3,347,419	\$16,003,329
1999	\$12,680,563	\$3,820,786	\$16,501,349
2000	\$14,810,764	\$3,262,155	\$18,072,919
2001	\$13,354,406	\$3,313,722	\$16,668,128
2002	\$12,992,665	\$3,502,486	\$16,495,151
2003	\$12,668,369	\$3,413,528	\$16,081,897
2004	\$12,397,156	\$3,731,758	\$16,128,914
2005	\$13,785,433	\$3,765,454	\$17,550,887
2006	\$14,492,846	\$3,758,121	\$18,250,967
2007	\$15,409,976	\$5,006,504	\$20,416,480

CITY OF WILLOUGHBY, OHIO
INCOME TAX REVENUE BASE AND COLLECTIONS
LAST TEN YEARS (Cash Basis)

<u>Tax Year</u>	<u>Total Tax Collected</u>	<u>Tax from Withholding</u>	<u>Tax from Net Profit</u>	<u>Tax from Individuals</u>	<u>Tax -Other</u>	<u>Tax Rate</u>
1998	\$13,249,264	\$10,152,750	\$1,870,384	\$1,118,396	\$107,733	2.00%
1999	\$13,692,750	\$10,379,302	\$1,897,503	\$1,255,733	\$160,212	2.00%
2000	\$14,152,448	\$11,045,217	\$1,703,834	\$1,268,210	\$135,187	2.00%
2001	\$14,575,935	\$11,320,953	\$1,755,208	\$1,350,731	\$149,043	2.00%
2002	\$14,112,110	\$10,790,467	\$1,611,113	\$1,577,493	\$133,037	2.00%
2003	\$13,858,306	\$10,857,572	\$1,558,334	\$1,323,022	\$119,378	2.00%
2004	\$13,557,840	\$10,887,838	\$1,283,889	\$1,269,308	\$116,805	2.00%
2005	\$14,329,971	\$11,169,549	\$1,687,379	\$1,290,238	\$182,806	2.00%
2006	\$14,655,158	\$11,338,641	\$1,783,693	\$1,371,068	\$161,756	2.00%
2007	\$15,920,284	\$11,861,141	\$2,384,348	\$1,523,109	\$151,686	2.00%

Source: Central Collection Agency

The City levies a 2.00% income tax on substantially all income earned within the City. Additional increases in the income tax rate require voter approval. City residents pay City income tax on income earned outside the City, however, credit is allowed for income taxes paid to other municipalities. Council could vote to reduce the credit by 50%. Employers within the City withhold income tax on employee compensation and remit to the Central Collection Agency.

CITY OF WILLOUGHBY, OHIO
TOP TEN INCOME TAX WITHHOLDERS
AND TOP FIFTY WITHHOLDERS BY CLASSIFICATION
CURRENT YEAR AND NINE YEARS AGO

<u>2007</u>		<u>1998</u>	
<u>Rank</u>	<u>Name</u>	<u>Rank</u>	<u>Name</u>
1	Lake Hospital System	1	Lake Hospital System
2	Willoughby-Eastlake City Schools	2	Willoughby-Eastlake City Schools
3	General Electric Co.	3	General Electric Co.
4	City of Willoughby	4	Nupro Company
5	Horizon Mental Health Management, Inc.	5	City of Willoughby
6	Ohio Presbyterian -Breckenridge	6	Metal Seal & Products
7	Bescast	7	Universal Screw Machine
8	Marous Brothers Construction Inc.	8	Fluid Line Products Inc
9	C-T Consultants	9	Accurate Metal Machining
10	Fluid Line Products Inc	10	Laurelwood Hospital
 <u>Classification</u>		<u>2007</u>	<u>1998</u>
Government		\$836,856	\$618,832
Commercial, Mfg. & Other		\$4,349,658	\$4,316,570
		\$5,186,514	\$4,935,402

Source: Central Collection Agency

Due to legal restrictions and confidentiality requirements, the City cannot disclose the amount of withholdings by taxpayer.

CITY OF WILLOUGHBY, OHIO
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS

Tax Year/ Collection Year	Assessed Value				Total Taxable Assessed Value	Total Direct Tax Rate	Total Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Real Property	Other Real Estate & Public Utility Property	Tangible Personal Property	Less: Tax Exempt Real Property				
1997/1998	\$284,661,380	\$148,235,870	\$80,742,082	\$51,665,420	\$461,973,912	6.29	\$1,240,176,208	37.25%
1998/1999	\$297,258,990	\$156,943,480	\$89,622,109	\$60,640,810	\$483,183,769	7.19	\$1,297,607,708	37.24%
1999/2000	\$305,560,840	\$162,392,700	\$88,382,847	\$65,567,120	\$490,769,267	7.19	\$1,320,039,284	37.18%
2000/2001	\$339,572,650	\$180,290,940	\$94,429,869	\$67,543,970	\$546,749,489	6.91	\$1,481,861,856	36.90%
2001/2002	\$349,405,640	\$181,886,770	\$100,628,958	\$70,953,600	\$560,967,768	6.91	\$1,523,217,763	36.83%
2002/2003	\$363,187,500	\$185,031,020	\$108,073,950	\$80,851,260	\$575,441,210	6.89	\$1,563,122,369	36.81%
2003/2004	\$416,371,940	\$204,180,670	\$85,187,771	\$71,339,550	\$634,400,831	6.79	\$1,879,188,798	33.76%
2004/2005	\$421,052,440	\$214,045,810	\$89,138,482	\$70,535,520	\$653,701,212	6.68	\$1,939,600,267	33.70%
2005/2006	\$427,059,970	\$216,085,720	\$68,290,311	\$70,535,520	\$640,900,481	6.58	\$1,880,847,500	34.08%
2006/2007	\$472,614,400	\$231,761,770	\$47,091,463	\$68,324,350	\$683,143,283	8.56	\$1,979,829,477	34.51%

Source: (1) Lake County Auditor Schedule A to Certificate of Official Estimate of Revenues.

The current assessed valuation is computed at approximately the following percentages of estimated true value: real property - 35%, public utilities - 100%, and tangible personal property and equipment - 25%.

CITY OF WILLOUGHBY, OHIO
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUATION)
LAST TEN YEARS

Tax Year/ Collection Year	City of Willoughby Direct Rates							Overlapping Rates		Total Direct & Overlapping Rates
	General Fund	Debt Service Fund	Police Pension Fund	Fire Pension Fund	Recreation Fund	Road & Bridge Fund	Total City Millage	Lake County	Willoughby/ Eastlake, Kirtland School Districts	
1997/1998	3.00	2.19	0.30	0.30	0.50		6.29	14.10	47.01 (1)	67.40
1998/1999	3.00	3.09	0.30	0.30	0.50		7.19	15.60	47.01 (1)	69.80
1999/2000	3.00	3.09	0.30	0.30	0.50		7.19	15.70	47.73 (2)	70.62
2000/2001	3.16	2.65	0.30	0.30	0.50		6.91	15.70	47.14 (2)	69.75
2001/2002	3.16	2.65	0.30	0.30	0.50		6.91	15.70	47.07 (2)	69.68
2002/2003	3.16	2.63	0.30	0.30	0.50		6.89	15.70	46.89 (2)	69.48
2003/2004	3.50	2.19	0.30	0.30	0.50		6.79	15.70	48.69 (2)	71.18
2004/2005	3.50	2.08	0.30	0.30	0.50		6.68	15.70	51.07 (2)	73.45
2005/2006	3.05	2.43	0.30	0.30	0.50		6.58	15.70	50.70 (2)	72.98
2006/2007	3.48	1.98	0.30	0.30	0.50	2.00	8.56	15.70	49.82 (2)	74.08

(1) Includes .30 mills for continuous Library District Levy passed in 1990 to cover Willoughby/
Eastlake School District and distributed directly to library.

(2) Includes additional 1.00 mill Library Levy. Total Library millage is 1.30 mills.

Source: Lake County Auditor's Office

CITY OF WILLOUGHBY, OHIO
PROPERTY TAX LEVIES & COLLECTIONS
REAL & PUBLIC UTILITY PROPERTY ONLY
LAST TEN YEARS
(UNAUDITED)

Tax Year/ Collection Year	Net Tax Levy	Current Collections	Percentage of Current Collection to Net Levy	Delinquent Collections	Total Collections	Percentage of Total Collections to Net Levy
1997/1998	\$1,485,266	\$1,454,448	97.9%	\$19,102	\$1,473,550	99.2%
1998/1999	\$1,833,757	\$1,796,616	98.0%	\$36,811	\$1,833,427	100.0%
1999/2000	\$1,836,700	\$1,822,467	99.2%	\$33,461	\$1,855,928	101.0%
2000/2001	\$1,949,795	\$1,884,905	96.7%	\$34,991	\$1,919,896	98.5%
2001/2002	\$2,042,246	\$1,940,284	95.0%	\$61,636	\$2,103,882	103.0%
2002/2003	\$2,004,503	\$1,941,218	96.8%	\$44,057	\$1,985,275	99.0%
2003/2004	\$2,240,564	\$2,184,322	97.5%	\$50,360	\$2,234,682	99.7%
2004/2005	\$2,255,994	\$2,184,310	96.8%	\$58,281	\$2,242,591	99.4%
2005/2006	\$2,339,615	\$2,270,168	97.0%	\$63,732	\$2,333,900	99.8%
2006/2007	\$3,572,756	\$3,491,172	97.7%	\$82,552	\$3,573,724	100.0%

Source: Lake County Auditor's Office

Note: The County does not maintain delinquency information by tax year.

CITY OF WILLOUGHBY, OHIO
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS

Year	GOVERNMENTAL ACTIVITIES				BUSINESS-TYPE ACTIVITIES			Total Primary Government	Total Personal Income	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Special Assessment Bonds	OWDA & OPWC	Bond Antic & Notes Payable	Enterprise Bonds w/G.O. Commitment	OWDA & OPWC	Bond Antic & Notes Payable				
1998	\$6,752,965	\$2,373,980	\$39,585	\$0	\$4,078,453	\$4,731,399	\$0	\$17,976,382	\$353,764,318	5.08%	827
1999	\$12,259,340	\$2,007,200	\$13,195	\$0	\$3,857,580	\$4,771,705	\$0	\$22,909,020	\$349,857,838	6.55%	1,066
2000	\$11,635,716	\$1,645,352	\$9,003	\$225,000	\$3,598,930	\$5,046,849	\$0	\$22,160,850	\$535,054,513	4.14%	980
2001	\$11,027,846	\$1,307,949	\$24,228	\$175,000	\$3,284,203	\$5,624,460	\$0	\$21,443,686	\$535,054,513	4.01%	948
2002	\$10,399,976	\$970,547	\$23,778	\$4,220,000	\$4,754,476	\$6,129,760	\$0	\$26,498,537	\$535,054,513	4.95%	1,171
2003	\$16,107,107	\$721,863	\$22,544	\$4,525,000	\$4,486,029	\$6,967,723	\$0	\$32,830,266	\$535,054,513	6.14%	1,451
2004	\$15,457,842	\$579,575	\$21,310	\$4,650,000	\$4,187,581	\$5,997,457	\$0	\$30,893,765	\$535,054,513	5.77%	1,366
2005	\$14,548,577	\$437,287	\$20,076	\$4,950,000	\$4,241,386	\$5,196,758	\$0	\$29,394,084	\$535,054,513	5.49%	1,299
2006	\$13,609,312	\$295,000	\$18,842	\$5,060,000	\$3,851,926	\$4,330,082	\$0	\$27,165,162	\$535,054,513	5.08%	1,201
2007	\$12,762,760	\$275,000	\$17,607	\$5,000,000	\$3,450,662	\$4,724,594	\$1,350,000	\$27,580,623	\$535,054,513	5.15%	1,219

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements

(1) See the schedule of Demographic and Economic Statistics on page 116 for personal income and population data.

CITY OF WILLOUGHBY, OHIO
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST SIX YEARS
(Accrual Basis of Accounting)

<u>Year</u>	<u>General Obligation Bonds(1)</u>	<u>Less: Amount of Assets Restricted for Repayment of Debt</u>	<u>Total</u>	<u>Percent of Estimated Actual Taxable Value of Property (2)</u>	<u>Per Capita (3)</u>
2002	\$11,319,976	\$4,275,119	\$7,044,857	0.45%	\$311
2003	\$16,912,107	\$273,062	\$16,639,045	1.06%	\$736
2004	\$16,142,842	\$1,812,314	\$14,330,528	0.76%	\$634
2005	\$15,108,577	\$3,952,630	\$11,155,947	0.58%	\$493
2006	\$14,039,312	\$3,477,601	\$10,561,711	0.54%	\$467
2007	\$13,057,760	\$3,694,588	\$9,363,172	0.48%	\$414

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

- (1) All bonded debt of the City of Willoughby is backed by the full faith and credit of the city. However, those issues that have been in the past and are currently supported by business-type activities or issued by outside agencies are not included in G O Bonds.
- (2) See the schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 108 for property value data.
- (3) Population data can be found in the schedule of Demographic and Economic Statistics on page 116.

CITY OF WILLOUGHBY, OHIO
DIRECT AND OVERLAPPING DEBT
DECEMBER 31, 2007
(UNAUDITED)

	<u>Assessed Valuation (1)</u>	<u>Net General Tax Supported Debt (2)</u>	<u>Percent Overlapping</u>	<u>Amount Applicable to City of Willoughby</u>
Direct:				
City of Willoughby	\$ 683,143,283	<u>\$ 13,057,760</u>	100.00%	<u>\$ 13,057,760</u>
Overlapping:				
Willoughby-Eastlake City Schools	\$ 1,884,047,446	\$ 1,190,000	35.56%	\$ 423,164
Kirtland Local School District	\$ 351,530,314	\$ 16,704,992	3.73%	\$ 623,096
Auburn Joint Vocational S.D.	\$ 2,609,002,211	\$ -	0.50%	\$ -
Lake County	\$ 6,893,097,697	<u>\$ 23,999,000</u>	9.91%	<u>\$ 2,378,301</u>
Total Overlapping		<u>\$ 41,893,992</u>		<u>\$ 3,424,561</u>
Total Direct and Overlapping Debt		<u>\$ 54,951,752</u>		<u>\$ 16,482,321</u>

Sources: (1) Lake County Auditor's Office.

(2) Fiscal Officers of Subdivisions (Does not include any balances in Debt Service Funds).

CITY OF WILLOUGHBY, OHIO
LEGAL DEBT MARGIN INFORMATION
LAST TEN YEARS

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Overall Debt Limitation - 10.5% of Assessed Valuation	\$ 48,507,261	\$ 50,734,296	\$ 51,323,131	\$ 57,408,696	\$ 58,901,616	\$ 60,421,327	\$ 66,612,087	\$ 68,638,627	\$ 67,294,551	\$ 71,730,045
Gross Indebtedness	17,976,382	22,909,020	22,160,850	21,443,686	26,498,537	32,830,266	30,893,765	29,394,084	27,165,163	27,580,623
Less:										
OWDA	(4,546,399)	(4,596,705)	(4,890,852)	(5,261,783)	(5,777,083)	(6,485,430)	(5,607,043)	(4,830,653)	(3,988,288)	(4,303,686)
OPWC	(185,000)	(175,000)	(165,000)	(386,905)	(376,455)	(504,837)	(411,724)	(386,181)	(360,637)	(438,515)
Special Assessment Bond & Notes	(2,373,980)	(2,007,200)	(1,870,352)	(1,482,949)	(5,190,547)	(5,246,863)	(5,229,575)	(5,387,287)	(5,355,000)	(6,625,000)
Sewer Debt	(963,453)	(893,657)	(823,930)	(754,203)	(684,476)	(616,029)	(547,581)	(841,386)	(696,926)	(550,662)
Golf Debt	(1,885,000)	(1,765,000)	(1,635,000)	(1,500,000)	(3,150,000)	(3,065,000)	(2,955,000)	(2,840,000)	(2,725,000)	(2,605,000)
	<u>(9,953,832)</u>	<u>(9,437,562)</u>	<u>(9,385,134)</u>	<u>(9,385,840)</u>	<u>(15,178,561)</u>	<u>(15,918,159)</u>	<u>(14,750,923)</u>	<u>(14,285,507)</u>	<u>(13,125,851)</u>	<u>(14,522,863)</u>
Net Debt Within 10.5% Limitations	8,022,550	13,471,458	12,775,716	12,057,846	11,319,976	16,912,107	16,142,842	15,108,577	14,039,312	13,057,760
Legal Debt Margin Within 10.5% Limitation*	<u>\$ 40,484,711</u>	<u>\$ 37,262,838</u>	<u>\$ 38,547,415</u>	<u>\$ 45,350,850</u>	<u>\$ 47,581,640</u>	<u>\$ 43,509,220</u>	<u>\$ 50,469,245</u>	<u>\$ 53,530,050</u>	<u>\$ 53,255,239</u>	<u>\$ 58,672,285</u>
Total Net Debt Applicable to the 10.5% Limit as a Percentage of the Debt Limit	16.54%	26.55%	24.89%	21.00%	19.22%	27.99%	24.23%	22.01%	20.86%	18.20%
Unvoted Debt Limitation - 5.5% of Assessed Valuation	\$ 25,408,565	\$ 26,575,107	\$ 26,883,545	\$ 30,071,222	\$ 30,853,227	\$ 31,649,267	\$ 34,892,046	\$ 35,953,567	\$ 35,249,526	\$ 37,572,881
Net Debt Within 10.5% Limitations	8,022,550	13,471,458	12,775,716	12,057,846	11,319,976	16,912,107	16,142,842	15,108,577	14,039,312	13,057,760
Less Debt Outside Limitations (Voted)	<u>(756,095)</u>	<u>(6,618,950)</u>	<u>(6,375,000)</u>	<u>(6,160,000)</u>	<u>(5,940,000)</u>	<u>(5,715,000)</u>	<u>(5,480,000)</u>	<u>(5,240,000)</u>	<u>(4,995,000)</u>	<u>(4,740,000)</u>
Debt Within 5.5% Limitations	<u>7,266,455</u>	<u>6,852,508</u>	<u>6,400,716</u>	<u>5,897,846</u>	<u>5,379,976</u>	<u>11,197,107</u>	<u>10,662,842</u>	<u>9,868,577</u>	<u>9,044,312</u>	<u>8,317,760</u>
Legal Debt Margin Within 5.5% Limitation*	<u>\$ 18,142,110</u>	<u>\$ 19,722,599</u>	<u>\$ 20,482,829</u>	<u>\$ 24,173,376</u>	<u>\$ 25,473,251</u>	<u>\$ 20,452,160</u>	<u>\$ 24,229,204</u>	<u>\$ 26,084,990</u>	<u>\$ 26,205,214</u>	<u>\$ 29,255,121</u>
Total Debt Applicable to the 5.5% Limit as a Percentage of the Debt Limit	28.60%	25.79%	23.81%	19.61%	17.44%	35.38%	30.56%	27.45%	25.66%	22.14%

LEGAL DEBT MARGIN CALCULATION FOR 2007

Assessed Valuation	\$ 683,143,283
Overall Debt Limitation -(10.5% of Assessed Valuation)	\$ 71,730,045
Gross Indebtedness	27,580,623
Less :	
OWDA/OPWC	(4,742,201)
Special Assessment Bonds & Note	(6,625,000)
Sewer Debt	(550,662)
Recreation- Golf Debt	(2,605,000)
Net Debt Within 10.5% Limitations-General Obligation Bonds	<u>13,057,760</u>
Legal Debt Margin Within 10.5% Limitation	<u>\$ 58,672,285</u>
Unvoted Debt Limitation -(5.5% of Assessed Valuation)	\$ 37,572,881
Gross Indebtedness Authorized by Council	13,057,760
Less Debt Outside Limitations- Voted	(4,740,000)
Debt Within 5.5% Limitations	<u>8,317,760</u>
Legal Debt Margin Within 5.5% Limitation	<u>\$ 29,255,121</u>

* Calculated without regard to balance in Debt Service funds.

CITY OF WILLOUGHBY, OHIO
PLEGGED-REVENUE COVERAGE
LAST TEN YEARS

SPECIAL ASSESSMENT BONDS

<u>YEAR</u>	<u>SPECIAL ASSESSMENT COLLECTIONS</u>	<u>DEBT SERVICE</u>		<u>COVERAGE</u>
		<u>PRINCIPAL</u>	<u>INTEREST</u>	
1998	\$660,448	\$366,580	\$231,809	1.10
1999	\$556,570	\$366,780	\$198,145	0.99
2000	\$532,839	\$361,848	\$164,411	1.01
2001	\$488,793	\$337,403	\$131,265	1.04
2002	\$426,697	\$337,403	\$99,901	0.98
2003	\$320,762	\$248,683	\$68,530	1.01
2004	\$204,149	\$142,288	\$48,261	1.07
2005	\$191,240	\$142,288	\$37,946	1.06
2006	\$177,310	\$142,288	\$27,612	1.04
2007	\$43,612	\$20,000	\$17,257	1.17

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements

CITY OF WILLOUGHBY, OHIO
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

Year	Total Population (1)	Total Personal Income (2)	Per Capita Personal Income (1)	Median Household Income (1)	Median Age (1)	Education Attainment: Bachelor's Degree or Higher (1)	School Enrollment (4)	Unemployment Rate (3)	Population in Group Quarters (1)	Total Dwelling Units	Occupied Dwelling Units Households	Persons Per/Owner Households	Owner Occupied Housing Units (%)	Occupied County Population
1998	21,734	\$353,764,318	\$16,277	\$37,980	35.7	19.4%	3,439	3.6%	264	8,969	8,732	2.58	61.4	215,499
1999	21,494	\$349,857,838	\$16,277	\$37,980	35.7	19.4%	3,486	4.0%	264	8,969	8,732	2.58	61.4	215,499
2000	22,621	\$535,054,513	\$23,653	\$43,387	39.1	23.8%	3,412	3.6%	351	10,700	10,265	2.40	59.8	227,511
2001	22,621	\$535,054,513	\$23,653	\$43,387	39.1	23.8%	3,383	4.2%	351	10,700	10,265	2.40	59.8	227,511
2002	22,621	\$535,054,513	\$23,653	\$43,387	39.1	23.8%	3,367	6.1%	351	10,700	10,265	2.40	59.8	227,511
2003	22,621	\$535,054,513	\$23,653	\$43,387	39.1	23.8%	3,416	5.6%	351	10,700	10,265	2.40	59.8	227,511
2004	22,621	\$535,054,513	\$23,653	\$43,387	39.1	23.8%	3,471	5.4%	351	10,700	10,265	2.40	59.8	227,511
2005	22,621	\$535,054,513	\$23,653	\$43,387	39.1	23.8%	3,563	5.1%	351	10,700	10,265	2.40	59.8	227,511
2006	22,621	\$535,054,513	\$23,653	\$43,387	39.1	23.8%	3,734	5.4%	351	10,700	10,265	2.40	59.8	227,511
2007	22,621	\$535,054,513	\$23,653	\$43,387	39.1	23.8%	3,848	5.6%	351	10,700	10,265	2.40	59.8	227,511

(1) Source: U.S. Bureau of the Census 1990, 2000, & Interim Population Estimates from Lake County Planning Commission

(2) Source: Computation of per capita personal income multiplied by population

(3) Source: Ohio Bureau of Employment Statistics prior, 2007 U.S Bureau of Labor Statistics

(4) Source: Willoughby-Eastlake Board of Administration

CITY OF WILLOUGHBY, OHIO
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Employer	2007			1998		
	Employees(2)	Rank	Percentage of Total City Employment(3)	Employees(1)	Rank	Percentage of Total City Employment
Lake Hospital System (Lake West)	669	1	4.05%	549	1	NA
Willoughby-Eastlake City Schools	458	2	2.77%	390	2	NA
Ohio Presbyterian -Breckenridge	450	3	2.72%	380	3	NA
General Electric Co/Quartz Division	400	4	2.42%	300	4	NA
City of Willoughby	239	5	1.45%	244	7	NA
Giant Eagle	225	6	1.36%	300	4	NA
Deepwood Sheltered Industries	200	7	1.21%	200	9	NA
Bescast	200	7	1.21%			
BJ's Wholesale Club	180	9	1.09%			NA
HCR Manor Care	170	10	1.03%			
Metal Seal & Products				250	6	NA
CT Consultants, Inc.				212	8	NA
Sterling Truck				180	10	NA
Total	<u>3191</u>			<u>3005</u>		
Citywide (3)			<u>16532</u>			NA

Source:

- (1) Harris Industrial Directory in cooperation with Ohio Department of Development
- (2) Based on City records, individual company reporting, and Crain's Cleveland Business
- (3) TeamNEO.org website (Northeast Ohio Regional Economic Development Consortium) from 2005

CITY OF WILLOUGHBY, OHIO
FULL-TIME CITY EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN YEARS

FULL-TIME EMPLOYEES AS OF DECEMBER 31

<u>FUNCTION/PROGRAM</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<u>Governmental</u>										
General Government										
Council	9	8	8	8	8	8	8	8	8	8
Mayor	2	2	2	2	2	2	2	2	2	2
Law	3	3	3	3	3	3	3	3	3	3
Personnel	2	1	1	1	1	1	1	1	1	1
Court	24	25	24	25	26	25	26	26	26	27
Building & Grounds	8	6	8	6	8	8	8	8	7	7
Finance	10	10	11	10	9	9	9	9	9	9
Service	6	6	6	6	6	6	6	6	6	5
Vehicle Maintenance	6	6	6	5	5	5	5	5	5	5
Security of Persons and Property										
Police	53	57	59	60	60	60	60	60	59	59
Fire	44	44	44	43	44	44	42	41	40	41
Public Health and Welfare										
Cemetery	3	3	3	3	3	3	2	2	3	3
Community Environment										
Building	8	8	8	8	8	8	8	8	8	8
Community Development	2	2	2	2	2	2	2	2	2	2
Leisure Time Activities										
Parks	4	5	5	4	5	5	5	5	5	5
Recreation	7	7	7	7	7	7	7	7	7	7
Transportation										
Street	16	16	16	16	15	15	13	12	12	12
Traffic	3	3	3	3	3	3	2	2	2	2
Total Governmental	<u>210</u>	<u>212</u>	<u>216</u>	<u>212</u>	<u>215</u>	<u>214</u>	<u>209</u>	<u>207</u>	<u>205</u>	<u>206</u>
<u>Business-Type</u>										
Sewer										
Sewer	7	7	7	7	7	7	7	7	7	7
WPCC	23	23	23	23	23	23	23	22	21	22
Airport	1	1	1	1	1	1	1	1	1	1
Golf Course	3	4	4	4	4	4	3	3	3	3
Total Business-Type	<u>34</u>	<u>35</u>	<u>35</u>	<u>35</u>	<u>35</u>	<u>35</u>	<u>34</u>	<u>33</u>	<u>32</u>	<u>33</u>
Totals	<u>244</u>	<u>247</u>	<u>251</u>	<u>247</u>	<u>250</u>	<u>249</u>	<u>243</u>	<u>240</u>	<u>237</u>	<u>239</u>

Source: City of Willoughby Finance Dept.

CITY OF WILLOUGHBY, OHIO
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN YEARS

<u>OPERATING INDICATORS BY FUNCTION/PROGRAM</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<u>Governmental</u>										
General Government										
Council - Ordinances & Resolutions	221	212	214	215	221	169	159	190	177	155
Personnel - Civil Service Exams (taken)	56	201	110	133	178	71	139	156	137	34
Court - Number of cases	18,664	18,094	18,537	17,367	20,096	20,059	21,089	18,984	18,735	17,811
Finance										
Number of A/P checks processed	8,395	8,362	8,814	9,691	8,308	8,301	7,739	7,244	7,076	7,047
Number of purchase orders issued	1,053	1,100	1,116	1,126	1,046	1,058	856	837	945	963
Security of Persons and Property										
Police										
Total Arrests & other Citations	4,775	5,436	5,405	7,048	7,391	6,296	6,632	5,886	5,548	5,436
Parking Citations	1,895	1,857	1,707	NA	1,745	1,543	1,696	1,552	1,554	1,567
Fire										
Total Number of Calls	3,764	4,012	4,112	3,999	4,213	4,467	4,375	4,526	4,543	4,555
Public Health and Welfare										
Cemetery (plots sold)	68	57	43	59	68	72	90	60	55	84
Community Environment										
Building										
Building Permits Issued	1,095	1,074	1,039	961	1,065	1,100	1,010	978	993	897
Inspections - Residential	4,251	4,022	4,373	4,057	4,218	4,696	3,490	3,438	5,150	4,340
- Industrial	2,998	2,473	1,983	1,544	1,652	1,572	994	1,260	1,113	606
Leisure Time Activities										
Parks - Bus Rides										
	7,962	6,332	6,188	6,244	4,048	5,236	5,378	5,616	8,746	7,343
- Program Participants	420	433	488	511	432	368	488	312	307	301
Pools - Bus Rides										
	3,142	3,007	1,776	1,887	1,165	1,448	discontinued			
- Attendance	61,374	56,994	62,094	75,260	74,414	60,705	53,860	71,466	66,868	68,544
Senior Center - Membership										
	1,412	1,773	1,517	1,285	1,426	1,219	1,133	1,095	1,316	1,346
- Attendance	21,533	20,409	20,620	21,134	22,786	23,316	22,481	24,948	26,329	27,503
<u>Business-Type</u>										
Sewer										
Sewer - Point of Sale Inspections	301	309	360	298	325	295	330	319	324	268
WPCC										
Flow Data MG (millions of gallons)	2,241	24	2,556	2,369	2,446	28	2,558	2,624	2,705	2,365
Golf Course										
Rounds of golf	NA	58,458	50,673	51,009	44,610	41,856	41,842	44,930	39,623	38,698

Source: Various Willoughby Departments

CITY OF WILLOUGHBY, OHIO
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN YEARS

<u>FUNCTION/PROGRAM</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Governmental Capital Assets										
General Government										
Other Departmental Vehicles	40	43	44	43	43	40	40	40	42	40
City Hall Square Footage	25,884	25,884	25,884	25,884	25,884	25,884	25,884	25,884	25,884	25,884
Municipal Court Square Footage								30,950	30,950	30,950
Security of Persons and Property										
Police										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Number of Vehicles	24	24	25	28	29	31	31	32	32	32
Square Footage of Building	28,924	28,924	28,924	28,924	28,924	28,924	28,924	28,924	28,924	28,924
Fire										
Number of Stations	2	2	2	2	2	2	2	2	2	2
Number of Vehicles	18	17	17	17	15	15	16	16	17	18
Square Footage of Buildings	27,886	27,886	27,886	37,878	37,878	37,878	37,878	37,878	37,878	37,878
Public Health and Welfare										
Cemetery										
Number of Cemeteries	2	2	2	2	2	2	2	2	2	2
Number of Acres	50	50	50	50	50	50	50	50	50	50
Number of Vehicles	2	2	2	2	2	2	2	2	2	2
Community Environment										
Building & Zoning										
Number of Vehicles	5	5	5	5	5	5	5	5	5	5
Leisure Time Activities										
Number of Parks	12	12	12	12	12	13	14	14	14	14
Parks Acreage	150	153	153	153	153	186	186	186	186	186
Number of Swimming Pools	1 large / 1 sm	2 large / 1sm								
Number of Ballfields	15	15	15	15	15	14	14	14	14	14
Recreation - Senior Center	1	1	1	1	1	1	1	1	1	1
Senior Center Square Footage	31,974	31,974	31,974	31,974	31,974	31,974	31,974	31,974	31,974	31,974
Number of Vehicles	13	14	14	14	14	13	13	13	13	14
Transportation										
Miles of Streets	80	80	80	80	80	89	89	89	89	89
Number of Street Lights	2,875	2,875	2,875	2,875	2,920	2,920	2,920	2,920	2,920	2,920
Number of Traffic Lights	354	354	354	354	354	354	354	354	354	354
Business-Type Capital Assets										
Sewers										
Miles of Sanitary Sewers	93	93	93	93	93	93	93	93	93	93
Miles of Storm Sewers	92	92	92	92	92	92	92	92	92	92
Airport										
Number of Runways	2	2	2	2	2	2	2	2	2	2
Golf Course										
Number of Holes	18	18	18	18	18	18	18	18	18	18
Number of Acres	141	141	141	141	141	141	141	141	141	141
Number of Vehicles	1	1	1	1	1	1	1	1	1	2

Sources: Various Willoughby Departments
Municipal Court completed 2005

THE CITY OF WILLOUGHBY, OHIO



History

Family

Fun

Progress



PRINTED ON RECYCLED PAPER



Mary Taylor, CPA
Auditor of State

CITY OF WILLOUGHBY

LAKE 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
JUNE 17, 2008**