

CITY OF WILLOUGHBY, OHIO

AUDIT REPORT

FOR THE YEAR ENDED DECEMBER 31, 2010



Dave Yost • Auditor of State

Members of City Council
City of Willoughby
4169 River Street
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, 2010 through December 31, 2010. 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.

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

Dave Yost
Auditor of State

June 15, 2011

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**CITY OF WILLOUGHBY, OHIO
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2010**

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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

**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, 2010, which collectively comprise the City of Willoughby, Ohio's basic financial statements and have issued our report thereon dated April 27, 2011, wherein we noted the City implemented the provisions of GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions* and restated the December 31, 2009 fund balances of the General Fund and the Nonmajor Governmental Funds due to a change in fund structure. 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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

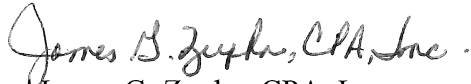
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider 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 a certain matter that we reported to management of the City of Willoughby, Ohio, in a separate letter dated April 27, 2011.

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

April 27, 2011

THE CITY OF WILLOUGHBY, OHIO



2010

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended December 31, 2010



2010

COMPREHENSIVE ANNUAL FINANCIAL REPORT

for the year ended December 31, 2010

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
Veronica Novotney
Christine Pedersen
Debbie Schreibman

The City of
Willoughby, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2010

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City Of Willoughby

David E. Anderson
Mayor and Safety Director

May 3, 2011

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, 2010, 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, 2010, 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, 2010, 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 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 branch level and within each branch 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 Momentive Performance Material, Bescast Inc. and Fluid Line Products.

In addition to our significant manufacturing base the City is also home to Lake Health which has managed to remain an independent health care 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 completed renovations of City Hall. City Hall was a fifty year old facility, which previously housed the Willoughby Municipal Court. Space was vacated when they moved to their new building five years ago. In addition to reorganizing and moving City Hall staff, concentration was on making the facility more energy efficient with improved technology and preparing the facility for the future.

The City continued its work on various sewer projects throughout the City. Included was construction for two ARRA sewer lining projects which were constructed during 2010 for which the City received a 50% grant and a low interest loan. The City also embarked on a SSES project (Sewer System Evaluation Study). This project will be completed in 2011 and sets a blueprint for sewer improvements over the next twenty years.

The City road program spent approximately \$1 million dollars on the rehabilitation and repaving of various roads in the City. This is made possible by a road levy passed by Willoughby voters.

RELEVANT FINANCIAL POLICIES

Union contracts were negotiated and completed in 2010. The three year contracts were settled for no wage increase in the first year and 2% wage increases in the following two years of the agreement. The contracts included an employee contribution of 10% of the total health care cost on a bi-weekly basis as well as deductibles, out of pocket maximums and increased co-pays on office visits and prescription drugs. All negotiations were completed in a timely manner.

LONG TERM FINANCIAL PLANNING

The Mayor and Council appointed ten members of the community from various professions to review operations of the City and to take an unbiased review of City practices and policies. The task force met with City Directors and Chiefs for informational sessions. The task force proposed a series of revenue increases and spending reductions to span short, intermediate and long term time frames. The administration and Council have implemented some of these proposals immediately, resulting in cost savings for 2011. Other intermediate term recommendations are being reviewed and may be implemented over time.

AWARDS & ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (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, 2009. This was the 24th 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.

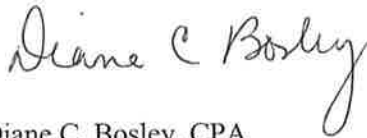
The preparation of the Comprehensive Annual Financial Report, on a timely basis, was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

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



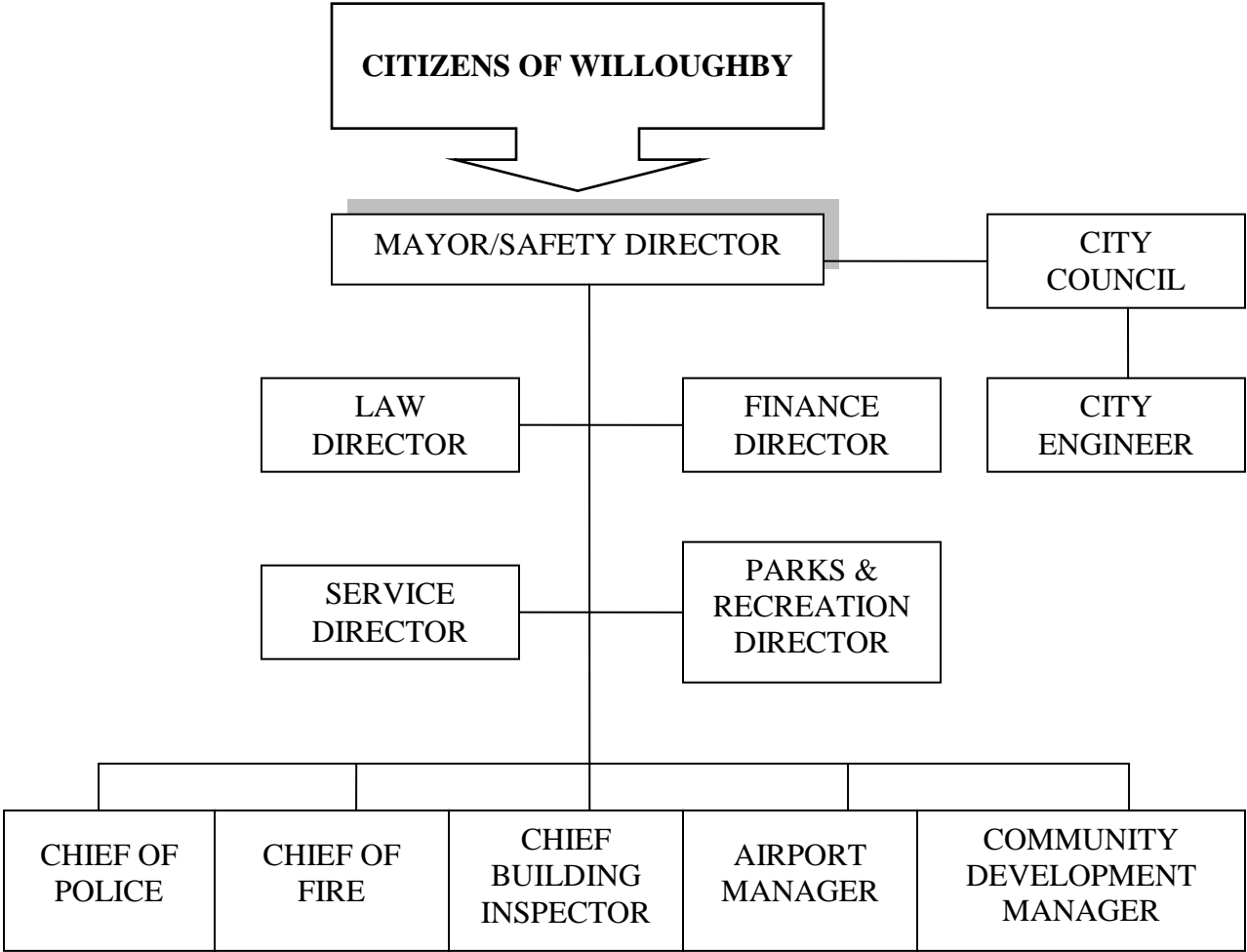
Enriched by its History

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 3
Jerome P. Ranally / President

Ward 1
Christopher W. Woodin

Ward 4
Robert E. Carr

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, 2009

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



President

Executive Director



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 David Yost
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, 2010, 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 the 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, Ohio, as of December 31, 2010, 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.

As described in Note 3, the City adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and restated the December 31, 2009 fund balances of the General Fund and the Nonmajor Governmental Funds due to a change in fund structure.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 27, 2011, 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 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 should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 12 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Willoughby, Ohio's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



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

April 27, 2011

**CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

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, 2010. 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

During 2010, the City early implemented GASB 54, "Fund Balance Reporting and Governmental Fund Type Definitions". The new standard replaces the previous reserved, unreserved and designated fund balance categories with five classifications: nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance.

The assets of the City of Willoughby exceeded liabilities by \$96,598,753. Assets in Governmental activities exceeded liabilities by \$67,069,513 and \$29,529,240 in Business-Type activities. Governmental assets increased most significantly because of recognition of donated infrastructure assets, from projects that were undertaken by the State of Ohio.

Total liabilities of the City of Willoughby increased \$16,572 as compared to 2009. Total liabilities of governmental activities decreased by \$512,704 with repayment of debt and total liabilities of business type-activities increased by \$529,276, primarily due to issuance of additional OWDA sewer debt.

The total unrestricted net assets of the City is \$4,022,685, a decrease of \$746,526 from 2009.

The overall financial condition of the City did not materially change from 2009 to 2010.

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

**CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

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).

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 25 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.

**CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

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. The General Bond Retirement fund accounts for resources accumulated and payments made for principal and interest on long-term debt of 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 65 of this report.

**CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

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 (84%) 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 2010 compared to 2009.

	City of Willoughby's Net Assets					
	Governmental Activities		Business-type Activities		Total Government	
	2010	2009	2010	2009	2010	2009
Current and other assets	31,666,510	35,395,007	(1,098,977)	(1,108,493)	30,567,533	34,286,514
Capital assets	68,053,784	58,109,819	44,910,839	44,883,682	112,964,623	102,993,501
Total Assets	99,720,294	93,504,826	43,811,862	43,775,189	143,532,156	137,280,015
Current and other liabilities	15,335,346	14,953,702	4,068,157	4,145,221	19,403,503	19,098,923
Long term liabilities outstanding	17,315,435	18,209,783	10,214,465	9,608,125	27,529,900	27,817,908
Total Liabilities	32,650,781	33,163,485	14,282,622	13,753,346	46,933,403	46,916,831
Net Assets:						
Invested in capital assets, net of debt	48,774,106	38,089,025	32,076,339	32,774,856	80,850,445	70,863,881
Restricted	11,426,102	14,351,441	299,521	378,651	11,725,623	14,730,092
Unrestricted (deficit)	6,869,305	7,900,875	(2,846,620)	(3,131,664)	4,022,685	4,769,211
Total Net Assets	67,069,513	60,341,341	29,529,240	30,021,843	96,598,753	90,363,184

An additional portion of the City's net assets (12.1%) represents resources that have been restricted on how they may be used. The remaining balance of unrestricted net assets (\$4,022,685) may be used to meet the government's ongoing obligations to citizens and creditors.

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 \$2,846,620 which is primarily attributable to liabilities of the Airport fund consisting of amounts that are due to other funds.

**CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

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	
	2010	2009	2010	2009	2010	2009
Revenues						
Program Revenues						
Charges for Services	5,108,310	5,071,212	5,103,047	5,267,616	10,211,357	10,338,828
Operating Grants, Contributions & Interest	112,956	93,517			112,956	93,517
Capital Grants & Contributions	8,963,623	681,633	966,346	453,353	9,929,969	1,134,986
General Revenues						
Municipal Income Taxes	14,209,122	14,318,774			14,209,122	14,318,774
Property & Other Local Taxes	4,377,809	4,504,172			4,377,809	4,504,172
Grants & Entitlements	4,795,991	4,659,956			4,795,991	4,659,956
Investment Earnings	236,115	433,778	1,378	4,170	237,493	437,948
Miscellaneous	54,897	5,459	8,845	100	63,742	5,559
Total Revenues	37,858,823	29,768,501	6,079,616	5,725,239	43,938,439	35,493,740
Expenses						
General Government	7,349,232	7,413,446			7,349,232	7,413,446
Security of Persons & Property	14,401,962	14,372,778			14,401,962	14,372,778
Public Health & Welfare	503,663	503,104			503,663	503,104
Community Environment	945,027	964,906			945,027	964,906
Leisure Time Activities	2,265,276	2,274,300			2,265,276	2,274,300
Transportation	3,331,613	3,360,716			3,331,613	3,360,716
Basic Utility Services	1,666,146	1,699,706			1,666,146	1,699,706
Interest & Fiscal Charges	522,732	705,001			522,732	705,001
Golf Course			998,249	1,016,247	998,249	1,016,247
Sewer			5,249,862	5,156,297	5,249,862	5,156,297
Airport			469,108	504,073	469,108	504,073
Total Expenses	30,985,651	31,293,957	6,717,219	6,676,617	37,702,870	37,970,574
Excess(Deficiency) Prior to Transfers	6,873,172	(1,525,456)	(637,603)	(951,378)	6,235,569	(2,476,834)
Transfers	(145,000)	(62,164)	145,000	62,164	0	0
Change in Net Assets	6,728,172	(1,587,620)	(492,603)	(889,214)	6,235,569	(2,476,834)
Net Assets Beginning of Year	60,341,341	61,928,961	30,021,843	30,911,057	90,363,184	92,840,018
Net Assets End of Year	67,069,513	60,341,341	29,529,240	30,021,843	96,598,753	90,363,184

Governmental Activities

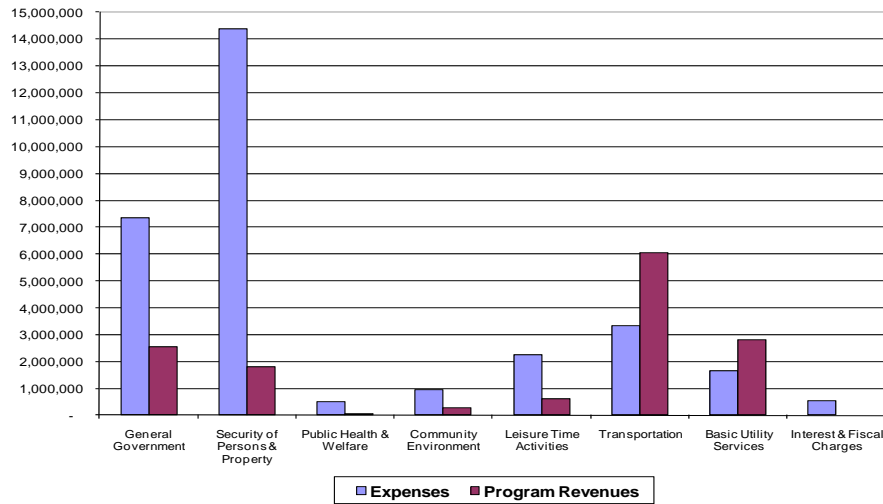
Income tax in governmental funds was nearly flat. Income tax collections for withholdings and individuals were up slightly over 2009, but net profits were lower in 2010 compared to 2009.

Property and other local taxes were also slightly lower in 2010. Grants and entitlements increased by 2.9% mainly from an increase in estate taxes. Investment earnings were down 45.6% in a continued declining interest rate environment. The overall increase in revenue of 27.2% is mainly attributable to grants for fire equipment and state and federally funded road improvement projects.

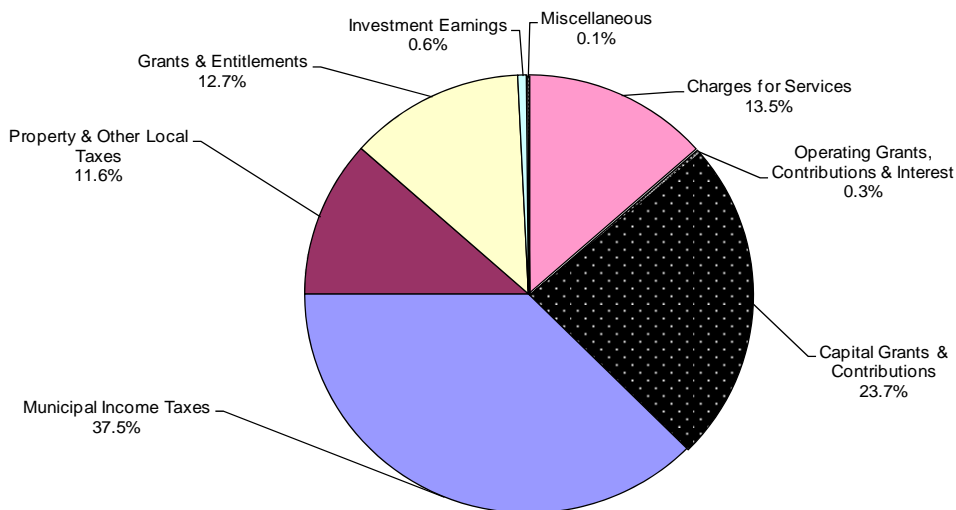
**CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

Expenses in governmental activity were down in 2010. Lower interest expenses for debt had the largest percentage decrease. Program expenses were down or nearly flat in all areas showing an awareness of the economy as a whole and its impact on Willoughby. Full time employment at the City remained static for 2010.

Expenses & Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities

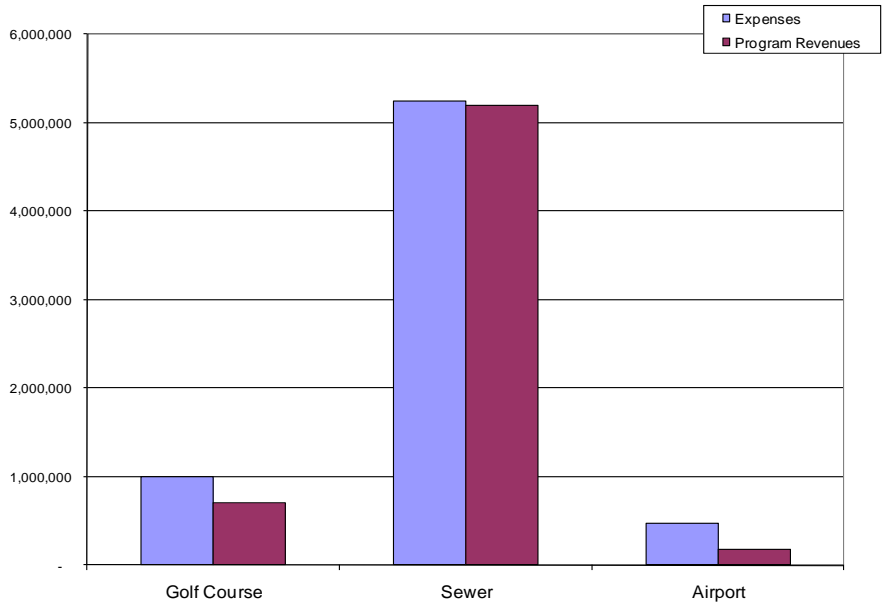


**CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

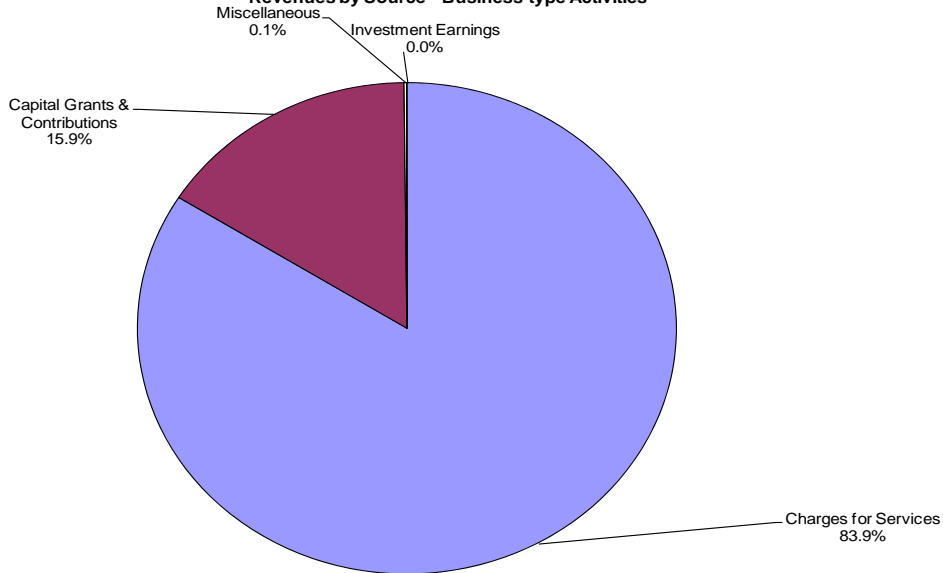
Business-Type Activities

Business-type activities account for 30.6% of the City of Willoughby's total net assets. Most revenues were stable in 2010. The City saw an increase in Capital grants for Sewer projects that received ARRA funds. Expenses increased by less than 1% with total costs for Golf and Airport lower than in 2009.

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



**CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

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, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Fund balances are the differences between assets and liabilities reported in a governmental fund. The nonspendable fund balance includes amounts that are not in spendable form, or amounts that are required to be maintained intact. Restricted fund balance include amounts that can be spent only for the specific purposes stipulated by external providers, such as grant providers or bondholders, as well as amounts that are restricted constitutionally or through legislation. Committed fund balance includes amounts that can be used only for specific purposes that are determined by a formal action of the government's highest level of decision-making authority. Assigned fund balance applies to amounts that are intended for specific purposes as expressed by the governing body or authorized official and applies to remaining resources in any governmental fund other than the general fund. Unassigned fund balance includes all amounts not contained in other classifications for the general fund and deficit fund balances in any other governmental fund.

At the end of the current fiscal year, the City of Willoughby's governmental funds report combined ending fund balances of \$11,943,187. Nonspendable fund balance of \$1,851,830 includes interfund loans, prepaids, inventory, and cemetery investments. Fund balances in the amount of \$7,003,433 are restricted primarily for roads and infrastructure, municipal court purposes, police and fire department operations, and debt service. The General Bond Retirement fund balance increase is primarily because of the change in due from other funds, related to payment of a portion of Golf Course debt for the year. Committed fund balance of \$324,715 is for capital improvements and is significantly less than in 2009 when City Hall project contracts were outstanding. Assigned fund balance of \$1,675,905 includes future severance payments and other amounts for all of the program functions of government in the General Fund. Unassigned fund balance of \$1,087,304 represents all of the remaining funds, \$7,034,921 of the General Fund reduced by the deficit unassigned balance (\$5,947,617) of the Capital Projects fund.

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 (\$670,972) compared to (\$521,006) in 2009. The amount due to other funds is \$629,662 and is most significantly for debt payments.

Unrestricted net assets of the Sewer fund increased from \$1,844,852 to \$2,321,230. The increase in unrestricted net assets is primarily because of amounts due from other governments for sewer projects.

Unrestricted net assets of the Airport fund carry a deficit balance of (\$4,496,878). The accumulated deficit is caused by past advances and debt payments that had to be made for the airport from other funds and this year's increase in the note payable.

**CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

General Fund Budgetary Highlights – The only adjustment to total budget required to be made for the General Fund in 2010 was for a transfer to the Golf Course fund. The year saw revenues exceeding forecasts by \$478,953 and expenditures nearly \$1,500,000 under the amounts requested. Although income tax forecasts were less than budgeted, other revenue forecasts were exceeded. The City Administration and Council continue to closely monitor and tighten expenditures by the General fund departments in light of economic uncertainty. The City chooses to operate within its original budget framework even though forecasts may be exceeded on the revenue side and expenditures will be contained.

Capital Assets and Debt Administration

Capital Assets - The City's investment in capital assets for governmental and business-type activities as of December 31, 2010, was \$112,964,623 (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 12.4% increase over the prior year for governmental activities and 2.8% over for business-type activities. These changes are calculated before depreciation.

City of Willoughby's Capital Assets						
	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	7,747,432	7,747,432	10,009,383	10,009,383	17,756,815	17,756,815
Construction in Progress	4,681,457	6,865,779	1,215,996	389,546	5,897,453	7,255,325
Buildings	22,187,333	19,531,782	19,266,174	18,369,834	41,453,507	37,901,616
Improvements	14,465,837	14,338,032	44,049,946	43,746,483	58,515,783	58,084,515
Machinery & Equipment	10,473,710	10,024,181	4,692,400	4,593,478	15,166,110	14,617,659
Infrastructure	46,926,820	36,247,591			46,926,820	36,247,591
Total Capital Assets	106,482,589	94,754,797	79,233,899	77,108,724	185,716,488	171,863,521
Accumulated Depreciation	(38,428,805)	(36,644,978)	(34,323,060)	(32,225,042)	(72,751,865)	(68,870,020)
Capital Assets (Net)	68,053,784	58,109,819	44,910,839	44,883,682	112,964,623	102,993,501

Major capital asset events during 2010 were as follows:

The City completed a road repaving and rehabilitation project utilizing road and bridge levy funds.

New vehicle purchases included two dump trucks and one pick-up truck for the Street Department, three patrol cars and three Chevy Tahoe's for the Police department, an ambulance for the Fire department, and a replacement bus for the Senior Center.

The 911 upgrade and City Hall renovations were completed.

Sewer projects included the completion of the clarifier rehab at the Water Pollution Control Center and a joint Sewer System Evaluation Study has begun. The Erie Rd pump station and sanitary sewer improvements were completed. Construction began on Vine/Orchard and the Trunk sanitary sewer improvement projects.

**CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

Additional information regarding capital assets can be found starting on page 48 of the notes to the financial statements.

Outstanding Debt - The City's outstanding debt decreased by \$43,030.

City of Willoughby's Outstanding Debt at December 31						
	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
General Obligation Bonds	10,348,972	11,149,654			10,348,972	11,149,654
Special Assessment Bonds	200,000	225,000			200,000	225,000
Enterprise Bonds w/ G.O. Commitment			2,356,898	2,599,534	2,356,898	2,599,534
OWDA & OPWC	14,523	15,140	7,093,785	6,215,292	7,108,308	6,230,432
Capital Notes Payable	8,916,183	8,856,000	3,383,817	3,294,000	12,300,000	12,150,000
Police Pension Liability	111,823	114,411			111,823	114,411
TOTAL	19,591,501	20,360,205	12,834,500	12,108,826	32,426,001	32,469,031

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 \$627,858,723 at the end of 2010. The City has borrowed 49.1% 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 \$150,000. The City has outstanding notes of \$8,916,183 for the Riverside Commons Special Assessment and City Hall Renovation Projects and a \$3,383,817 note for improvements to the City owned and operated municipal golf course, and for sewer and airport improvements. Additional information regarding the City's debt can be found starting on page 56 of the notes to the financial statements.

Economic Factors and Next Year's Budget

The City of Willoughby has remained strong despite a challenging environment of the state and national economy. The City has not reduced its services to taxpayers at this time. With the help of Council and the Mayor a task force on fiscal strategies was assembled. This group made up of citizens from various professions met with Directors and Chiefs and reviewed operations and procedures of the City. This group made recommendations, some of which are being further studied and others that are being implemented with the goal of best servicing the City. The City has delayed a new capital improvement program until at least the fourth quarter and will assess economic conditions at that time. We will go forward with previously authorized projects, as well as a significant road program utilizing road levy money.

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, 2010

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Equity in City Treasury Cash and Investments	\$ 14,246,688	\$ 1,683,914	\$ 15,930,602
Inventory	222,008	43,421	265,429
Accrued Interest Receivable	27,247	6,282	33,529
Accounts Receivable	135,331	181,759	317,090
Prepaid Items	3,800	2,640	6,440
Intergovernmental Receivable	2,460,528	1,494,380	3,954,908
Taxes Receivable	8,478,123	0	8,478,123
Internal Balances	5,110,416	(5,110,416)	0
Restricted Assets -Cash	0	599,043	599,043
Special Assessments Receivable	873,425	0	873,425
Unamortized Bond Issuance Costs	108,944	0	108,944
Nondepreciable Capital Assets	12,428,889	11,225,379	23,654,268
Depreciable Capital Assets, Net	55,624,895	33,685,460	89,310,355
TOTAL ASSETS	<u>99,720,294</u>	<u>43,811,862</u>	<u>143,532,156</u>
LIABILITIES			
Accounts Payable	750,654	254,851	1,005,505
Matured Compensated Absences Payable	134,568	0	134,568
Salaries, Wages and Benefits Payable	1,402,911	150,893	1,553,804
Accrued Interest Payable	58,150	119,446	177,596
Property Taxes Payable	0	4,625	4,625
Intergovernmental Payable	26,232	154,525	180,757
Notes Payable	8,916,183	3,383,817	12,300,000
Unearned Revenue	4,043,708	0	4,043,708
Matured Bonds and Interest Payable	2,940	0	2,940
Long-Term Liabilities:			
Due Within One Year	2,474,438	878,820	3,353,258
Due In More Than One Year	14,840,997	9,335,645	24,176,642
TOTAL LIABILITIES	<u>32,650,781</u>	<u>14,282,622</u>	<u>46,933,403</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	48,774,106	32,076,339	80,850,445
Restricted for:			
Capital Projects	3,307,452	0	3,307,452
Debt Service	4,244,518	0	4,244,518
Equipment Replacement	0	299,521	299,521
Street Construction Maintenance and Repair	1,736,308	0	1,736,308
Security of Persons	1,126,261	0	1,126,261
Municipal Court	669,598	0	669,598
Other Purposes	104,333	0	104,333
Permanent Fund Purpose:			
Nonexpendable - Cemetery Fund	237,632	0	237,632
Unrestricted (Deficit)	6,869,305	(2,846,620)	4,022,685
TOTAL NET ASSETS	<u>\$ 67,069,513</u>	<u>\$ 29,529,240</u>	<u>\$ 96,598,753</u>

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010

	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	\$ 7,349,232	\$ 2,543,003	\$ 9,836	\$ 0	\$ (4,796,393)		\$ (4,796,393)
Security of Persons and Property	14,401,962	1,706,581	99,722	0	(12,595,659)		(12,595,659)
Public Health and Welfare	503,663	73,428	0	0	(430,235)		(430,235)
Community Environment	945,027	280,372	0	0	(664,655)		(664,655)
Leisure Time Activities	2,265,276	503,131	0	125,533	(1,636,612)		(1,636,612)
Transportation	3,331,613	1,795	3,398	6,030,190	2,703,770		2,703,770
Basic Utility Services	1,666,146	0	0	2,807,900	1,141,754		1,141,754
Interest and Fiscal Charges	522,732	0	0	0	(522,732)		(522,732)
TOTAL GOVERNMENTAL ACTIVITIES	30,985,651	5,108,310	112,956	8,963,623	(16,800,762)		(16,800,762)
BUSINESS-TYPE ACTIVITIES							
Golf Course	998,249	700,250	0	0		\$ (297,999)	(297,999)
Sewer	5,249,862	4,227,428	0	966,346		(56,088)	(56,088)
Airport	469,108	175,369	0	0		(293,739)	(293,739)
TOTAL BUSINESS-TYPE ACTIVITIES	6,717,219	5,103,047	0	966,346		(647,826)	(647,826)
TOTAL	\$37,702,870	\$10,211,357	\$112,956	\$9,929,969	(16,800,762)	(647,826)	(17,448,588)
GENERAL REVENUES							
Property Taxes Levied for:							
					1,769,012		1,769,012
					1,541,037		1,541,037
					956,899		956,899
					110,861		110,861
Income Taxes Levied for:							
					13,759,122		13,759,122
					450,000		450,000
					4,795,991		4,795,991
					23,434	7,022	30,456
					236,115	1,378	237,493
					31,463	1,823	33,286
TOTAL GENERAL REVENUE					23,673,934	10,223	23,684,157
Transfers					(145,000)	145,000	0
TOTAL GENERAL REVENUES AND TRANSFERS					23,528,934	155,223	23,684,157
CHANGE IN NET ASSETS					6,728,172	(492,603)	6,235,569
NET ASSETS BEGINNING OF YEAR					60,341,341	30,021,843	90,363,184
NET ASSETS END OF YEAR					\$ 67,069,513	\$ 29,529,240	\$ 96,598,753

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2010

	<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	\$6,784,669	\$3,715,047	\$38,200	\$3,708,772	\$14,246,688
Inventory-Supplies	119,200	0	0	102,808	222,008
Accrued Interest Receivable	16,299	10,948	0	0	27,247
Accounts Receivable	133,818	1,148	0	365	135,331
Prepaid Items	3,800	0	0	0	3,800
Due from Other Governments	1,810,849	11,644	40,200	597,835	2,460,528
Taxes Receivable	5,613,730	0	1,137,634	1,726,759	8,478,123
Due from Other Funds	1,360,214	28,176	3,732,909	1,543	5,122,842
Special Assessments Receivable	<u>0</u>	<u>0</u>	<u>0</u>	<u>873,425</u>	<u>873,425</u>
TOTAL ASSETS	<u>\$15,842,579</u>	<u>\$3,766,963</u>	<u>\$4,948,943</u>	<u>\$7,011,507</u>	<u>\$31,569,992</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$70,392	\$433,862	\$0	\$246,400	\$750,654
Matured Compensated Absences Payable	134,568	0	0	0	134,568
Salaries, Wages, and Benefits Payable	1,304,510	0	0	98,401	1,402,911
Due to Other Governments	3,651	0	0	22,581	26,232
Due to Other Funds	10,883	0	0	1,543	12,426
Notes Payable	0	8,916,183	0	0	8,916,183
Deferred Revenue	4,124,535	0	1,177,834	3,078,522	8,380,891
Matured Bonds & Interest Payable	<u>0</u>	<u>0</u>	<u>2,940</u>	<u>0</u>	<u>2,940</u>
TOTAL LIABILITIES	<u>5,648,539</u>	<u>9,350,045</u>	<u>1,180,774</u>	<u>3,447,447</u>	<u>19,626,805</u>
Fund Balances:					
Nonspendable	1,483,214	28,176	0	340,440	1,851,830
Restricted	0	11,644	3,768,169	3,223,620	7,003,433
Committed	0	324,715	0	0	324,715
Assigned	1,675,905	0	0	0	1,675,905
Unassigned	<u>7,034,921</u>	<u>(5,947,617)</u>	<u>0</u>	<u>0</u>	<u>1,087,304</u>
TOTAL FUND BALANCES	<u>10,194,040</u>	<u>(5,583,082)</u>	<u>3,768,169</u>	<u>3,564,060</u>	<u>11,943,187</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$15,842,579</u>	<u>\$3,766,963</u>	<u>\$4,948,943</u>	<u>\$7,011,507</u>	<u>\$31,569,992</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, 2010</p>
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TOTAL GOVERNMENTAL FUND BALANCES **\$11,943,187**

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. 68,053,784

Other long-term assets are not available to pay for current-period expenditures and therefore are not revenue in the funds.

Property Taxes	317,561
Grants and Entitlements	1,583,330
Municipal Income Taxes	1,422,371
Special Assessments	873,425
Charges for Services	121,891
Fines and Forfeitures	18,605

Total 4,337,183

Bond issuance costs will be amortized over the life of the bonds in the statement of net assets. 108,944

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	(10,348,972)
OPWC Loans	(14,523)
Special Assessments	(200,000)
Police Pension Liability	(111,823)
Landfill Post Closure Care Liability	(817,910)
Compensated Absences	(5,822,207)
Accrued Interest Payable	(58,150)

Total (17,373,585)

NET ASSETS OF GOVERNMENTAL ACTIVITIES **\$ 67,069,513**

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	<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	\$14,185,589	\$450,000	\$0	\$0	\$14,635,589
Property and Other Local Taxes	1,761,049	110,861	951,725	1,529,672	4,353,307
Intergovernmental	3,378,193	160,601	218,674	1,448,187	5,205,655
Charges for Services	1,363,163	0	0	231,164	1,594,327
Special Assessments	0	0	0	656,448	656,448
Fines and Forfeitures	2,121,708	0	0	480,023	2,601,731
Licenses & Permits	230,587	0	0	0	230,587
Interest	143,398	713	92,004	0	236,115
Miscellaneous	<u>0</u>	<u>21,099</u>	<u>0</u>	<u>10,364</u>	<u>31,463</u>
TOTAL REVENUES	<u>23,183,687</u>	<u>743,274</u>	<u>1,262,403</u>	<u>4,355,858</u>	<u>29,545,222</u>
EXPENDITURES:					
Current:					
General Government	6,659,021	192,843	24,674	246,150	7,122,688
Security of Persons and Property	11,363,316	38,978	0	2,127,064	13,529,358
Public Health and Welfare	484,620	0	0	0	484,620
Community Environment	910,615	0	0	14,082	924,697
Leisure Time Activities	998,401	3,977	0	898,218	1,900,596
Transportation	76,488	33,266	0	1,629,438	1,739,192
Basic Utility Services	1,248,932	432	0	0	1,249,364
Capital Outlay	6,349	3,776,809	0	1,055,716	4,838,874
Debt Service:					
Principal	0	0	842,169	25,000	867,169
Interest	0	88,560	523,868	13,163	625,591
Bond Issuance Costs	<u>0</u>	<u>0</u>	<u>111,425</u>	<u>0</u>	<u>111,425</u>
TOTAL EXPENDITURES	<u>21,747,742</u>	<u>4,134,865</u>	<u>1,502,136</u>	<u>6,008,831</u>	<u>33,393,574</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,435,945	(3,391,591)	(239,733)	(1,652,973)	(3,848,352)
OTHER FINANCING SOURCES (USES):					
Transfers In	0	89,060	200,000	2,020,000	2,309,060
Transfers Out	(2,254,060)	0	0	(200,000)	(2,454,060)
General Obligation Refunding Bonds Issued	0	0	5,235,000	0	5,235,000
General Obligation Refunding Bonds Premium	0	0	41,600	0	41,600
Payment to Refunded Bond Escrow Agent	0	0	(5,135,556)	0	(5,135,556)
Sale of Assets	<u>0</u>	<u>22,502</u>	<u>0</u>	<u>18,498</u>	<u>41,000</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,254,060)</u>	<u>111,562</u>	<u>341,044</u>	<u>1,838,498</u>	<u>37,044</u>
NET CHANGE IN FUND BALANCES	(818,115)	(3,280,029)	101,311	185,525	(3,811,308)
FUND BALANCE BEGINNING OF YEAR-Restated	11,016,272	(2,303,053)	3,666,858	3,383,529	15,763,606
(DECREASE) IN RESERVE FOR INVENTORY	<u>(4,117)</u>	<u>0</u>	<u>0</u>	<u>(4,994)</u>	<u>(9,111)</u>
FUND BALANCES END OF YEAR	<u>\$10,194,040</u>	<u>(\$5,583,082)</u>	<u>\$3,768,169</u>	<u>\$3,564,060</u>	<u>\$11,943,187</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, 2010

NET CHANGES IN FUND BALANCES-TOTAL GOVERNMENTAL FUNDS \$ (3,811,308)

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	4,838,873	
Current Year Depreciation	<u>(3,571,342)</u>	
Total		1,267,531

The net effect of other transactions involving capital assets is an increase to net assets.

Donations	8,694,000	
Disposal-net	<u>(17,566)</u>	
Total		8,676,434

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

Property Taxes	24,502	
Grants and Entitlements	(29,985)	
Municipal Income Taxes	(426,467)	
Special Assessments	(32,279)	
Charges for Services	52,792	
Fines and Forfeitures	7,605	
Total		<u>(403,832)</u>

Other financing sources in the governmental funds increase long term liabilities in the statement of net assets.

General Obligation Refunding Bonds Issued	(5,235,000)	
Premium on Bonds Issued	<u>(41,600)</u>	
Total		(5,276,600)

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

1,019,807	1,019,807	
<u>5,135,556</u>	<u>5,135,556</u>	
		6,155,363

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

Compensated Absences	14,855	
Accrued Interest	5,166	
Amortization of Premium	730	
Bond Issuance Costs	108,944	
Change in Inventory	<u>(9,111)</u>	
Total		<u>120,584</u>

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 6,728,172

See accompanying notes to the basic financial statements.

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, 2010

	<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	\$14,000,000	\$14,000,000	\$13,869,918	(\$130,082)
Property and Other Local Taxes	1,743,079	1,743,079	1,794,390	51,311
Intergovernmental	2,737,152	2,737,152	3,158,624	421,472
Charges for Services	1,155,600	1,155,600	1,246,780	91,180
Fines and Forfeitures	2,063,500	2,063,500	2,142,142	78,642
Licenses and Permits	239,000	239,000	230,097	(8,903)
Interest Income	185,000	185,000	168,333	(16,667)
Other	<u>120,500</u>	<u>120,500</u>	<u>112,500</u>	<u>(8,000)</u>
Total Revenues	<u>22,243,831</u>	<u>22,243,831</u>	<u>22,722,784</u>	<u>478,953</u>
EXPENDITURES:				
Legislative- Council	273,311	273,311	268,832	4,479
Judicial- Municipal Court	2,096,857	2,096,857	1,940,206	156,651
Executive-Mayor	<u>21,030,495</u>	<u>21,030,495</u>	<u>19,679,596</u>	<u>1,350,899</u>
Total Expenditures	<u>23,400,663</u>	<u>23,400,663</u>	<u>21,888,634</u>	<u>1,512,029</u>
Excess of Revenues Over (Under) Expenditures	(1,156,832)	(1,156,832)	834,150	1,990,982
OTHER FINANCING SOURCES (USES):				
Transfers Out	(2,109,060)	(2,254,060)	(2,254,060)	0
Other	<u>55,000</u>	<u>55,000</u>	<u>339,150</u>	<u>284,150</u>
Total Other Financing Sources (Uses)	<u>(2,054,060)</u>	<u>(2,199,060)</u>	<u>(1,914,910)</u>	<u>284,150</u>
NET CHANGE IN FUND BALANCE	(3,210,892)	(3,355,892)	(1,080,760)	2,275,132
FUND BALANCE BEGINNING OF YEAR-Restated	6,443,356	6,443,356	6,443,356	0
Prior Year Encumbrances Appropriated	<u>14,501</u>	<u>14,501</u>	<u>14,501</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$3,246,965</u>	<u>\$3,101,965</u>	<u>\$5,377,097</u>	<u>\$2,275,132</u>

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
AS OF DECEMBER 31, 2010

BUSINESS-TYPE ACTIVITIES

	<u>GOLF COURSE</u>	<u>SEWER</u>	<u>AIRPORT</u>	<u>TOTAL</u> <u>2010</u>
ASSETS				
CURRENT ASSETS				
Equity in City Treasury Cash and Investments	\$63,285	\$1,470,044	\$150,585	\$1,683,914
Inventory	5,288	38,133	0	43,421
Accrued Interest Receivable	0	6,282	0	6,282
Accounts Receivable	9	166,645	15,105	181,759
Prepaid Expenses	0	0	2,640	2,640
Due from Other Funds	1,621	167,542	457	169,620
Due from Other Governments	77	1,494,303	0	1,494,380
TOTAL CURRENT ASSETS	<u>70,280</u>	<u>3,342,949</u>	<u>168,787</u>	<u>3,582,016</u>
NONCURRENT ASSETS				
Restricted Assets:				
Cash Investments	0	599,043	0	599,043
Land and Construction in Progress	2,273,366	1,616,637	7,335,376	11,225,379
Depreciable Capital Assets, Net	2,480,162	30,085,640	1,119,658	33,685,460
TOTAL NONCURRENT ASSETS	<u>4,753,528</u>	<u>32,301,320</u>	<u>8,455,034</u>	<u>45,509,882</u>
TOTAL ASSETS	<u>4,823,808</u>	<u>35,644,269</u>	<u>8,623,821</u>	<u>49,091,898</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable	2,373	249,647	2,831	254,851
Salaries, Wages & Benefits Payable	24,749	322,592	7,400	354,741
Accrued Interest Payable	12,831	106,180	435	119,446
Property Taxes Payable	0	0	4,625	4,625
Note Payable	1,678,294	1,554,216	151,307	3,383,817
Due to Other Funds	629,662	0	158,737	788,399
Due to Other Governments	0	154,525	0	154,525
Bonds Payable	140,000	534,972	0	674,972
TOTAL CURRENT LIABILITIES	<u>2,487,909</u>	<u>2,922,132</u>	<u>325,335</u>	<u>5,735,376</u>
NONCURRENT LIABILITIES				
Salaries, Wages & Benefits Payable	71,637	488,297	0	559,934
Due to Other Funds	0	0	4,491,637	4,491,637
Bonds Payable	2,080,000	6,695,711	0	8,775,711
TOTAL NONCURRENT LIABILITIES	<u>2,151,637</u>	<u>7,184,008</u>	<u>4,491,637</u>	<u>13,827,282</u>
TOTAL LIABILITIES	<u>4,639,546</u>	<u>10,106,140</u>	<u>4,816,972</u>	<u>19,562,658</u>
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	855,234	22,917,378	8,303,727	32,076,339
Restricted for:				
Equipment Replacement	0	299,521	0	299,521
Unrestricted (Deficit)	(670,972)	2,321,230	(4,496,878)	(2,846,620)
TOTAL NET ASSETS	<u>\$184,262</u>	<u>\$25,538,129</u>	<u>\$3,806,849</u>	<u>\$29,529,240</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, 2010

BUSINESS-TYPE ACTIVITIES

	<u>GOLF COURSE</u>	<u>SEWER</u>	<u>AIRPORT</u>	<u>TOTAL</u> <u>2010</u>
OPERATING REVENUES:				
Charges for Services	\$700,250	\$4,227,428	\$25,012	\$4,952,690
Rentals	<u>0</u>	<u>0</u>	<u>150,357</u>	<u>150,357</u>
Total Operating Revenues	<u>700,250</u>	<u>4,227,428</u>	<u>175,369</u>	<u>5,103,047</u>
OPERATING EXPENSES:				
Personal Services	408,511	2,389,503	122,245	2,920,259
Contractual Services	113,564	474,295	12,030	599,889
Materials & Supplies	154,147	172,267	12,245	338,659
Heat, Light & Power	30,946	415,255	9,946	456,147
Other Expenses	5,109	9,517	7,260	21,886
Depreciation	<u>167,564</u>	<u>1,554,795</u>	<u>304,150</u>	<u>2,026,509</u>
Total Operating Expenses	<u>879,841</u>	<u>5,015,632</u>	<u>467,876</u>	<u>6,363,349</u>
Net Income (Loss) from Operations	<u>(179,591)</u>	<u>(788,204)</u>	<u>(292,507)</u>	<u>(1,260,302)</u>
NON-OPERATING REVENUES (EXPENSES):				
Interest - Income	155	1,137	86	1,378
- Expense	(118,408)	(234,230)	(1,232)	(353,870)
Other - Income	<u>467</u>	<u>8,378</u>	<u>0</u>	<u>8,845</u>
Total Non-Operating Revenues (Expenses)	<u>(117,786)</u>	<u>(224,715)</u>	<u>(1,146)</u>	<u>(343,647)</u>
Net Income (Loss) Before Contributions and Transfers	<u>(297,377)</u>	<u>(1,012,919)</u>	<u>(293,653)</u>	<u>(1,603,949)</u>
Capital Contributions	0	966,346	0	966,346
Transfers In	<u>145,000</u>	<u>0</u>	<u>0</u>	<u>145,000</u>
CHANGE IN NET ASSETS	<u>(152,377)</u>	<u>(46,573)</u>	<u>(293,653)</u>	<u>(492,603)</u>
NET ASSETS BEGINNING OF YEAR	<u>336,639</u>	<u>25,584,702</u>	<u>4,100,502</u>	<u>30,021,843</u>
NET ASSETS END OF YEAR	<u>\$184,262</u>	<u>\$25,538,129</u>	<u>\$3,806,849</u>	<u>\$29,529,240</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, 2010

(continued on following page)

	<u>Business-Type Activities</u>			
	<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	\$701,406	\$3,466,723	\$184,088	\$4,352,217
Receipts from other fund	100,752	0	0	100,752
Payments to suppliers	(316,195)	(1,253,073)	(39,902)	(1,609,170)
Payments to employees	<u>(400,457)</u>	<u>(2,393,742)</u>	<u>(120,145)</u>	<u>(2,914,344)</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>85,506</u>	<u>(180,092)</u>	<u>24,041</u>	<u>(70,545)</u>
Cash flows from noncapital financing activities:				
Transfers from other funds	<u>145,000</u>	<u>0</u>	<u>0</u>	<u>145,000</u>
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	<u>145,000</u>	<u>0</u>	<u>0</u>	<u>145,000</u>
Cash flows from capital and related financing activities:				
Net proceeds from sale of debt/notes	19,994	1,269,397	51,307	1,340,698
Acquisition and construction of capital assets	(55,147)	(1,691,347)	(103,172)	(1,849,666)
Principal reduction on long-term debt	(130,000)	(485,024)	0	(615,024)
Interest paid on long-term debt	(118,408)	(234,230)	(1,232)	(353,870)
Contribution of capital from grants	0	686,425	0	686,425
Contributions from customers	0	77,744	0	77,744
Proceeds from the sale of capital assets	<u>467</u>	<u>6,555</u>	<u>0</u>	<u>7,022</u>
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(283,094)</u>	<u>(370,480)</u>	<u>(53,097)</u>	<u>(706,671)</u>
Cash flows from investing activities:				
Interest on investments	<u>155</u>	<u>1,137</u>	<u>86</u>	<u>1,378</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>155</u>	<u>1,137</u>	<u>86</u>	<u>1,378</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(52,433)	(549,435)	(28,970)	(630,838)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>115,718</u>	<u>2,618,522</u>	<u>179,555</u>	<u>2,913,795</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$63,285</u>	<u>\$2,069,087</u>	<u>\$150,585</u>	<u>\$2,282,957</u>

(Sewer Fund includes \$599,043 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, 2010

(continued)

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)	(\$179,591)	(\$788,204)	(\$292,507)	(\$1,260,302)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation	167,564	1,554,795	304,150	\$2,026,509
Change in assets and liabilities:				
(Increase) decrease in inventory of supplies	3,445	6,219	0	9,664
(Increase) decrease in accounts receivable	27	(15,325)	8,479	(6,819)
(Increase) decrease in accrued interest receivable	0	5,925	0	5,925
(Increase) decrease in prepaid expense	0	0	60	60
(Increase) decrease in due from other funds	1,041	5,594	240	6,875
(Increase) decrease in due from other govts	88	(756,899)	0	(756,811)
Increase (decrease) in accounts payable	(16,281)	(336,873)	1,143	(352,011)
Increase (decrease) in accrued salaries, wages, and benefits	8,054	(4,239)	2,100	5,915
Increase (decrease) in accrued interest payable	1,073	(5,594)	232	(4,289)
Increase (decrease) in property tax liabilities	0	0	144	144
Increase (decrease) in due to other funds	100,752	0	0	100,752
Increase (decrease) in due to other governments	(666)	154,509	0	153,843
TOTAL ADJUSTMENTS	<u>265,097</u>	<u>608,112</u>	<u>316,548</u>	<u>1,189,757</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>\$85,506</u>	<u>(\$180,092)</u>	<u>\$24,041</u>	<u>(\$70,545)</u>

Schedule of Noncash Investing, Capital and Financing Activities:

The Airport Fund had additions from the transfer of a capital asset in the original amount of \$85,986.

The Sewer Fund had additions from contributions of capital in the amount of \$204,000 from development.

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
AS OF DECEMBER 31, 2010

	AGENCY
ASSETS	
Equity in City Treasury Cash and Investments	\$1,471,972
Accounts Receivable	<u>152,434</u>
TOTAL ASSETS	<u>\$1,624,406</u>
LIABILITIES	
Accounts Payable	\$1,164,255
Deposits Held and Due to Others	190,535
Due to Other Governments	<u>269,616</u>
TOTAL LIABILITIES	<u>\$1,624,406</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, 2010

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 21 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, 2010

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, 2010

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,

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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

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

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: income tax, state-levied locally shared taxes (including gasoline tax and motor vehicle license 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, 2010 but which were levied to finance year 2011 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.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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, 2010:

- The portfolio includes U.S. Government Securities 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.

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 2010 amounted to \$143,398 which includes \$78,755 assigned from other City funds.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

F. Receivables

Receivables at December 31, 2010 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, 2010 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.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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 general fund. In

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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 and special termination benefits 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

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

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long term amount of interfund loans.

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

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

Committed The committed fund balance classifications includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution) of City Council. Those committed amounts cannot be used for any other purpose unless

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance, or by State Statute.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

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.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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.

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 2010.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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.

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 branch level (legislative, judicial, executive) and within each branch 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 2010.

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 2010, the City has implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions", Statement No. 55, "The Hierarchy of Generally Accepted Accounting Principles for State and Local

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

Governments”, Statement No. 56, “Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards”, Statement No. 57, “OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans”, and Statement No. 58, “Accounting and Financial Reporting for Chapter 9 Bankruptcies”.

GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of this statement resulted in the reclassification of one fund and restatement of the City’s financial statements.

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

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

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

GASB Statement No. 58 provides accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. The requirements in the

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

Statement will provide more consistent recognition, measurement, display, and disclosure guidance for governments that file for Chapter 9 bankruptcy. The implementation of this statement did not result in any change in the City's financial statements.

B. Restatement of Fund Balance

The implementation of GASB54 had the following effect on fund balances of the major and nonmajor funds as they were previously reported.

	General Fund	Capital Projects	General Bond Retirement	Nonmajor Governmental Funds	Total Governmental
Fund Balance at Dec 31, 2009	\$ 9,862,484	\$ (2,303,053)	\$ 3,666,858	\$ 4,537,317	\$ 15,763,606
GASB 54 Change in Fund Structure	<u>1,153,788</u>	<u>0</u>	<u>0</u>	<u>(1,153,788)</u>	<u>0</u>
Adjusted Fund Balance, Dec 31, 2009	<u>\$ 11,016,272</u>	<u>\$ (2,303,053)</u>	<u>\$ 3,666,858</u>	<u>\$ 3,383,529</u>	<u>\$ 15,763,606</u>

This implementation also resulted in the restatement of beginning fund balance in the General fund budgetary statement.

C. Fund Deficits

At December 31, 2010, the Airport fund had deficit unrestricted net assets of \$4,496,878. The Due to Other Funds amount represents long-term debt on behalf of the Airport fund paid by the General fund, the General Bond Retirement fund, the Sewer fund and the Capital Projects fund. The Airport fund has liabilities (due to other funds) in the amount of \$4,650,374, which consists of \$1,325,214 due to the General fund, \$3,143,247 to the General Bond Retirement fund, \$158,737 to the Sewer fund and \$23,176 to the Capital Projects 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 \$670,972. The "Due to Other Funds" amount includes \$629,662 of advances from the General, General Bond Retirement and Capital Projects funds.

The Capital Projects fund had a deficit unassigned fund balance of \$5,947,617. The Notes Payable liability of \$8,916,183 remains.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 4: FUND BALANCE

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

FUND BALANCE	General Fund	Capital Projects	General Bond Retirement	Nonmajor Governmental Funds	Total
<u>Nonspendable</u>					
Interfund loans	\$ 1,360,214	\$ 28,176	\$ 0	\$ 0	\$ 1,388,390
Inventory	119,200	0	0	102,808	222,008
Prepays	3,800	0	0	0	3,800
Cemetery	<u>0</u>	<u>0</u>	<u>0</u>	<u>237,632</u>	<u>237,632</u>
Total Nonspendable	1,483,214	28,176	0	340,440	1,851,830
<u>Restricted for</u>					
Road and infrastructure	0	0	0	1,282,471	1,282,471
Recreation	0	0	0	158,719	158,719
Municipal Court	0	0	0	366,109	366,109
Police and Fire departments	0	0	0	103,012	103,012
Law Enforcement	0	0	0	61,303	61,303
Drug and Alcohol enforcement	0	0	0	318,752	318,752
Sidewalks and Trees	0	0	0	115,133	115,133
Street Lighting	0	0	0	493,007	493,007
Capital grant	0	11,644	0	0	11,644
Debt Service	<u>0</u>	<u>0</u>	<u>3,768,169</u>	<u>325,114</u>	<u>4,093,283</u>
Total Restricted	0	11,644	3,768,169	3,223,620	7,003,433
<u>Committed to</u>					
Capital improvements	<u>0</u>	<u>324,715</u>	<u>0</u>	<u>0</u>	<u>324,715</u>
Total Committed	0	324,715	0	0	324,715
<u>Assigned to</u>					
Compensated Absences	1,187,150	0	0	0	1,187,150
General Govt	160,218	0	0	0	160,218
Security of Persons	247,000	0	0	0	247,000
Public Health & Welfare	4,370	0	0	0	4,370
Community Environment	35,801	0	0	0	35,801
Leisure Activities	19,641	0	0	0	19,641
Basic Utilities	<u>21,725</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>21,725</u>
Total Assigned	1,675,905	0	0	0	1,675,905
Unassigned (Deficits)	<u>7,034,921</u>	<u>(5,947,617)</u>	<u>0</u>	<u>0</u>	<u>1,087,304</u>
Total Fund Balances	<u>\$ 10,194,040</u>	<u>\$ (5,583,082)</u>	<u>\$ 3,768,169</u>	<u>\$ 3,564,060</u>	<u>\$ 11,943,187</u>

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 5: 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.

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, 2010 were 308.

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.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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;
- 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, 2010, the City had \$5,020 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

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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, 2010, the carrying amount of the City's deposits was \$16,568,362 including restricted cash of \$599,043 and the bank balance was \$17,139,478. \$13,233,381 of the City's bank balance was covered by Federal Depository Insurance. \$3,906,097 was uninsured and collateralized with securities held by the pledging financial institutions trust department or agent 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.

Investments

As of December 31, 2010, the City had the following investments and maturities:

Investment Type	Moody's Rating	S & P Rating	Fair Value	Investment Maturities	
				Less than 1 Year	
STAROhio		AAA m	\$ 433,835	\$	433,835
FHLB	Aaa	AAA	994,400		994,400
			<u>\$ 1,428,235</u>	<u>\$</u>	<u>1,428,235</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.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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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 69.6% was in FHLB securities. Other investments not specifically guaranteed by the U.S. government total 30.4% of the City's investments.

NOTE 6: INTERFUND TRANSFERS AND BALANCES

As of December 31, 2010, interfund transfers were as follows:

<i>Transfer To</i>	<i>Transfer From</i>		<i>Total</i>
	<i>General Fund</i>	<i>Nonmajor Governmental Funds</i>	
Capital Projects Fund	\$ 89,060	\$ 0	\$ 89,060
General Bond Retirement Fund	0	200,000	200,000
Golf Course	145,000	0	145,000
Nonmajor Governmental Funds	2,020,000	0	2,020,000
Total	<u>\$ 2,254,060</u>	<u>\$ 200,000</u>	<u>\$ 2,454,060</u>

The General fund transfers to the Capital Projects, Golf Course and Nonmajor Governmental funds were made to provide additional resources for current operations. Transfers from Nonmajor Governmental funds to the General Bond Retirement fund was for debt payments.

As of December 31, 2010, interfund balances were as follows:

	<i>Due from Other Funds</i>	<i>Due to Other Funds</i>
<u>Major Funds</u>		
General	\$ 1,360,214	\$ 10,883
Capital Projects	28,176	0
General Bond Retirement	3,732,909	0
Golf Course	1,621	629,662
Sewer	167,542	0
Airport	457	4,650,374
<u>Nonmajor Governmental</u>	<u>1,543</u>	<u>1,543</u>
	<u>\$ 5,292,462</u>	<u>\$ 5,292,462</u>

Internal balances of \$5,110,416 are a result of advances from the General fund for Airport and Golf Course operations. The General Bond Retirement fund balances are for Airport and Golf Course debt payments and the Capital Projects fund balances are for equipment purchases of the Airport and Golf enterprise funds. Remaining amounts are for reimbursements due from operations.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 7: 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 receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balance – 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	\$ (818,115)
Net Adjustment for Revenue Accruals	(52,958)
Fair Value Adjustment for Investments	2,004
Net Adjustment for Expenditure Accruals	(244,919)
Encumbrances	(347,592)
Current Expense Against Prior Year Encumbrances	380,820
Budget Basis	<u>\$ (1,080,760)</u>

NOTE 8: RECEIVABLES

Receivables at December 31, 2010 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, 2010

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 2010 for real and public property taxes represents collections of 2009 taxes. Property tax payments received during 2010 for tangible personal property (other than public utility property) are for 2010 taxes.

2010 real property taxes are levied after October 1, 2010, on the assessed value as of January 1, 2010, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2010 real property taxes are collected in and intended to finance 2011 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. 2010 public utility property taxes which became a lien December 31, 2009, are levied after October 1, 2010, and are collected in 2011 with real property taxes.

2010 tangible personal property taxes are levied after October 1, 2009, on the value as of December 31, 2009. Collections are made in 2010. Beginning in tax year 2009, all tangible personal property of general (non-public utilities) became exempt with the exception of telephone companies.

The full tax rate for all City operations for the year ended December 31, 2010, was \$8.58 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2010 property tax receipts were based are as follows:

Real Property	\$616,678,810
Public Utility Tangible	\$10,525,980
Tangible Personal	\$653,933
Total	\$627,858,723

Real property taxes are payable annually or semiannually. The due date for the 2010 levy was February 16, 2011, for all or one half of the taxes due. The second half due date is July 15, 2011.

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, 2010

Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2010 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 2010 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 not to exceed the amount owed. All taxes are remitted to the Regional Income Tax 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 Regional Income Tax 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	\$ 50,160
Estate Tax	460,576
Gasoline & Motor Vehicle Tax	495,397
Local Government	1,055,662
Charges for Service	46,199
Homestead and Rollback	151,305
Grants	7,661
Fines	193,568
Total Governmental	<u>2,460,528</u>
Business-Type Activities:	
Charges for Service	261,789
OWDA and OPWC	1,232,591
Total Business-Type	<u>1,494,380</u>
Total Intergovernmental Receivables	\$ <u>3,954,908</u>

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 9: CAPITAL ASSETS

A summary of changes in capital assets during 2010 follows:

	Balance 01/01/10	Additions	Deletions	Balance 12/31/10
Governmental Activities				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$7,747,432	\$0	\$0	\$7,747,432
Construction in Progress	6,865,779	271,408	(\$2,455,730)	4,681,457
<i>Total Capital Assets Not Being Depreciated</i>	<u>14,613,211</u>	<u>271,408</u>	<u>(2,455,730)</u>	<u>12,428,889</u>
<i>Capital Assets Being Depreciated</i>				
Buildings	19,531,782	2,665,263	(9,712)	22,187,333
Improvements	14,338,032	172,947	(45,142)	14,465,837
Machinery and Equipment	10,024,181	1,150,220	(700,691)	10,473,710
Infrastructure:				
Roads	23,996,321	8,711,765	(1,049,536)	31,658,550
Sidewalks	1,152,961	0	0	1,152,961
Curbs & Gutters	985,795	0	0	985,795
Storm Sewers	7,994,774	2,805,000	0	10,799,774
Street Lights	41,948	0	0	41,948
Traffic Signals	1,542,581	212,000	0	1,754,581
Bridges	533,211	0	0	533,211
<i>Total Capital Assets Being Depreciated</i>	<u>80,141,586</u>	<u>15,717,195</u>	<u>(1,805,081)</u>	<u>94,053,700</u>
<i>Less Accumulated Depreciation</i>				
Buildings	(6,410,624)	(636,202)	9,712	(7,037,114)
Improvements	(8,248,576)	(487,503)	41,368	(8,694,711)
Machinery and Equipment	(6,629,450)	(753,101)	686,899	(6,695,652)
Infrastructure:				
Roads	(9,647,914)	(1,322,067)	1,049,536	(9,920,445)
Sidewalks	(587,381)	(41,477)	0	(628,858)
Curbs & Gutters	(518,839)	(34,589)	0	(553,428)
Storm Sewers	(3,194,181)	(248,369)	0	(3,442,550)
Street Lights	(33,559)	(2,797)	0	(36,356)
Traffic Signals	(1,270,036)	(34,573)	0	(1,304,609)
Bridges	(104,418)	(10,664)	0	(115,082)
<i>Total Accumulated Depreciation</i>	<u>(36,644,978)</u>	<u>(3,571,342)</u>	<u>1,787,515</u>	<u>(38,428,805)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>43,496,608</u>	<u>12,145,853</u>	<u>(17,566)</u>	<u>55,624,895</u>
Total Government Activities Capital Assets, Net	<u><u>\$58,109,819</u></u>	<u><u>\$12,417,261</u></u>	<u><u>(\$2,473,296)</u></u>	<u><u>\$68,053,784</u></u>

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 9: CAPITAL ASSETS (CONTINUED)

	Balance 01/01/10	Additions	Deletions	Balance 12/31/10
Business-Type Activities				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$10,009,383	\$0	\$0	\$10,009,383
Construction in Progress	389,546	1,060,885	(234,435)	1,215,996
<i>Total Capital Assets Not Being Depreciated</i>	<u>10,398,929</u>	<u>1,060,885</u>	<u>(234,435)</u>	<u>11,225,379</u>
<i>Capital Assets Being Depreciated</i>				
Buildings	18,369,834	896,340	0	19,266,174
Improvements	43,746,483	303,463	0	44,049,946
Machinery and Equipment	4,593,478	113,399	(14,477)	4,692,400
<i>Total Capital Assets Being Depreciated</i>	<u>66,709,795</u>	<u>1,313,202</u>	<u>(14,477)</u>	<u>68,008,520</u>
<i>Less Accumulated Depreciation</i>				
Buildings	(10,593,158)	(504,873)	0	(11,098,031)
Improvements	(19,209,864)	(1,294,324)	0	(20,504,188)
Machinery and Equipment	(2,422,020)	(313,298)	14,477	(2,720,841)
<i>Total Accumulated Depreciation</i>	<u>(32,225,042)</u>	<u>(2,112,495)</u>	<u>14,477</u>	<u>(34,323,060)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>34,484,753</u>	<u>(799,293)</u>	<u>0</u>	<u>33,685,460</u>
Total Business-Type Capital Assets, Net	<u><u>\$44,883,682</u></u>	<u><u>\$261,592</u></u>	<u><u>(\$234,435)</u></u>	<u><u>\$44,910,839</u></u>
*Depreciation expense was charged to governmental functions as follows:				
General Government				\$372,175
Security of Persons and Property				698,087
Public Health and Welfare				15,341
Community Environment				14,345
Leisure Time Activities				388,336
Transportation				1,666,276
Basic Utility Service				416,782
Total				<u>\$3,571,342</u>
Depreciation expense was charged to business-type activities as follows:				
Golf				\$167,564
Sewer				1,554,795
Airport				304,150
Total				<u>\$2,026,509</u>

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 10: 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 2010, 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 10 percent of their annual covered salary to fund pension obligations. For 2010, the City was required to contribute 14 percent of covered payroll. The City's contributions for all plans (TP, MD and CO) for the years 2010, 2009, and 2008 were \$ 1,259,319, \$ 1,268,283, and \$1,243,513 respectively. As of December 31, 2010, 93 percent of 2010's required contributions had been paid out, and 100 percent for the years 2009 and 2008.

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 2010, 2009 and 2008 were \$ 714,847, \$708,182, and \$678,367 for police and \$751,647, \$737,934 and \$711,921 for firefighters, respectively. As of December 31, 2010, only 77 percent of 2010's required contributions for both police and firefighters had been paid and 100 percent for the years 2009 and 2008.

NOTE 11: 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.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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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 2010, local government employer units contributed at 14% 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 2010, the employer contributions allocated to the health care plan for members of the Traditional Plan was 5.50% for January through February and 5.0% for March through December. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73% for January through February and 4.23% for March through December. The City's actual contributions for 2010 which were used to fund post employment benefits were \$458,151. 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, which 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.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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 maintains funds for health care in two separate accounts: One for health care benefits under IRS Code Section 115 trust and the other for Medicare Part B reimbursements administered under the Internal Revenue Code 401(h) account.

Both are within the defined benefit pension plan under the authority granted to the OP&F Board of Trustees by the Ohio Revised Code. The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account for retiree health care benefits. For the year 2010, the employer contribution allocated to the healthcare plan was 6.75% of covered payroll. The amount of employer contributions allocated to the healthcare plan each year is subject to the trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The 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.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

The City of Willoughby's contributions to OP&F for the years ending December 31, 2010, 2009, and 2008 were \$714,847, \$ 708,182, and \$ 678,367 for police and \$751,647, \$737,934 and \$711,921 for firefighters, respectively. The portion of the City's contributions that was used to pay post-employment benefits for 2010, 2009 and 2008 was \$246,595, \$ 245,031, and \$234,715 for police and \$211,260, \$207,359, and \$200,050 for firefighters, respectively. These amounts are calculated by multiplying actual employer contributions by the following factors: 0.346 for police contributions and 0.281 for firefighter contributions for the years 2008, 2009 and 2010.

NOTE 12: 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 1195.2 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 1195.2 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 1195.2 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 120 hours of compensatory time.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 13: CONTRACTUAL COMMITMENTS

At December 31, 2010, the City's significant contractual commitments consisted of:

Project	Contract Amount	Amount Paid	Remaining on Contract
·Erie Rd Sanitary Sewer & Pump Station	\$373,195	\$ 358,830	\$14,365
·Road Programs	876,496	852,356	24,140
·Trunk Sanitary Sewer Project	594,784	332,959	261,825
·Vine Orchard Sanitary Sewer Project	444,616	207,498	237,118
·Vine Street Sanitary Sewer Project	217,083	122,113	94,970
·WPCC Final Clarifiers Rehab	313,050	288,717	24,333
Total	<u>\$2,819,224</u>	<u>\$2,162,473</u>	<u>\$656,751</u>

NOTE 14: 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. As a result of lower golf revenues, a portion of the Golf Course debt is currently being paid by the General Bond Retirement Fund.

NOTE 15: 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, 2010

NOTE 16: 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
Governmental Activities:				
<u>General Obligation Bonds Voted</u>				
Fire Station Refunding	2010	2024	2.0%-4.0%	4,160,000
<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 Refunding	2010	2016	1.5%-4.0%	1,075,000
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
Business-Type Activities:				
<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	115,102
River Road Sanitary Sewer	2010	2030	Interest Free	57,574
<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
River Road Sanitary Sewer	2008	2029	3.30%	2,040,268
Vine and Trunk Sanitary Sewers	2010	2030	3.25%	668,599
WPCC SSES Facilities Plan Update	2010	2016	3.20%	578,069
<u>Golf Bonds</u>				
Golf Course Improvement	2002	2022	4.179%	3,150,000

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

Long-Term Obligations (cont)

Changes in long-term obligations of the City during 2010 were as follows:

	Balance 01/01/10	Increases	Decreases	Balance 12/31/10	Amounts Due Within One Year
Governmental Activities:					
<u>General Obligation Bonds Voted</u>					
Fire Station Construction-1999	\$ 4,360,000	\$ 0	\$ 4,360,000	\$ 0	\$ 0
Fire Station Refunding -2010	0	4,160,000	0	4,160,000	230,000
Unamortized Premium	0	41,600	730	40,870	0
<i>Subtotal - General Obligation Bonds Voted</i>	<u>4,360,000</u>	<u>4,201,600</u>	<u>4,360,730</u>	<u>4,200,870</u>	<u>230,000</u>
<u>General Obligation Bonds Unvoted</u>					
Lost Nation Road Improvement	260,000	0	130,000	130,000	130,000
Landfill and Erosion Control	244,654	0	81,552	163,102	81,552
Various Purpose Bond Issue-1996	1,225,000	0	1,225,000	0	0
Various Purpose Bond Refunding-2010	0	1,075,000	0	1,075,000	170,000
Municipal Building Improvement	5,060,000	0	280,000	4,780,000	285,000
OPWC					
Karen Isle Watermains	4,951	0	225	4,726	450
Brown Avenue Watermains	10,189	0	392	9,797	784
<i>Subtotal - General Obligation Bonds Unvoted</i>	<u>6,804,794</u>	<u>1,075,000</u>	<u>1,717,169</u>	<u>6,162,625</u>	<u>667,786</u>
Total Government Fund General Obligation Bonds	<u>11,164,794</u>	<u>5,276,600</u>	<u>6,077,899</u>	<u>10,363,495</u>	<u>897,786</u>
<u>Special Assessment Bonds</u>					
Biltmore Place	225,000	0	25,000	200,000	30,000
<i>Subtotal - Special Assessment Bonds</i>	<u>225,000</u>	<u>0</u>	<u>25,000</u>	<u>200,000</u>	<u>30,000</u>
<u>Other General Long Term Liabilities</u>					
Police Pension Liability	114,411	0	2,588	111,823	2,698
Landfill Postclosure Care	868,516	0	50,606	817,910	51,587
Compensated Absences	5,837,062	1,379,760	1,394,615	5,822,207	1,492,367
<i>Subtotal - Other General Long Term Liabilities</i>	<u>6,819,989</u>	<u>1,379,760</u>	<u>1,447,809</u>	<u>6,751,940</u>	<u>1,546,652</u>
Subtotal Governmental Activities	<u>\$ 18,209,783</u>	<u>\$ 6,656,360</u>	<u>\$ 7,550,708</u>	<u>\$ 17,315,435</u>	<u>\$ 2,474,438</u>

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

Long-Term Obligations (cont)

	Balance 01/01/10	Increases	Decreases	Balance 12/31/10	Amounts Due Within One Year
<u>Business-Type Activities:</u>					
<u>Enterprise Fund General Obligation</u>					
<u>Debt - Sewer Bonds</u>					
Sewer 1992	\$ 205,345	\$ 0	\$ 68,447	\$ 136,898	\$ 68,447
Sewer Equipment	44,189	0	44,189	0	0
<u>OPWC</u>					
Waldamere-Glenwood Sanitary Sewer	75,000	0	10,000	65,000	10,000
Vine Street Area Sanitary Sewer	134,990	0	10,384	124,606	10,384
Center-Wood Sanitary Sewer	58,880	0	3,926	54,954	3,925
Lakeshore Blvd	109,346	0	5,755	103,591	5,755
River Road Sanitary Sewer	53,361	4,213	0	57,574	2,879
<u>OWDA</u>					
Grove-Erie Sanitary Sewer	180,237	0	41,903	138,334	43,938
Waldamere-Glenwood Sanitary Sewer	143,703	0	16,763	126,940	17,447
Downtown Sanitary Sewer	883,163	0	65,662	817,501	68,254
Highland-Maple-Wood Sanitary Sewer	1,276,333	0	76,704	1,199,629	79,781
Center-Wood Sanitary Sewer	751,611	0	41,990	709,621	43,537
Van Gorder Sewer Lining	70,059	0	3,615	66,444	3,790
Lakeshore Blvd	491,702	0	22,250	469,452	22,999
River Road Sanitary Sewer	1,986,907	0	73,436	1,913,471	75,879
Vine and Trunk Sanitary Sewers	0	668,599	0	668,599	24,191
WPCC SSES Facilities Plan Update	0	578,069	0	578,069	53,766
Subtotal - Sewer Bonds	6,464,826	1,250,881	485,024	7,230,683	534,972
<u>Golf Bonds</u>					
Golf Course Improvement	2,350,000	0	130,000	2,220,000	140,000
Total Bonds Payable	8,814,826	1,250,881	615,024	9,450,683	674,972
<u>Other Liabilities</u>					
Compensated Absences	793,299	188,064	217,581	763,782	203,848
Subtotal Business-Type Activities	9,608,125	1,438,945	832,605	10,214,465	878,820
Total Long-Term Liabilities	\$ 27,817,908	\$ 8,095,305	\$ 8,383,313	\$ 27,529,900	\$ 3,353,258

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.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

On September 16, 2010, the City issued general obligation bonds in the amount of \$5,235,000 for a current refunding of \$5,585,000 of general obligation bonds previously issued for various purposes in 1996 and for the Fire Station in 1999. Principal payments of \$350,000 and interest to the call date were paid on the non-refunded portion and the old debt was paid in full at year end. The City paid a premium on the Fire Station issue of \$41,600 and issuance costs of \$111,425 that are being amortized over the life of the new debt. The refunding was undertaken to reduce total future debt service payments. The reduction in future payments is \$916,344.

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
2011	896,552	371,179	208,447	104,769
2012	811,550	310,909	213,451	95,328
2013	745,000	287,560	150,000	85,528
2014	770,000	268,730	160,000	79,714
2015	790,000	248,790	165,000	73,314
2016-2020	3,555,000	874,915	975,000	252,740
2021-2024	2,740,000	225,450	485,000	35,162
Total	\$ 10,308,102	\$ 2,587,533	\$ 2,356,898	\$ 726,555

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
2011	30,000	11,700
2012	30,000	9,946
2013	35,000	8,190
2014	35,000	6,142
2015	35,000	4,096
2016	35,000	2,048
Total	\$ 200,000	\$ 42,122

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

Other Long-Term Obligations – Compensated absences will be paid from the fund in which the employee’s salary is paid. The General fund pays 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 19 for further detail on landfill liability.

The City’s legal debt margin at December 31, 2010 was \$65,925,166. 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
2011	2,698	4,724	1,234	466,525	229,358
2012	2,815	4,608	1,234	537,508	221,392
2013	2,935	4,487	1,234	556,266	202,637
2014	3,062	4,362	1,234	525,046	183,794
2015	3,192	4,230	1,234	542,779	166,065
2016-2020	18,146	18,968	6,169	2,280,116	583,556
2021-2025	22,393	14,723	2,184	1,446,612	240,673
2026-2030	27,634	9,483	0	738,933	59,568
2031-2035	28,948	3,047	0	0	0
Total	\$ 111,823	\$ 68,632	\$ 14,523	\$ 7,093,785	\$ 1,887,043

NOTE 17: 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	\$2,255,000	2002B
Industrial Development Revenue Bonds	Kennedy Group	\$6,500,000	\$2,305,000	1998
Industrial Development Revenue Refunding Bonds	Ohio Presbyterian Retirement Services	\$8,200,000	\$3,650,000	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.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 18: 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 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 notes were payable at December 31, 2010:

Notes	Maturity Date	Balance December 31, 2009	Issued	Retired	Balance December 31, 2010
Capital Projects Note Payable: 1.25%	Oct. 7, 2011	\$8,856,000	\$8,916,183	\$8,856,000	\$8,916,183
Golf Improvement Note Payable: 1.25%	Oct. 7, 2011	\$1,658,300	\$1,678,294	\$1,658,300	\$1,678,294
Sewer Improvement Note Payable: 1.25%	Oct. 7, 2011	\$1,535,700	\$1,554,216	\$1,535,700	\$1,554,216
Airport Improvement Note Payable: 1.25%	Oct. 7, 2011	\$100,000	\$151,307	\$100,000	\$151,307
Total Notes Payable		<u>\$12,150,000</u>	<u>\$12,300,000</u>	<u>\$12,150,000</u>	<u>\$12,300,000</u>

NOTE 19: 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 \$817,910 reported as Landfill Postclosure Care at December 31, 2010 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.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 20: 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.

Coverage	Company	Claim Limit	Deductible
General Liability	Selective Insurance	\$1,000,000	\$ 0
Public Officials Liability	Scottsdale Indemnity Company	2,000,000	25,000
Law Enforcement Liability	Scottsdale Indemnity Company	1,000,000	10,000
Commercial Property	Selective Insurance	72,260,703	25,000
Commercial Crime	Selective Insurance	10,000	250
Equipment Breakdown	Selective Insurance	72,260,703	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)	Merchants Mutual Insurance	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 21: 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.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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 2010. Financial information can be obtained by contacting Joseph Migliorini, Board Chairman, 31320 Solon Road, Suite 20, Solon, Ohio 44139.



The City of Willoughby™

*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, 2010

	<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	\$ 14,000,000	\$ 14,000,000	\$ 13,869,918	\$ (130,082)
Property and Other Local Taxes	1,743,079	1,743,079	1,794,390	51,311
Intergovernmental	2,737,152	2,737,152	3,158,624	421,472
Charges for Services	1,155,600	1,155,600	1,246,780	91,180
Fines and Forfeitures	2,063,500	2,063,500	2,142,142	78,642
Licenses and Permits	239,000	239,000	230,097	(8,903)
Interest	185,000	185,000	168,333	(16,667)
Miscellaneous	120,500	120,500	112,500	(8,000)
Total Revenues	<u>22,243,831</u>	<u>22,243,831</u>	<u>22,722,784</u>	<u>478,953</u>
EXPENDITURES:				
Government:				
Legislative -Council				
Personal Services	255,086	255,086	253,409	1,677
Services and Supplies	<u>18,225</u>	<u>18,225</u>	<u>15,423</u>	<u>2,802</u>
Total Legislative -Council	<u>273,311</u>	<u>273,311</u>	<u>268,832</u>	<u>4,479</u>
Judicial -Municipal Court				
Personal Services	1,968,357	1,968,357	1,842,660	125,697
Services and Supplies	118,500	118,500	97,546	20,954
Other	<u>10,000</u>	<u>10,000</u>	<u>0</u>	<u>10,000</u>
Total Judicial-Municipal Court	<u>2,096,857</u>	<u>2,096,857</u>	<u>1,940,206</u>	<u>156,651</u>
Executive-Mayor				
Personal Services	15,383,457	15,383,457	15,057,918	325,539
Services and Supplies	5,542,038	5,542,038	4,565,427	976,611
Other	<u>105,000</u>	<u>105,000</u>	<u>56,251</u>	<u>48,749</u>
Total Executive-Mayor	<u>21,030,495</u>	<u>21,030,495</u>	<u>19,679,596</u>	<u>1,350,899</u>
Total Expenditures	<u>23,400,663</u>	<u>23,400,663</u>	<u>21,888,634</u>	<u>1,512,029</u>
Excess of Revenues Over (Under) Expenditures	(1,156,832)	(1,156,832)	834,150	1,990,982
OTHER FINANCING SOURCES (USES):				
Transfers Out	(2,109,060)	(2,254,060)	(2,254,060)	0
Other	<u>55,000</u>	<u>55,000</u>	<u>339,150</u>	<u>284,150</u>
Total Other Financing Sources (Uses)	<u>(2,054,060)</u>	<u>(2,199,060)</u>	<u>(1,914,910)</u>	<u>284,150</u>
NET CHANGE IN FUND BALANCE	(3,210,892)	(3,355,892)	(1,080,760)	2,275,132
FUND BALANCE BEGINNING OF YEAR	6,443,356	6,443,356	6,443,356	0
Prior Year Encumbrances Appropriated	<u>14,501</u>	<u>14,501</u>	<u>14,501</u>	<u>0</u>
FUND BALANCE END OF YEAR	\$ 3,246,965	\$ 3,101,965	\$ 5,377,097	\$ 2,275,132

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, 2010

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
REVENUES:				
Municipal Income Taxes	\$747,538	\$744,538	\$450,000	(\$294,538)
Property and Other Local Taxes	110,000	110,000	110,925	925
Intergovernmental	68,600	68,600	160,580	91,980
Interest Income	4,500	4,500	4,681	181
Other	<u>0</u>	<u>33,000</u>	<u>19,074</u>	<u>(13,926)</u>
Total Revenues	<u>930,638</u>	<u>960,638</u>	<u>745,260</u>	<u>(215,378)</u>
EXPENDITURES:				
Executive-Mayor				
Capital Outlay	3,508,000	3,505,000	1,548,926	1,956,074
Debt Service				
Principal Retirement	8,856,000	8,856,000	8,856,000	0
Interest	<u>88,560</u>	<u>88,560</u>	<u>88,560</u>	<u>0</u>
Total Expenditures	<u>12,452,560</u>	<u>12,449,560</u>	<u>10,493,486</u>	<u>1,956,074</u>
Excess of Revenues Over (Under) Expenditures	(11,521,922)	(11,488,922)	(9,748,226)	1,740,696
OTHER FINANCING SOURCES (USES):				
Notes Issued	8,944,560	8,964,560	8,916,183	(48,377)
Other	0	0	33,527	33,527
Transfers In	<u>89,060</u>	<u>89,060</u>	<u>89,060</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>9,033,620</u>	<u>9,053,620</u>	<u>9,038,770</u>	<u>(14,850)</u>
NET CHANGE IN FUND BALANCE	(2,488,302)	(2,435,302)	(709,456)	1,725,846
FUND BALANCE BEGINNING OF YEAR	3,545,221	3,545,221	3,545,221	<u>0</u>
Prior Year Encumbrances Appropriated	<u>122,179</u>	<u>122,179</u>	<u>122,179</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$1,179,098</u>	<u>\$1,232,098</u>	<u>\$2,957,944</u>	<u>\$1,725,846</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, 2010

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
REVENUES:				
Property and Other Local Taxes	\$946,553	\$946,553	\$951,725	\$5,172
Intergovernmental	191,177	191,177	218,675	27,498
Interest Income	<u>50,000</u>	<u>50,000</u>	<u>92,004</u>	<u>42,004</u>
Total Revenues	<u>1,187,730</u>	<u>1,187,730</u>	<u>1,262,404</u>	<u>74,674</u>
EXPENDITURES:				
Executive-Mayor				
Personal Services	13,000	13,000	13,000	0
Services and Supplies	23,000	23,000	11,674	11,326
Debt Service				
Principal Retirement	842,787	842,787	842,787	0
Interest	624,620	624,620	624,620	0
Bond Issuance Costs	<u>0</u>	<u>112,000</u>	<u>111,425</u>	<u>575</u>
Total Expenditures	<u>1,503,407</u>	<u>1,615,407</u>	<u>1,603,506</u>	<u>11,901</u>
Excess of Revenues Over (Under) Expenditures	(315,677)	(427,677)	(341,102)	86,575
OTHER FINANCING SOURCES (USES):				
Refunding Bonds Issued	0	5,420,000	5,235,000	(185,000)
Refunding Bonds Premium	0	0	41,600	41,600
Payment to Refunding Bonds Escrow Agent	0	(5,308,000)	(5,135,556)	172,444
Transfer In	<u>300,000</u>	<u>300,000</u>	<u>200,000</u>	<u>(100,000)</u>
Total Other Financing Sources (Uses)	<u>300,000</u>	<u>412,000</u>	<u>341,044</u>	<u>(70,956)</u>
NET CHANGE IN FUND BALANCE	(15,677)	(15,677)	(58)	15,619
FUND BALANCE BEGINNING OF YEAR	<u>28,175</u>	<u>28,175</u>	<u>28,175</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$12,498</u>	<u>\$12,498</u>	<u>\$28,117</u>	<u>\$15,619</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, 2010

	<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:				
Charges for Services	\$835,300	\$835,300	\$700,091	(\$135,209)
Interest Income	200	200	182	(18)
Other	<u>0</u>	<u>0</u>	<u>159</u>	<u>159</u>
Total Revenues	<u>835,500</u>	<u>835,500</u>	<u>700,432</u>	<u>(135,068)</u>
EXPENSES:				
Executive-Mayor				
Leisure Time Activities				
Personal Services	411,914	411,914	402,745	9,169
Services and Supplies	292,950	292,950	299,207	(6,257)
Capital Outlay	75,450	75,450	45,825	29,625
Debt Service				
Principal Retirement	1,788,300	1,788,300	1,788,300	0
Interest	<u>16,583</u>	<u>16,583</u>	<u>16,583</u>	<u>0</u>
Total Expenses	<u>2,585,197</u>	<u>2,585,197</u>	<u>2,552,660</u>	<u>32,537</u>
Excess of Revenues Over (Under) Expenses	(1,749,697)	(1,749,697)	(1,852,228)	(102,531)
OTHER FINANCING SOURCES (USES):				
Sale of Notes	1,674,883	1,674,883	1,678,294	3,411
Advance In	0	0	0	0
Advance Repaid	0	0	0	0
Transfer In	0	145,000	145,000	0
Other	<u>0</u>	<u>0</u>	<u>4,782</u>	<u>4,782</u>
Total Other Financing Sources (Uses)	<u>1,674,883</u>	<u>1,819,883</u>	<u>1,828,076</u>	<u>8,193</u>
NET CHANGE IN FUND EQUITY	(74,814)	70,186	(24,152)	(94,338)
FUND EQUITY BEGINNING OF YEAR	78,016	78,016	78,016	0
Prior Year Encumbrances Appropriated	<u>4,449</u>	<u>4,449</u>	<u>4,449</u>	<u>0</u>
FUND EQUITY END OF YEAR	<u>\$7,651</u>	<u>\$152,651</u>	<u>\$58,313</u>	<u>(\$94,338)</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, 2010

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES:				
Intergovernmental	\$830,200	\$830,200	\$775,180	(\$55,020)
Charges for Services	4,647,500	4,647,500	4,526,882	(120,618)
Interest Income	50,000	50,000	1,995	(48,005)
Other	<u>150,000</u>	<u>150,000</u>	<u>175,974</u>	<u>25,974</u>
Total Revenues	<u>5,677,700</u>	<u>5,677,700</u>	<u>5,480,031</u>	<u>(197,669)</u>
EXPENSES:				
Executive-Mayor				
Basic Utility Service				
Personal Services	2,525,961	2,525,961	2,402,288	123,673
Services and Supplies	1,120,075	1,120,075	1,039,726	80,349
Other	150,000	150,000	150,000	0
Capital Outlay	1,540,420	1,540,420	1,111,993	428,427
Debt Service				
Principal Retirement	2,020,030	2,020,030	2,020,220	(190)
Interest	<u>240,327</u>	<u>240,327</u>	<u>240,327</u>	<u>0</u>
Total Expenses	<u>7,596,813</u>	<u>7,596,813</u>	<u>6,964,554</u>	<u>632,259</u>
Excess of Revenues Over (Under) Expenses	(1,919,113)	(1,919,113)	(1,484,523)	434,590
OTHER FINANCING SOURCES (USES):				
Other	0	0	7,201	7,201
Advance Repaid	0	0	0	0
Sale of Debt	1,050,800	1,050,800	298,404	(752,396)
Sale of Note	<u>1,551,057</u>	<u>1,551,057</u>	<u>1,554,216</u>	<u>3,159</u>
Transfer In	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>2,601,857</u>	<u>2,601,857</u>	<u>1,859,821</u>	<u>(742,036)</u>
NET CHANGE IN FUND EQUITY	682,744	682,744	375,298	(307,446)
FUND EQUITY BEGINNING OF YEAR	519,561	519,561	519,561	0
Prior Year Encumbrances Appropriated	<u>14,441</u>	<u>14,441</u>	<u>14,441</u>	<u>0</u>
FUND EQUITY END OF YEAR	<u>\$1,216,746</u>	<u>\$1,216,746</u>	<u>\$909,300</u>	<u>(\$307,446)</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, 2010

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Charges for Services	\$10,000	\$10,000	\$23,127	\$13,127
Interest Income	0	0	102	102
Rental	<u>145,000</u>	<u>145,000</u>	<u>157,541</u>	<u>12,541</u>
Total Revenues	<u>155,000</u>	<u>155,000</u>	<u>180,770</u>	<u>25,770</u>
EXPENSES:				
Executive-Mayor				
Transportation				
Personal Services	125,063	125,063	120,602	4,461
Services and Supplies	77,525	77,525	46,935	30,590
Capital Outlay	160,000	160,000	104,813	55,187
Debt Service				
Principal Retirement	100,000	100,000	100,000	0
Interest	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>0</u>
Total Expenses	<u>463,588</u>	<u>463,588</u>	<u>373,350</u>	<u>90,238</u>
Excess of Revenues Over (Under) Expenses	<u>(308,588)</u>	<u>(308,588)</u>	<u>(192,580)</u>	<u>116,008</u>
OTHER FINANCING SOURCES (USES):				
Sale of Notes	160,000	160,000	151,307	(8,693)
Other	<u>0</u>	<u>0</u>	<u>4,961</u>	<u>4,961</u>
Total Other Financing Sources (Uses)	<u>160,000</u>	<u>160,000</u>	<u>156,268</u>	<u>(3,732)</u>
NET CHANGE IN FUND EQUITY	(148,588)	(148,588)	(36,312)	112,276
FUND EQUITY BEGINNING OF YEAR	<u>171,043</u>	<u>171,043</u>	<u>171,043</u>	<u>0</u>
FUND EQUITY END OF YEAR	<u>\$22,455</u>	<u>\$22,455</u>	<u>\$134,731</u>	<u>\$112,276</u>

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 – Established by the Ohio Revised Code to account for revenue received from fines and seizures to assist the department in combating drug activities and to provide Community Prevention Education.

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 – to assess small projects that occur during the year, but are neither a regular occurrence nor a long-term project. This may include sidewalks, demolitions, 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.

Special Projects DUI Fund - the Municipal Court has established this fund for the purpose of special projects as outlined by the Ohio Revised Code. 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.

Police Continuing Professional Training Fund - to account for revenue received from the State of Ohio for the purpose of providing continuing professional training for police officers.

Ohio Criminal Justice Services Grant Fund - to account for revenue received from a Federal ARRA grant for the purpose of providing security services for the Municipal Court.

Street Lighting Fund – to account for the .8 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.

Edward Byrne Memorial Justice Assistance Grant Fund - to account for revenue received from a Federal ARRA grant for the purpose of funding Police patrol overtime in the City's Downtown district.

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 2010.

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.

CITY OF WILLOUGHBY, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2010

	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	\$3,146,026	\$325,114	\$237,632	\$3,708,772
Inventory - Supplies	102,808	0	0	102,808
Accounts Receivable	365	0	0	365
Due from Other Governments	597,835	0	0	597,835
Taxes Receivable	1,726,759	0	0	1,726,759
Due from Other Funds	1,543	0	0	1,543
Special Assessments Receivable	<u>613,418</u>	<u>260,007</u>	<u>0</u>	<u>873,425</u>
TOTAL ASSETS	<u>\$6,188,754</u>	<u>\$585,121</u>	<u>\$237,632</u>	<u>\$7,011,507</u>
LIABILITIES				
Accounts Payable	246,400	0	0	246,400
Salaries, Wages & Benefits Payable	98,401	0	0	98,401
Due to Other Governments	22,581	0	0	22,581
Due to Other Funds	1,543	0	0	1,543
Deferred Revenue	<u>2,818,515</u>	<u>260,007</u>	<u>0</u>	<u>3,078,522</u>
TOTAL LIABILITIES	<u>3,187,440</u>	<u>260,007</u>	<u>0</u>	<u>3,447,447</u>
FUND BALANCES				
Nonspendable	102,808	0	237,632	340,440
Restricted	<u>2,898,506</u>	<u>325,114</u>	<u>0</u>	<u>3,223,620</u>
TOTAL FUND BALANCES	<u>3,001,314</u>	<u>325,114</u>	<u>237,632</u>	<u>3,564,060</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$6,188,754</u>	<u>\$585,121</u>	<u>\$237,632</u>	<u>\$7,011,507</u>

CITY OF WILLOUGHBY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	NONMAJOR SPECIAL REVENUE FUNDS	SPECIAL ASSESSMENTS DEBT SERVICE FUND	CEMETERY CARE PERMANENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES:				
Property and Other Local Taxes	\$1,529,672	\$0	\$0	\$1,529,672
Intergovernmental	1,448,187	0	0	1,448,187
Charges for Services	220,324	0	10,840	231,164
Special Assessments	612,289	44,159	0	656,448
Fines and Forfeitures	480,023	0	0	480,023
Miscellaneous	<u>10,364</u>	<u>0</u>	<u>0</u>	<u>10,364</u>
Total Revenues	<u>4,300,859</u>	<u>44,159</u>	<u>10,840</u>	<u>4,355,858</u>
EXPENDITURES:				
Current:				
General Government	244,792	1,358	0	246,150
Security of Persons and Property	2,127,064	0	0	2,127,064
Community Environment	14,082	0	0	14,082
Leisure Time Activities	898,218	0	0	898,218
Transportation	1,629,438	0	0	1,629,438
Basic Utility Service	0	0	0	0
Capital Outlay	1,055,716	0	0	1,055,716
Debt Service:				
Principal	0	25,000	0	25,000
Interest	<u>0</u>	<u>13,163</u>	<u>0</u>	<u>13,163</u>
Total Expenditures	<u>5,969,310</u>	<u>39,521</u>	<u>0</u>	<u>6,008,831</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,668,451)	4,638	10,840	(1,652,973)
OTHER FINANCING SOURCES (USES):				
Transfers In	2,020,000	0	0	2,020,000
Transfers (Out)	(200,000)	0	0	(200,000)
Sale of Assets	<u>18,498</u>	<u>0</u>	<u>0</u>	<u>18,498</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,838,498</u>	<u>0</u>	<u>0</u>	<u>1,838,498</u>
NET CHANGE IN FUND BALANCES	170,047	4,638	10,840	185,525
FUND BALANCES BEGINNING OF YEAR	2,836,261	320,476	226,792	3,383,529
INCREASE IN RESERVE				
FOR INVENTORY	<u>(4,994)</u>	<u>0</u>	<u>0</u>	<u>(4,994)</u>
FUND BALANCES END OF YEAR	<u>\$3,001,314</u>	<u>\$325,114</u>	<u>\$237,632</u>	<u>\$3,564,060</u>

CITY OF WILLOUGHBY, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2010

	FIRE PENSION	POLICE PENSION	LAW ENFORCEMENT	RECREATION	STREET CONSTRUCTION MAINTENANCE AND REPAIR	STATE HIGHWAY	ROAD & BRIDGE	CORPORATE MAINTENANCE	ENFORCEMENT & EDUCATION
ASSETS									
Equity in City Treasury Cash and Investments	\$38,062	\$93,296	\$61,303	\$183,110	\$365,317	\$33,577	\$1,020,843	\$60,688	\$15,118
Inventory - Supplies	0	0	0	0	102,808	0	0	0	0
Accounts Receivable	0	0	0	365	0	0	0	0	0
Due from Other Governments	7,309	7,309	0	2,720	462,365	37,155	46,602	0	145
Taxes Receivable	211,775	211,775	0	111,394	0	0	1,191,815	0	0
Special Assessments Receivable	0	0	0	0	0	0	0	27,108	0
Due from Other Funds	0	0	0	0	0	0	0	0	0
TOTAL ASSETS	\$257,146	\$312,380	\$61,303	\$297,589	\$930,490	\$70,732	\$2,259,260	\$87,796	\$15,263
LIABILITIES									
Accounts Payable	\$0	\$0	\$0	\$6,433	\$22,437	\$0	\$152,695	\$0	\$0
Salaries, Wages & Benefits Payable	27,811	25,656	0	18,323	24,675	0	0	0	0
Due to Other Funds	0	0	0	0	0	0	0	0	0
Due to Other Governments	0	0	0	0	0	22,581	0	0	0
Deferred Revenue	219,084	219,084	0	114,114	383,318	31,080	1,238,417	27,108	0
TOTAL LIABILITIES	246,895	244,740	0	138,870	430,430	53,661	1,391,112	27,108	0
FUND BALANCES									
Nonspendable	0	0	0	0	102,808	0	0	0	0
Restricted	10,251	67,640	61,303	158,719	397,252	17,071	868,148	60,688	15,263
TOTAL FUND BALANCES	10,251	67,640	61,303	158,719	500,060	17,071	868,148	60,688	15,263
TOTAL LIABILITIES AND FUND BALANCES	\$257,146	\$312,380	\$61,303	\$297,589	\$930,490	\$70,732	\$2,259,260	\$87,796	\$15,263



<u>INDIGENT DRIVERS TREATMENT</u>	<u>COURT COMPUTER</u>	<u>GENERAL SPECIAL PROJECTS</u>	<u>SPECIAL PROJECTS DUI</u>	<u>URBAN FOREST MANAGEMENT</u>	<u>VICTIMS ASSISTANCE</u>	<u>POLICE CONTINUING PROFESSIONAL TRAINING</u>	<u>OHIO CRIMINAL JUSTICE SERVICES GRANT</u>	<u>STREET LIGHTING</u>	<u>TOTAL 2010</u>
\$307,166	\$215,324	\$79,604	\$47,776	\$54,445	\$14,971	\$9,760	\$0	\$545,666	\$3,146,026
0	0	0	0	0	0	0	0	0	102,808
0	0	0	0	0	0	0	0	0	365
2,200	13,658	12,410	1,699	0	1,827	0	2,436	0	597,835
0	0	0	0	0	0	0	0	0	1,726,759
0	0	0	0	0	0	0	0	586,310	613,418
<u>0</u>	<u>1,543</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,543</u>
<u>\$309,366</u>	<u>\$230,525</u>	<u>\$92,014</u>	<u>\$49,475</u>	<u>\$54,445</u>	<u>\$16,798</u>	<u>\$9,760</u>	<u>\$2,436</u>	<u>\$1,131,976</u>	<u>\$6,188,754</u>
\$5,877	\$3,863	\$2,391	\$0	\$0	\$45	\$0	\$0	\$52,659	\$246,400
0	0	0	0	0	1,392	0	544	0	98,401
0	0	0	0	0	0	0	1,543	0	1,543
0	0	0	0	0	0	0	0	0	22,581
<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>586,310</u>	<u>2,818,515</u>
<u>5,877</u>	<u>3,863</u>	<u>2,391</u>	<u>0</u>	<u>0</u>	<u>1,437</u>	<u>0</u>	<u>2,087</u>	<u>638,969</u>	<u>3,187,440</u>
0	0	0	0	0	0	0	0	0	102,808
<u>303,489</u>	<u>226,662</u>	<u>89,623</u>	<u>49,475</u>	<u>54,445</u>	<u>15,361</u>	<u>9,760</u>	<u>349</u>	<u>493,007</u>	<u>2,898,506</u>
<u>303,489</u>	<u>226,662</u>	<u>89,623</u>	<u>49,475</u>	<u>54,445</u>	<u>15,361</u>	<u>9,760</u>	<u>349</u>	<u>493,007</u>	<u>3,001,314</u>
<u>\$309,366</u>	<u>\$230,525</u>	<u>\$92,014</u>	<u>\$49,475</u>	<u>\$54,445</u>	<u>\$16,798</u>	<u>\$9,760</u>	<u>\$2,436</u>	<u>\$1,131,976</u>	<u>\$6,188,754</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, 2010

	<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>	<u>ENFORCEMENT & EDUCATION</u>
REVENUES:									
Property and Other Local Taxes	\$168,945	\$168,945	\$0	\$64,897	\$55,430	\$0	\$1,071,455	\$0	\$0
Intergovernmental	44,405	44,405	0	174,094	934,836	75,797	118,550	0	0
Charges for Services	0	0	0	212,729	1,795	0	0	0	0
Special Assessments	0	0	0	0	0	0	0	28,803	0
Fines and Forfeitures	0	0	14,100	0	0	0	0	0	2,587
Miscellaneous	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,364</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>213,350</u>	<u>213,350</u>	<u>14,100</u>	<u>451,720</u>	<u>1,002,425</u>	<u>75,797</u>	<u>1,190,005</u>	<u>28,803</u>	<u>2,587</u>
EXPENDITURES:									
Current:									
General Government	2,072	2,072	0	0	0	0	13,253	112	0
Security of Persons and Property	753,159	719,283	1,000	0	0	0	0	0	0
Community Environment	0	0	0	0	0	0	0	7,718	0
Leisure Time Activities	0	0	0	898,218	0	0	0	0	0
Transportation	0	0	0	0	1,528,036	91,379	10,023	0	0
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>22,709</u>	<u>0</u>	<u>0</u>	<u>1,019,409</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>755,231</u>	<u>721,355</u>	<u>1,000</u>	<u>920,927</u>	<u>1,528,036</u>	<u>91,379</u>	<u>1,042,685</u>	<u>7,830</u>	<u>0</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(541,881)	(508,005)	13,100	(469,207)	(525,611)	(15,582)	147,320	20,973	2,587
OTHER FINANCING SOURCES (USES):									
Transfers In	525,000	525,000	0	455,000	500,000	0	0	0	0
Transfers (Out)	0	0	0	0	0	0	0	0	0
Sale of Assets	0	0	18,498	0	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	<u>525,000</u>	<u>525,000</u>	<u>18,498</u>	<u>455,000</u>	<u>500,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET CHANGE IN FUND BALANCES	(16,881)	16,995	31,598	(14,207)	(25,611)	(15,582)	147,320	20,973	2,587
FUND BALANCES BEGINNING OF YEAR	27,132	50,645	29,705	172,942	530,649	32,653	720,828	39,715	12,676
INCREASE IN RESERVE									
FOR INVENTORY	<u>0</u>	<u>0</u>	<u>0</u>	<u>(16)</u>	<u>(4,978)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCES END OF YEAR	<u>\$10,251</u>	<u>\$67,640</u>	<u>\$61,303</u>	<u>\$158,719</u>	<u>\$500,060</u>	<u>\$17,071</u>	<u>\$868,148</u>	<u>\$60,688</u>	<u>\$15,263</u>

<u>INDIGENT DRIVERS TREATMENT</u>	<u>COURT COMPUTER</u>	<u>GENERAL SPECIAL PROJECTS</u>	<u>SPECIAL PROJECTS DUI</u>	<u>URBAN FOREST MANAGEMENT</u>	<u>VICTIMS ASSISTANCE</u>	<u>POLICE CONTINUING PROFESSIONAL TRAINING</u>	<u>OHIO CRIMINAL JUSTICE SERVICES GRANT</u>	<u>STREET LIGHTING</u>	<u>EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT</u>	<u>TOTAL 2010</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,529,672
0	0	0	0	0	32,706	1,140	9,836	0	12,418	1,448,187
0	0	0	0	5,800	0	0	0	0	0	220,324
0	0	0	0	0	0	0	0	583,486	0	612,289
52,770	197,517	180,064	29,810	0	0	0	3,175	0	0	480,023
<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>10,364</u>
<u>52,770</u>	<u>197,517</u>	<u>180,064</u>	<u>29,810</u>	<u>5,800</u>	<u>32,706</u>	<u>1,140</u>	<u>13,011</u>	<u>583,486</u>	<u>12,418</u>	<u>4,300,859</u>
43,829	130,052	21,839	0	0	0	0	13,714	17,849	0	244,792
0	0	0	0	0	43,524	0	0	597,680	12,418	2,127,064
0	0	0	0	6,364	0	0	0	0	0	14,082
0	0	0	0	0	0	0	0	0	0	898,218
0	0	0	0	0	0	0	0	0	0	1,629,438
<u>0</u>	<u>13,598</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>1,055,716</u>
<u>43,829</u>	<u>143,650</u>	<u>21,839</u>	<u>0</u>	<u>6,364</u>	<u>43,524</u>	<u>0</u>	<u>13,714</u>	<u>615,529</u>	<u>12,418</u>	<u>5,969,310</u>
8,941	53,867	158,225	29,810	(564)	(10,818)	1,140	(703)	(32,043)	0	(1,668,451)
0	0	0	0	0	15,000	0	0	0	0	2,020,000
0	0	(200,000)	0	0	0	0	0	0	0	(200,000)
0	0	0	0	0	0	0	0	0	0	18,498
<u>0</u>	<u>0</u>	<u>(200,000)</u>	<u>0</u>	<u>0</u>	<u>15,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,838,498</u>
8,941	53,867	(41,775)	29,810	(564)	4,182	1,140	(703)	(32,043)	0	170,047
294,548	172,795	131,398	19,665	55,009	11,179	8,620	1,052	525,050	0	2,836,261
<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>(4,994)</u>
<u>\$303,489</u>	<u>\$226,662</u>	<u>\$89,623</u>	<u>\$49,475</u>	<u>\$54,445</u>	<u>\$15,361</u>	<u>\$9,760</u>	<u>\$349</u>	<u>\$493,007</u>	<u>\$0</u>	<u>\$3,001,314</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, 2010

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
REVENUES:				
Property and Other Local Taxes	\$167,995	\$167,995	\$168,945	\$950
Intergovernmental	<u>39,751</u>	<u>39,751</u>	<u>44,405</u>	<u>4,654</u>
Total Revenues	<u>207,746</u>	<u>207,746</u>	<u>213,350</u>	<u>5,604</u>
EXPENDITURES:				
Executive-Mayor				
Security of Persons and Property				
Personal Services	773,216	773,216	751,816	21,400
Services and Supplies	<u>3,000</u>	<u>3,000</u>	<u>2,072</u>	<u>928</u>
Total Expenditures	<u>776,216</u>	<u>776,216</u>	<u>753,888</u>	<u>22,328</u>
Excess of Revenues Over (Under) Expenditures	(568,470)	(568,470)	(540,538)	27,932
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>525,000</u>	<u>525,000</u>	<u>525,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>525,000</u>	<u>525,000</u>	<u>525,000</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	(43,470)	(43,470)	(15,538)	27,932
FUND BALANCE BEGINNING OF YEAR	<u>53,599</u>	<u>53,599</u>	<u>53,599</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$10,129</u>	<u>\$10,129</u>	<u>\$38,061</u>	<u>\$27,932</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, 2010

	<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	\$167,995	\$167,995	\$168,945	\$950
Intergovernmental	<u>14,314</u>	<u>14,314</u>	<u>44,405</u>	<u>30,091</u>
Total Revenues	<u>182,309</u>	<u>182,309</u>	<u>213,350</u>	<u>31,041</u>
EXPENDITURES:				
Executive-Mayor				
Security of Persons and Property				
Personal Services	773,216	773,216	718,155	55,061
Services and Supplies	<u>3,000</u>	<u>3,000</u>	<u>2,072</u>	<u>928</u>
Total Expenditures	<u>776,216</u>	<u>776,216</u>	<u>720,227</u>	<u>55,989</u>
Excess of Revenues Over (Under) Expenditures	(593,907)	(593,907)	(506,877)	87,030
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>525,000</u>	<u>525,000</u>	<u>525,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>525,000</u>	<u>525,000</u>	<u>525,000</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	(68,907)	(68,907)	18,123	87,030
FUND BALANCE BEGINNING OF YEAR	<u>75,173</u>	<u>75,173</u>	<u>75,173</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$6,266</u>	<u>\$6,266</u>	<u>\$93,296</u>	<u>\$87,030</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, 2010

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>(NEGATIVE)</u>
REVENUES:				
Fines and Forfeitures	\$500	\$500	\$14,100	\$13,600
Other	<u>0</u>	<u>0</u>	<u>18,498</u>	<u>18,498</u>
Total Revenues	<u>500</u>	<u>500</u>	<u>32,598</u>	<u>32,098</u>
EXPENDITURES:				
Executive-Mayor				
Security of Persons and Property				
Services and Supplies	<u>25,000</u>	<u>25,000</u>	<u>1,000</u>	<u>24,000</u>
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>1,000</u>	<u>24,000</u>
NET CHANGE IN FUND BALANCE	(24,500)	(24,500)	31,598	56,098
FUND BALANCE BEGINNING OF YEAR	<u>29,705</u>	<u>29,705</u>	<u>29,705</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$5,205</u>	<u>\$5,205</u>	<u>\$61,303</u>	<u>\$56,098</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, 2010

	<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	\$60,654	\$60,654	\$64,897	\$4,243
Intergovernmental	113,503	113,503	176,595	63,092
Charges for Services	<u>220,000</u>	<u>220,000</u>	<u>217,139</u>	<u>(2,861)</u>
Total Revenues	<u>394,157</u>	<u>394,157</u>	<u>458,631</u>	<u>64,474</u>
EXPENDITURES:				
Executive-Mayor				
Leisure Time Activities				
Personal Services	676,773	676,773	657,474	19,299
Services and Supplies	<u>318,109</u>	<u>318,109</u>	<u>265,340</u>	<u>52,769</u>
Total Expenditures	<u>994,882</u>	<u>994,882</u>	<u>922,814</u>	<u>72,068</u>
Excess of Revenues Over (Under) Expenditures	(600,725)	(600,725)	(464,183)	136,542
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>455,000</u>	<u>455,000</u>	<u>455,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>455,000</u>	<u>455,000</u>	<u>455,000</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	(145,725)	(145,725)	(9,183)	136,542
FUND BALANCE BEGINNING OF YEAR	168,228	168,228	168,228	0
Prior Year Encumbrances Appropriated	<u>1,566</u>	<u>1,566</u>	<u>1,566</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$24,069</u>	<u>\$24,069</u>	<u>\$160,611</u>	<u>\$136,542</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, 2010

	<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	\$54,000	\$54,000	\$55,462	\$1,462
Intergovernmental	935,000	935,000	934,720	(280)
Charges for Services	<u>250</u>	<u>250</u>	<u>1,795</u>	<u>1,545</u>
Total Revenues	<u>989,250</u>	<u>989,250</u>	<u>991,977</u>	<u>2,727</u>
EXPENDITURES:				
Executive-Mayor				
Transportation				
Personal Services	1,109,897	1,109,897	1,032,303	77,594
Services and Supplies	<u>625,575</u>	<u>625,575</u>	<u>486,917</u>	<u>138,658</u>
Total Expenditures	<u>1,735,472</u>	<u>1,735,472</u>	<u>1,519,220</u>	<u>216,252</u>
Excess of Revenues Over (Under) Expenditures	(746,222)	(746,222)	(527,243)	218,979
OTHER FINANCING SOURCES (USES):				
Transfers In	500,000	500,000	500,000	0
Other	<u>0</u>	<u>0</u>	<u>10,364</u>	<u>10,364</u>
Total Other Financing Sources (Uses)	<u>500,000</u>	<u>500,000</u>	<u>510,364</u>	<u>10,364</u>
NET CHANGE IN FUND BALANCE	(246,222)	(246,222)	(16,879)	229,343
FUND BALANCE BEGINNING OF YEAR	264,398	264,398	264,398	0
Prior Year Encumbrances Appropriated	<u>5,591</u>	<u>5,591</u>	<u>5,591</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$23,767</u>	<u>\$23,767</u>	<u>\$253,110</u>	<u>\$229,343</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, 2010

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>(NEGATIVE)</u>
REVENUES:				
Intergovernmental	<u>\$75,000</u>	<u>\$75,000</u>	<u>\$75,788</u>	<u>\$788</u>
Total Revenues	<u>75,000</u>	<u>75,000</u>	<u>75,788</u>	<u>788</u>
EXPENDITURES:				
Executive-Mayor				
Transportation				
Services and Supplies	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>0</u>
Total Expenditures	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	(5,000)	(5,000)	(4,212)	788
FUND BALANCE BEGINNING OF YEAR	<u>31,938</u>	<u>31,938</u>	<u>31,938</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$26,938</u>	<u>\$26,938</u>	<u>\$27,726</u>	<u>\$788</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, 2010

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Property and Other Local Taxes	\$1,066,931	\$1,066,931	\$1,071,455	\$4,524
Intergovernmental	<u>85,511</u>	<u>85,511</u>	<u>118,550</u>	<u>33,039</u>
Total Revenues	<u>1,152,442</u>	<u>1,152,442</u>	<u>1,190,005</u>	<u>37,563</u>
EXPENDITURES:				
Executive-Mayor				
Transportation				
Services and Supplies	18,000	18,000	13,253	4,747
Capital Outlay	<u>1,275,000</u>	<u>1,275,000</u>	<u>1,022,320</u>	<u>252,680</u>
Total Expenditures	<u>1,293,000</u>	<u>1,293,000</u>	<u>1,035,573</u>	<u>257,427</u>
NET CHANGE IN FUND BALANCE	(140,558)	(140,558)	154,432	294,990
FUND BALANCE BEGINNING OF YEAR	<u>604,225</u>	<u>604,225</u>	<u>604,225</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$463,667</u>	<u>\$463,667</u>	<u>\$758,657</u>	<u>\$294,990</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, 2010

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
REVENUES:				
Special Assessments	<u>\$38,000</u>	<u>\$38,000</u>	<u>\$28,803</u>	(\$9,197)
Total Revenues	<u>38,000</u>	<u>38,000</u>	<u>28,803</u>	(9,197)
EXPENDITURES:				
Executive-Mayor				
Community Environment				
Services and Supplies	<u>43,000</u>	<u>43,000</u>	<u>26,218</u>	<u>16,782</u>
Total Expenditures	<u>43,000</u>	<u>43,000</u>	<u>26,218</u>	<u>16,782</u>
NET CHANGE IN FUND BALANCE	(5,000)	(5,000)	2,585	7,585
FUND BALANCE BEGINNING OF YEAR	24,819	24,819	24,819	0
Prior Year Encumbrances Appropriated	<u>2,097</u>	<u>2,097</u>	<u>2,097</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$21,916</u>	<u>\$21,916</u>	<u>\$29,501</u>	<u>\$7,585</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, 2010

	<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>\$2,000</u>	<u>\$2,000</u>	<u>\$2,618</u>	<u>\$618</u>
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>2,618</u>	<u>618</u>
EXPENDITURES:				
Executive-Mayor				
Security of Persons and Property				
Capital Outlay	<u>10,000</u>	<u>10,000</u>	<u>0</u>	<u>10,000</u>
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>0</u>	<u>10,000</u>
NET CHANGE IN FUND BALANCE	(8,000)	(8,000)	2,618	10,618
FUND BALANCE BEGINNING OF YEAR	<u>12,500</u>	<u>12,500</u>	<u>12,500</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$4,500</u>	<u>\$4,500</u>	<u>\$15,118</u>	<u>\$10,618</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, 2010

	<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>\$35,000</u>	<u>\$35,000</u>	<u>\$52,709</u>	<u>\$17,709</u>
Total Revenues	<u>35,000</u>	<u>35,000</u>	<u>52,709</u>	<u>17,709</u>
EXPENDITURES:				
Judicial -Municipal Court				
General Government				
Services and Supplies	<u>150,000</u>	<u>150,000</u>	<u>0</u>	<u>150,000</u>
Total Expenditures	<u>150,000</u>	<u>150,000</u>	<u>0</u>	<u>150,000</u>
NET CHANGE IN FUND BALANCE	(115,000)	(115,000)	52,709	167,709
FUND BALANCE BEGINNING OF YEAR	<u>205,094</u>	<u>205,094</u>	<u>205,094</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$90,094</u>	<u>\$90,094</u>	<u>\$257,803</u>	<u>\$167,709</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, 2010

	<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>\$150,000</u>	<u>\$150,000</u>	<u>\$199,978</u>	<u>\$49,978</u>
Total Revenues	<u>150,000</u>	<u>150,000</u>	<u>199,978</u>	<u>49,978</u>
EXPENDITURES:				
Judicial -Municipal Court				
General Government				
Personal Services	0	30,000	30,000	0
Services and Supplies	150,000	120,000	64,292	55,708
Capital Outlay	<u>50,000</u>	<u>50,000</u>	<u>17,060</u>	<u>32,940</u>
Total Expenditures	<u>200,000</u>	<u>200,000</u>	<u>111,352</u>	<u>88,648</u>
NET CHANGE IN FUND BALANCE	(50,000)	(50,000)	88,626	138,626
FUND BALANCE BEGINNING OF YEAR	95,311	95,311	95,311	0
Prior Year Encumbrances Appropriated	<u>750</u>	<u>750</u>	<u>750</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$46,061</u>	<u>\$46,061</u>	<u>\$184,687</u>	<u>\$138,626</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, 2010

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	FINAL BUDGET POSITIVE <u>(NEGATIVE)</u>
REVENUES:				
Fines and Forfeitures	\$190,000	\$190,000	\$182,483	(\$7,517)
Total Revenues	<u>190,000</u>	<u>190,000</u>	<u>182,483</u>	<u>(7,517)</u>
EXPENDITURES:				
Judicial -Municipal Court				
General Government				
Services and Supplies	<u>25,000</u>	<u>25,000</u>	<u>20,473</u>	<u>4,527</u>
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>20,473</u>	<u>4,527</u>
Excess of Revenues Over (Under) Expenditures	165,000	165,000	162,010	(2,990)
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	(35,000)	(35,000)	(37,990)	(2,990)
FUND BALANCE BEGINNING OF YEAR	<u>107,005</u>	<u>107,005</u>	<u>107,005</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$72,005</u>	<u>\$72,005</u>	<u>\$69,015</u>	<u>(\$2,990)</u>

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL
SPECIAL PROJECTS DUI FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	<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>\$5,000</u>	<u>\$5,000</u>	<u>\$29,359</u>	<u>\$24,359</u>
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>29,359</u>	<u>24,359</u>
EXPENDITURES:				
Judicial -Municipal Court				
General Government				
Services and Supplies	<u>17,000</u>	<u>17,000</u>	<u>0</u>	<u>17,000</u>
Total Expenditures	<u>17,000</u>	<u>17,000</u>	<u>0</u>	<u>17,000</u>
NET CHANGE IN FUND BALANCE	(12,000)	(12,000)	29,359	41,359
FUND BALANCE BEGINNING OF YEAR	<u>18,417</u>	<u>18,417</u>	<u>18,417</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$6,417</u>	<u>\$6,417</u>	<u>\$47,776</u>	<u>\$41,359</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, 2010

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Charges for Services	<u>\$5,000</u>	<u>\$5,000</u>	<u>\$5,800</u>	<u>\$800</u>
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>5,800</u>	<u>800</u>
EXPENDITURES:				
Executive-Mayor				
Community Environment				
Services and Supplies	<u>25,000</u>	<u>25,000</u>	<u>6,214</u>	<u>18,786</u>
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>6,214</u>	<u>18,786</u>
NET CHANGE IN FUND BALANCE	(20,000)	(20,000)	(414)	19,586
FUND BALANCE BEGINNING OF YEAR	<u>54,559</u>	<u>54,559</u>	<u>54,559</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$34,559</u>	<u>\$34,559</u>	<u>\$54,145</u>	<u>\$19,586</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, 2010

	<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:				
Intergovernmental	<u>\$31,539</u>	<u>\$31,539</u>	<u>\$30,879</u>	<u>(\$660)</u>
Total Revenues	<u>31,539</u>	<u>31,539</u>	<u>30,879</u>	<u>(660)</u>
EXPENDITURES:				
Executive-Mayor				
Security of Persons and Property				
Personal Services	44,000	44,000	42,172	1,828
Services and Supplies	<u>4,700</u>	<u>4,700</u>	<u>1,348</u>	<u>3,352</u>
Total Expenditures	<u>48,700</u>	<u>48,700</u>	<u>43,520</u>	<u>5,180</u>
Excess of Revenues Over (Under) Expenditures	(17,161)	(17,161)	(12,641)	4,520
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	(2,161)	(2,161)	2,359	4,520
FUND BALANCE BEGINNING OF YEAR	<u>12,612</u>	<u>12,612</u>	<u>12,612</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$10,451</u>	<u>\$10,451</u>	<u>\$14,971</u>	<u>\$4,520</u>

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL
POLICE CONTINUING PROFESSIONAL TRAINING FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	<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>\$3,000</u>	<u>\$3,000</u>	<u>\$1,140</u>	<u>(\$1,860)</u>
Total Revenues	<u>3,000</u>	<u>3,000</u>	<u>1,140</u>	<u>(1,860)</u>
EXPENDITURES:				
Executive-Mayor				
Security of Persons and Property				
Services and Supplies	<u>8,600</u>	<u>8,600</u>	<u>0</u>	<u>8,600</u>
Total Expenditures	<u>8,600</u>	<u>8,600</u>	<u>0</u>	<u>8,600</u>
NET CHANGE IN FUND BALANCE	(5,600)	(5,600)	1,140	6,740
FUND BALANCE BEGINNING OF YEAR	<u>8,620</u>	<u>8,620</u>	<u>8,620</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$3,020</u>	<u>\$3,020</u>	<u>\$9,760</u>	<u>\$6,740</u>

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL
OHIO CRIMINAL JUSTICE SERVICES GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	<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	\$3,175	\$3,175	\$3,175	\$0
Intergovernmental	<u>15,525</u>	<u>15,525</u>	<u>8,712</u>	<u>(6,813)</u>
Total Revenues	<u>18,700</u>	<u>18,700</u>	<u>11,887</u>	<u>(6,813)</u>
EXPENDITURES:				
Judicial -Municipal Court				
General Government				
Personal Services	<u>18,950</u>	<u>18,950</u>	<u>13,680</u>	<u>5,270</u>
Total Expenditures	<u>18,950</u>	<u>18,950</u>	<u>13,680</u>	<u>5,270</u>
NET CHANGE IN FUND BALANCE	(250)	(250)	(1,793)	(1,543)
FUND BALANCE BEGINNING OF YEAR	<u>250</u>	<u>250</u>	<u>250</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$0</u>	<u>\$0</u>	<u>(\$1,543)</u>	<u>(\$1,543)</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, 2010

	<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>\$548,183</u>	<u>\$548,183</u>	<u>\$583,486</u>	<u>\$35,303</u>
Total Revenues	<u>548,183</u>	<u>548,183</u>	<u>583,486</u>	<u>35,303</u>
EXPENDITURES:				
Executive-Mayor				
Security of Persons and Property				
Services and Supplies	<u>620,000</u>	<u>620,000</u>	<u>611,375</u>	<u>8,625</u>
Total Expenditures	<u>620,000</u>	<u>620,000</u>	<u>611,375</u>	<u>8,625</u>
NET CHANGE IN FUND BALANCE	(71,817)	(71,817)	(27,889)	43,928
FUND BALANCE BEGINNING OF YEAR	569,014	569,014	569,014	0
Prior Year Encumbrances Appropriated	<u>4,541</u>	<u>4,541</u>	<u>4,541</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$501,738</u>	<u>\$501,738</u>	<u>\$545,666</u>	<u>\$43,928</u>

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (Non-GAAP Basis) AND ACTUAL
EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	<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>\$12,419</u>	<u>\$12,418</u>	<u>(\$1)</u>
Total Revenues	<u>0</u>	<u>12,419</u>	<u>12,418</u>	<u>(1)</u>
EXPENDITURES:				
Executive-Mayor				
Security of Persons and Property				
Personal Services	<u>0</u>	<u>12,419</u>	<u>12,418</u>	<u>1</u>
Total Expenditures	<u>0</u>	<u>12,419</u>	<u>12,418</u>	<u>1</u>
NET CHANGE IN FUND BALANCE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE BEGINNING OF YEAR	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL
SPECIAL ASSESSMENTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	<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>\$41,477</u>	<u>\$41,477</u>	<u>\$44,159</u>	<u>\$2,682</u>
Total Revenues	<u>41,477</u>	<u>41,477</u>	<u>44,159</u>	<u>2,682</u>
EXPENDITURES:				
Executive-Mayor				
General Government				
Services and Supplies	10,000	10,000	1,358	8,642
Debt Service				
Principal Retirement	25,000	25,000	25,000	0
Interest	<u>13,163</u>	<u>13,163</u>	<u>13,163</u>	<u>0</u>
Total Expenditures	<u>48,163</u>	<u>48,163</u>	<u>39,521</u>	<u>8,642</u>
Excess of Revenues Over				
(Under) Expenditures	(6,686)	(6,686)	4,638	11,324
OTHER FINANCING SOURCES (USES):				
Transfer Out	<u>(100,000)</u>	<u>(100,000)</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(100,000)</u>	<u>(100,000)</u>	<u>0</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	(106,686)	(106,686)	4,638	11,324
FUND BALANCE BEGINNING OF YEAR	<u>320,476</u>	<u>320,476</u>	<u>320,476</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$213,790</u>	<u>\$213,790</u>	<u>\$325,114</u>	<u>\$11,324</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, 2010

	<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>\$10,000</u>	<u>\$10,000</u>	<u>\$10,960</u>	<u>\$960</u>
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>10,960</u>	<u>960</u>
FUND BALANCE BEGINNING OF YEAR	<u>226,672</u>	<u>226,672</u>	<u>226,672</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$236,672</u>	<u>\$236,672</u>	<u>\$237,632</u>	<u>\$960</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, 2010

	<u>DEPOSITS & INSPECTIONS</u>	<u>MUNICIPAL COURT</u>	<u>TOTAL 2010</u>
ASSETS			
Equity in City Treasury Cash and Investments	\$1,095,654	\$376,318	\$1,471,972
Accounts Receivable	<u>0</u>	<u>152,434</u>	<u>152,434</u>
TOTAL ASSETS	<u>\$1,095,654</u>	<u>\$528,752</u>	<u>\$1,624,406</u>
LIABILITIES			
Accounts Payable	\$1,095,576	\$68,679	\$1,164,255
Deposits Held and Due to Others	0	190,535	190,535
Due to Other Governments	<u>78</u>	<u>269,538</u>	<u>269,616</u>
TOTAL LIABILITIES	<u>\$1,095,654</u>	<u>\$528,752</u>	<u>\$1,624,406</u>

CITY OF WILLOUGHBY, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	BALANCE			BALANCE
	<u>1/1/2010</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>12/31/2010</u>
DEPOSITS & INSPECTIONS				
ASSETS				
Equity in City Treasury Cash and Investments	\$1,028,893	\$943,198	\$876,437	\$1,095,654
TOTAL ASSETS	<u>\$1,028,893</u>	<u>\$943,198</u>	<u>\$876,437</u>	<u>\$1,095,654</u>
LIABILITIES				
Accounts Payable	\$1,028,732	\$888,091	\$821,247	\$1,095,576
Due to Other Governments	161	55,107	55,190	78
TOTAL LIABILITIES	<u>\$1,028,893</u>	<u>\$943,198</u>	<u>\$876,437</u>	<u>\$1,095,654</u>
MUNICIPAL COURT				
ASSETS				
Equity in City Treasury Cash and Investments	\$425,184	\$5,599,100	\$5,647,966	\$376,318
Accounts Receivable	<u>123,000</u>	<u>152,434</u>	<u>123,000</u>	<u>152,434</u>
TOTAL ASSETS	<u>\$548,184</u>	<u>\$5,751,534</u>	<u>\$5,770,966</u>	<u>\$528,752</u>
LIABILITIES				
Accounts Payable	\$84,793	\$1,523,978	\$1,540,092	\$68,679
Deposits Held and Due to Others	209,895	2,842,936	2,862,296	190,535
Due to Other Governments	<u>253,496</u>	<u>1,384,620</u>	<u>1,368,578</u>	<u>269,538</u>
TOTAL LIABILITIES	<u>\$548,184</u>	<u>\$5,751,534</u>	<u>\$5,770,966</u>	<u>\$528,752</u>
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Equity in City Treasury Cash and Investments	\$1,454,077	\$6,542,298	\$6,524,403	\$1,471,972
Accounts Receivable	<u>123,000</u>	<u>152,434</u>	<u>123,000</u>	<u>152,434</u>
TOTAL ASSETS	<u>\$1,577,077</u>	<u>\$6,694,732</u>	<u>\$6,647,403</u>	<u>\$1,624,406</u>
LIABILITIES				
Accounts Payable	\$1,113,525	\$2,412,069	\$2,361,339	\$1,164,255
Deposits Held and Due to Others	209,895	2,842,936	2,862,296	190,535
Due to Other Governments	<u>253,657</u>	<u>1,439,727</u>	<u>1,423,768</u>	<u>269,616</u>
TOTAL LIABILITIES	<u>\$1,577,077</u>	<u>\$6,694,732</u>	<u>\$6,647,403</u>	<u>\$1,624,406</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.	S1-S9
<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.	S10-S13
<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.	S14-S18
<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.	S19-S20
<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.	S21-S23

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 and accrual basis information begin in that year. GASB Statement 54 was implemented in 2010.

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
GOVERNMENTAL ACTIVITIES									
Invested in Capital Assets, Net of Related Debt	\$ 34,929,659	\$ 32,356,271	\$ 32,853,624	\$ 36,274,834	\$ 41,288,394	\$ 41,994,662	\$ 41,374,191	\$ 38,089,025	\$ 48,774,106
Restricted For:									
Capital Projects	8,867,451	10,212,728	8,925,202	4,576,666	3,929,148	3,352,145	3,102,440	6,534,992	3,307,452
Debt Service	3,304,572	3,477,282	3,392,335	3,353,591	3,477,601	3,694,588	3,895,510	4,134,518	4,244,518
Street Construction Maintenance and Repair	529,697	469,487	484,374	441,293	846,662	1,047,185	1,087,511	1,552,301	1,736,308
Security of Persons	846,652	856,306	920,679	1,158,803	1,252,186	1,396,588	1,292,600	1,180,908	1,126,261
Municipal Court	1,112,584	1,257,261	1,526,253	869,500	702,413	613,361	550,538	618,406	669,598
Other Purposes	82,663	115,465	177,092	225,428	110,126	13,215	54,720	103,524	104,333
Permanent Fund Purpose	158,408	167,340	177,502	185,650	194,057	204,772	213,032	226,792	237,632
Unrestricted	<u>8,295,964</u>	<u>8,244,345</u>	<u>7,327,339</u>	<u>8,009,598</u>	<u>7,696,503</u>	<u>8,719,637</u>	<u>10,358,419</u>	<u>7,900,875</u>	<u>6,869,305</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>	<u>61,928,961</u>	<u>60,341,341</u>	<u>67,069,513</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	33,115,680	32,774,856	32,076,339
Restricted For:									
Equipment Replacement	558,381	510,868	456,940	456,973	418,600	292,038	298,591	378,651	299,521
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>(3,357,551)</u>	<u>(2,503,214)</u>	<u>(3,131,664)</u>	<u>(2,846,620)</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>32,163,558</u>	<u>30,911,057</u>	<u>30,021,843</u>	<u>29,529,240</u>
PRIMARY GOVERNMENT									
Invested in Capital Assets, Net of Related Debt	69,571,770	67,580,269	67,949,788	71,233,915	76,822,628	77,223,733	74,489,871	70,863,881	80,850,445
Restricted For:									
Capital Projects	8,867,451	10,212,728	8,925,202	4,576,666	3,929,148	3,352,145	3,102,440	6,534,992	3,307,452
Debt Service	3,304,572	3,477,282	3,392,335	3,353,591	3,477,601	3,694,588	3,895,510	4,134,518	4,244,518
Equipment Replacement	558,381	510,868	456,940	456,973	418,600	292,038	298,591	378,651	299,521
Street Construction Maintenance and Repair	529,697	469,487	484,374	441,293	846,662	1,047,185	1,087,511	1,552,301	1,736,308
Security of Persons	846,652	856,306	920,679	1,158,803	1,252,186	1,396,588	1,292,600	1,180,908	1,126,261
Municipal Court	1,112,584	1,257,261	1,526,253	869,500	702,413	613,361	550,538	618,406	669,598
Other Purposes	82,663	115,465	177,092	225,428	110,126	13,215	54,720	103,524	104,333
Permanent Fund Purpose	158,408	167,340	177,502	185,650	194,057	204,772	213,032	226,792	237,632
Unrestricted	<u>8,006,174</u>	<u>6,783,151</u>	<u>5,004,570</u>	<u>5,491,776</u>	<u>4,640,473</u>	<u>5,362,086</u>	<u>7,855,205</u>	<u>4,769,211</u>	<u>4,022,685</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>\$ 93,199,711</u>	<u>\$ 92,840,018</u>	<u>\$ 90,363,184</u>	<u>\$ 96,598,753</u>

CITY OF WILLOUGHBY, OHIO

CHANGES IN NET ASSETS

LAST NINE 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>	<u>2008</u>	<u>2009</u>	<u>2010</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	\$ 2,293,642	\$ 2,557,745	\$ 2,543,003
Security of Persons and Property	767,404	774,148	1,133,232	1,595,353	1,464,031	1,635,610	1,620,997	1,631,748	1,706,581
Public Health and Welfare	67,620	69,642	82,227	60,859	57,752	77,460	62,655	89,300	73,428
Community Environment	325,590	329,721	731,694	380,138	410,789	350,933	327,925	293,319	280,372
Leisure Time Activities	436,663	415,191	408,566	463,156	482,654	465,415	492,257	498,453	503,131
Transportation	980	850	1,416	1,360	720	247	375	647	1,795
Operating Grants, Contributions and Interest	986,298	78,071	56,572	51,133	358,392	118,956	233,398	93,517	112,956
Capital Grants and Contributions	73,232	541,506	143,860	1,183,817	4,165,287	110,980	287,167	681,633	8,963,623
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>	<u>5,318,416</u>	<u>5,846,362</u>	<u>14,184,889</u>
Business-type Activities:									
Charges for Services:									
Golf Course	793,405	727,217	793,299	882,293	778,425	783,322	648,189	706,651	700,250
Sewer	3,185,803	3,320,402	3,532,603	3,858,155	3,849,829	4,352,307	3,961,100	4,424,581	4,227,428
Airport	153,950	164,347	179,783	180,788	187,222	138,123	175,005	136,384	175,369
Capital Grants and Contributions	408,749	456,368	102,787	277,783	564,392	247,053	239,440	453,353	966,346
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>	<u>5,023,734</u>	<u>5,720,969</u>	<u>6,069,393</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>	<u>10,342,150</u>	<u>11,567,331</u>	<u>20,254,282</u>
EXPENSES									
Governmental Activities									
General Government	5,962,383	6,037,557	6,030,958	6,617,751	6,750,982	7,037,479	7,464,343	7,413,446	7,349,232
Security of Persons and Property	11,538,823	12,011,078	11,987,818	12,910,718	12,743,637	13,355,856	14,184,392	14,372,778	14,401,962
Public Health and Welfare	360,111	381,304	370,060	391,957	448,521	474,422	475,828	503,104	503,663
Community Environment	906,903	817,519	867,212	893,576	984,576	1,028,496	985,934	964,906	945,027
Leisure Time Activities	2,017,390	2,141,809	2,037,094	2,229,233	2,047,353	2,162,931	2,319,489	2,274,300	2,265,276
Transportation	2,892,787	2,992,462	2,853,179	3,218,135	2,736,148	3,316,323	3,526,993	3,360,716	3,331,613
Basic Utility Services	1,541,443	1,363,511	1,574,874	1,458,202	1,429,110	1,517,825	1,648,956	1,699,706	1,666,146
Interest and Fiscal Charges	700,779	734,157	918,977	938,369	881,977	879,804	842,569	705,001	522,732
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>	<u>31,448,504</u>	<u>31,293,957</u>	<u>30,985,651</u>
Business-type Activities:									
Golf Course	790,733	885,864	900,161	888,853	867,957	923,882	992,417	1,016,247	998,249
Sewer	4,348,504	4,551,402	4,702,286	4,943,662	4,643,517	4,898,045	5,086,763	5,156,297	5,249,862
Airport	570,955	679,595	693,580	508,526	553,560	540,352	558,209	504,073	469,108
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>	<u>6,637,389</u>	<u>6,676,617</u>	<u>6,717,219</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>	<u>38,085,893</u>	<u>37,970,574</u>	<u>37,702,870</u>
NET (EXPENSE)/REVENUE									
Governmental Activities									
Governmental Activities	(21,403,052)	(22,461,667)	(22,008,811)	(22,942,627)	(18,753,098)	(24,740,254)	(26,130,088)	(25,447,595)	(16,800,762)
Business-Type Activities:									
Business-type Activities	(1,168,285)	(1,448,527)	(1,687,555)	(1,142,022)	(685,166)	(841,474)	(1,613,655)	(955,648)	(647,826)
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>	<u>\$ (27,743,743)</u>	<u>\$ (26,403,243)</u>	<u>\$ (17,448,588)</u>

CITY OF WILLOUGHBY, OHIO

CHANGES IN NET ASSETS

LAST NINE YEARS

(Accrual Basis of Accounting)

(continued)

	2002	2003	2004	2005	2006	2007	2008	2009	2010
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	\$ 4,544,357	\$ 4,504,172	\$ 4,377,809
Income Taxes	13,287,833	12,775,995	12,335,764	13,613,117	13,948,654	15,570,705	16,591,292	14,318,774	14,209,122
Unrestricted Grants, Entitlements and Contributions	3,072,611	3,827,506	3,979,013	4,270,153	4,508,744	4,797,309	5,342,717	4,659,956	4,795,991
Gain on Sale of Capital Assets	0	35,131	42,204	30,798	0	5,093	91,103	882	23,434
Investment Earnings	753,337	385,766	347,035	635,182	869,675	990,190	733,253	433,778	236,115
Miscellaneous	219,719	11,170	26,945	9,899	47,195	2,418	15,174	4,577	31,463
Transfers	0	0	(2,255)	0	0	(68,000)	(295,000)	(62,164)	(145,000)
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>	<u>27,022,896</u>	<u>23,859,975</u>	<u>23,528,934</u>
Business-type Activities:									
Income Taxes	800,000	750,000	625,000	750,000	625,000	200,000	0	0	0
Gain on Sale of Capital Assets	0	0	0	0	0	2,039	2,021	100	7,022
Investment Earnings	34,317	23,108	14,763	38,817	56,756	53,393	51,342	4,170	1,378
Miscellaneous	12,014	38,389	2,200	21,102	1,982	973	12,791	0	1,823
Transfers	0	0	2,255	0	0	68,000	295,000	62,164	145,000
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>	<u>361,154</u>	<u>66,434</u>	<u>155,223</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>	<u>27,384,050</u>	<u>23,926,409</u>	<u>23,684,157</u>
CHANGE IN NET ASSETS									
Governmental Activities	(527,508)	(2,019,304)	(1,372,085)	(689,037)	4,401,727	1,539,063	892,808	(1,587,620)	6,728,172
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>	<u>(1,252,501)</u>	<u>(889,214)</u>	<u>(492,603)</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>	<u>\$ (359,693)</u>	<u>\$ (2,476,834)</u>	<u>\$ 6,235,569</u>

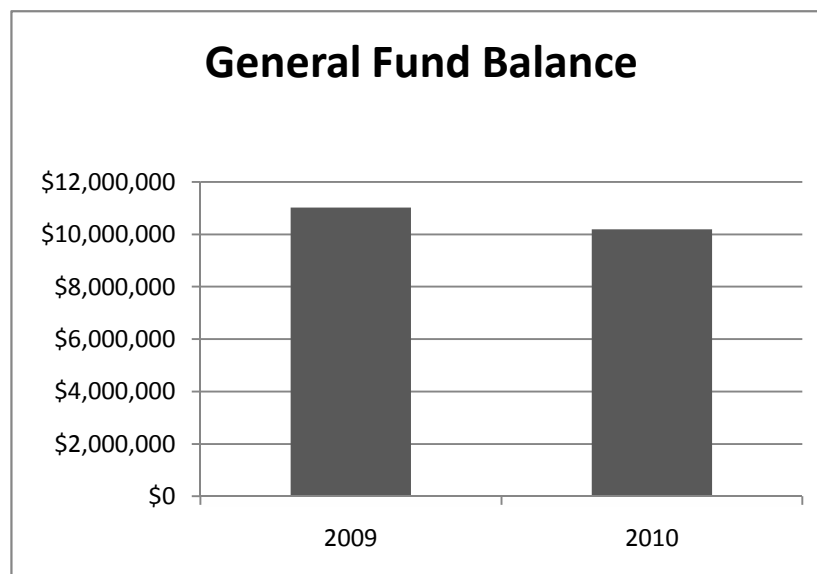
CITY OF WILLOUGHBY, OHIO
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST NINE YEARS
(Accrual Basis of Accounting)

<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
2008	\$16,591,292	\$4,544,357	\$21,135,649
2009	\$14,318,774	\$4,504,172	\$18,822,946
2010	\$14,209,122	\$4,377,809	\$18,586,931

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

	<u>2009</u>	<u>2010</u>
GENERAL FUND		
Nondisposable	\$ 1,485,563	\$ 1,483,214
Assigned	1,613,657	1,675,905
Unassigned	<u>7,917,052</u>	<u>7,034,921</u>
Total General Fund	<u>11,016,272</u>	<u>10,194,040</u>
CAPITAL PROJECTS FUND		
Nondisposable	28,176	28,176
Restricted	0	11,644
Committed	2,944,407	324,715
Unassigned(deficit)	<u>(5,275,636)</u>	<u>(5,947,617)</u>
Total Capital Projects Fund	<u>(2,303,053)</u>	<u>(5,583,082)</u>
GENERAL BOND RETIREMENT FUND		
Restricted	<u>3,666,858</u>	<u>3,768,169</u>
Total General Bond Retirement Fund	<u>3,666,858</u>	<u>3,768,169</u>
ALL OTHER GOVERNMENT FUNDS		
Nondisposable	334,578	340,440
Restricted	<u>3,048,951</u>	<u>3,223,620</u>
Total All Other Governmental Funds	<u>3,383,529</u>	<u>3,564,060</u>
 Total Governmental Funds	 <u>\$ 15,763,606</u>	 <u>\$ 11,943,187</u>

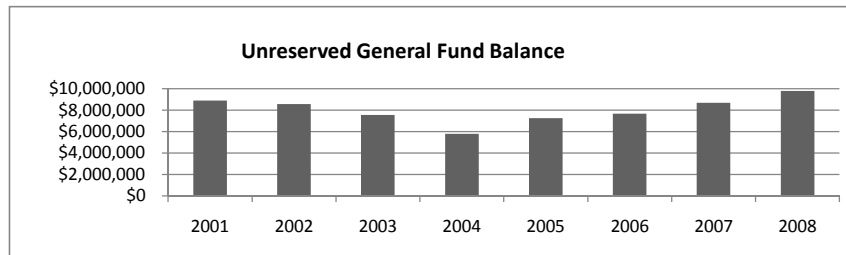
Note: During 2010 the City implemented GASB 54.



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

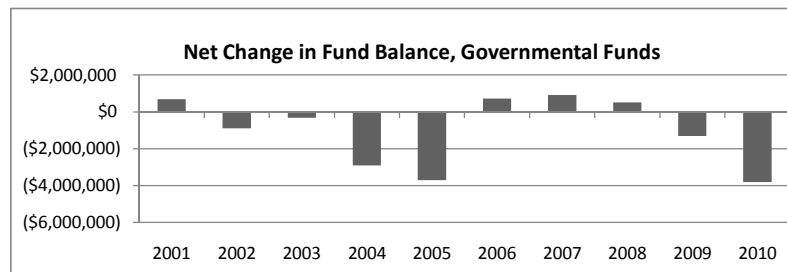
	2001	2002	2003	2004	2005	2006	2007	2008
GENERAL FUND								
Reserved for Encumbrances	\$ 284,971	\$ 626,927	\$ 623,957	\$ 737,236	\$ 771,531	\$ 823,806	\$ 882,759	\$ 470,007
Reserved for Inventory	74,236	78,332	69,932	80,453	94,976	92,895	87,616	101,902
Reserved for Prepaid Items	257	494	444	4,975	2,176	756	3,583	2,589
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	1,325,214
Unreserved	<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>	<u>9,781,785</u>
Total General Fund	<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>	<u>11,681,497</u>
CAPITAL PROJECTS FUND								
Reserved for Encumbrances	959,118	3,834,942	869,192	4,080,565	1,238,442	1,074,476	801,982	1,164,191
Reserved for Long-Term Loan - Airport	23,176	23,176	23,176	23,176	23,176	23,176	23,176	23,176
Unreserved	<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>	<u>(3,240,599)</u>
Total Capital Projects Fund	<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>	<u>(2,053,232)</u>
GENERAL BOND RETIREMENT FUND								
Reserved for Encumbrances	11,243	10,342	10,342	10,135	9,786	9,579	9,466	9,466
Reserved for Debt Service	149,263	312,866	424,206	264,877	113,013	250,707	361,950	401,984
Reserved for Long-Term Loan - Airport	<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>	<u>2,986,722</u>
Total General Bond Retirement Fund	<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>	<u>3,398,172</u>
ALL OTHER GOVERNMENTAL FUNDS								
Reserved for Encumbrances	171,762	187,584	151,531	165,289	346,559	269,305	420,940	232,134
Reserved for Inventory	74,822	90,441	72,295	91,556	89,761	96,601	53,969	99,698
Reserved for Debt Service	524,780	501,299	494,498	501,839	407,111	309,313	314,284	318,555
Reserved for Non-Current Investments	135,163	155,414	97,416	0	0	0	0	0
Unreserved, Reported in Non-major:								
Special Revenue Funds	2,055,523	2,223,921	2,529,278	2,782,400	2,149,819	3,009,947	2,923,745	3,162,378
Permanent Funds	<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>	<u>213,032</u>
Total All Other Governmental Funds	<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>	<u>4,025,797</u>
Total Governmental Funds	<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>	<u>\$ 17,052,234</u>

Note: During 2010 the City implemented GASB 54.



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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
REVENUES:										
Municipal Income Taxes	\$ 13,354,406	\$ 12,992,665	\$ 12,668,369	\$ 12,397,156	\$ 13,785,433	\$ 14,492,846	\$ 15,409,976	\$ 15,483,415	\$ 14,434,185	\$ 14,635,589
Property and Other Local Taxes	3,313,722	3,502,486	3,413,528	3,731,758	3,765,454	3,758,121	5,006,504	4,514,963	4,490,013	4,353,307
Intergovernmental	4,821,165	4,125,294	3,990,786	3,746,018	4,628,339	4,970,308	4,909,115	5,816,651	5,609,863	5,205,655
Charges for Services	510,914	546,521	653,144	1,247,253	1,494,868	1,501,349	1,419,620	1,453,966	1,663,000	1,594,327
Special Assessments	999,391	940,926	823,953	749,889	804,264	795,111	626,565	653,084	655,811	656,448
Fines and Forfeitures	1,792,593	1,960,853	1,919,942	2,206,786	2,093,376	2,413,687	2,479,794	2,392,415	2,610,283	2,601,731
Licenses & Permits	256,144	267,526	295,391	256,505	295,003	290,084	265,348	259,563	242,715	230,587
Interest Income	1,169,800	751,380	383,453	342,562	613,964	868,133	990,190	733,253	433,778	236,115
Miscellaneous	339,659	356,275	122,524	31,540	41,099	53,097	8,304	15,174	4,577	31,463
Total Revenues	26,557,794	25,443,926	24,271,090	24,709,467	27,521,800	29,142,736	31,115,416	31,322,484	30,144,225	29,545,222
EXPENDITURES:										
General Government	5,136,145	5,638,762	5,732,459	5,797,111	6,266,850	6,553,602	6,673,545	7,120,266	7,036,369	7,122,688
Security of Persons and Property	10,028,770	10,553,571	10,901,632	11,364,567	11,823,182	11,914,013	12,543,192	13,075,937	13,402,548	13,529,358
Public Health and Welfare	317,099	343,020	358,299	360,094	365,795	401,034	452,928	470,008	470,782	484,620
Community Environment	776,451	842,798	789,561	842,565	864,530	960,689	1,004,475	963,604	969,309	924,697
Leisure Time Activities	1,614,383	1,596,663	1,702,114	1,630,472	1,753,660	1,686,071	1,782,007	1,932,142	1,877,192	1,900,596
Transportation	1,485,855	1,633,448	1,706,108	1,521,732	1,671,763	1,377,708	1,651,544	1,897,053	1,768,755	1,739,192
Basic Utility Services	856,023	1,198,484	1,019,488	1,225,040	1,044,993	1,079,277	1,097,610	1,229,993	1,278,807	1,249,364
Capital Outlay	4,015,432	2,877,147	7,317,537	3,357,513	5,468,114	3,214,120	3,195,284	2,284,020	3,035,356	4,838,874
Debt Service:										
Principal	945,723	965,723	892,786	792,787	1,052,787	1,082,786	867,787	822,786	842,787	867,169
Interest	764,140	700,328	712,433	921,710	939,959	883,072	879,325	819,742	734,873	625,591
Bond Issuance Costs	0	0	0	0	0	0	0	0	0	111,425
Total Expenditures	25,940,021	26,349,944	31,132,417	27,813,591	31,251,633	29,152,372	30,147,697	30,615,551	31,416,778	33,393,574
Excess of Revenues Over (Under) Expenditures	617,773	(906,018)	(6,861,327)	(3,104,124)	(3,729,833)	(9,636)	967,719	706,933	(1,272,553)	(3,848,352)
OTHER FINANCING SOURCES (USES)										
Transfers In	3,594,283	2,332,691	2,408,457	2,282,225	3,187,377	3,052,750	2,229,479	2,643,521	3,021,404	2,309,060
Transfers Out	(3,594,283)	(2,332,691)	(2,408,457)	(2,284,480)	(3,187,377)	(2,352,608)	(2,297,479)	(2,938,521)	(3,083,568)	(2,454,060)
General Obligation Refunding Bonds Issued	15,675	0	6,350,000	0	0	0	0	0	0	5,235,000
General Obligation Refunding Bonds Premium	0	0	0	0	0	0	0	0	0	41,600
Payment to Refunded Bond Escrow Agent	0	0	0	0	0	0	0	0	0	(5,135,556)
Sale of Capital Assets	48,771	16,949	198,438	195,544	30,798	23,972	5,093	108,639	16,570	41,000
Total Other Financing Sources (Uses)	64,446	16,949	6,548,438	193,289	30,798	724,114	(62,907)	(186,361)	(45,594)	37,044
Net Change in Fund Balances	\$ 682,219	\$ (889,069)	\$ (312,889)	\$ (2,910,835)	\$ (3,699,035)	\$ 714,478	\$ 904,812	\$ 520,572	\$ (1,318,147)	\$ (3,811,308)
Debt Service as a Percentage of Noncapital Expenditures	7.80%	7.10%	6.74%	7.01%	7.73%	7.58%	6.48%	5.80%	5.56%	5.62%



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>
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
2008	\$15,483,415	\$4,514,963	\$19,998,378
2009	\$14,434,185	\$4,490,013	\$18,924,198
2010	\$14,635,589	\$4,353,307	\$18,988,896

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

Tax Year	Total Tax Collected	Tax from Withholding	Tax from Net Profit	Tax from Individuals	Tax -Other	Tax Rate
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%
2008	\$15,659,067	\$11,695,646	\$2,434,001	\$1,486,327	\$43,093	2.00%
2009	\$14,433,270	\$11,332,008	\$1,739,853	\$1,304,280	\$57,129	2.00%
2010	\$14,330,976	\$11,333,058	\$1,483,684	\$1,396,961	\$117,273	2.00%

Source: 2008-2010 Regional Income Tax Agency, Central Collection Agency Prior to 2008

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 Regional Income Tax Agency.

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

2010		2001	
Rank	Name	Rank	Name
1	Lake Health (Lake West)	1	Lake Hospital System
2	Willoughby-Eastlake City Schools	2	General Electric Co.
3	City of Willoughby	3	Willoughby-Eastlake City Schools
4	Ohio Presbyterian - Breckenridge	4	City of Willoughby
5	Horizon Mental Health Management	5	Nupro Company
6	Marous Brothers Construction	6	Laurelwood Hospital
7	Momentive Performance/GE Lighting	7	Freightliner Corp/Sterling
8	Fluid Line Products	8	C-T Consultants
9	Heartland Employment Services	9	Metal Seal & Products
10	Bescast	10	Accurate Metal Machining

Classification	2010	2001
Government	\$924,563	\$751,871
Commercial, Mfg. & Other	\$4,521,587	\$4,349,048
	\$5,446,150	\$5,100,919

Source: 2010 Regional Income Tax Agency, Central Collection Agency prior to 2008

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				
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	\$2,042,618,094	33.44%
2007/2008	\$480,905,550	\$228,888,060	\$31,602,915	\$65,059,180	\$676,337,345	8.54	\$2,041,574,056	33.13%
2008/2009	\$491,962,870	\$233,402,350	\$1,307,867	\$64,153,050	\$662,520,037	8.54	\$1,854,875,103	35.72%
2009/2010	\$434,590,450	\$236,954,880	\$653,933	\$44,340,540	\$627,858,723	8.58	\$1,745,553,694	35.97%

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 -10%

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	
2000/2001	3.16	2.65	0.30	0.30	0.50		6.91	15.70	47.14 (1)	69.75
2001/2002	3.16	2.65	0.30	0.30	0.50		6.91	15.70	47.07 (1)	69.68
2002/2003	3.16	2.63	0.30	0.30	0.50		6.89	15.70	46.89 (1)	69.48
2003/2004	3.50	2.19	0.30	0.30	0.50		6.79	15.70	48.69 (1)	71.18
2004/2005	3.50	2.08	0.30	0.30	0.50		6.68	15.70	51.07 (1)	73.45
2005/2006	3.05	2.43	0.30	0.30	0.50		6.58	15.70	50.70 (1)	72.98
2006/2007	3.48	1.98	0.30	0.30	0.50	2.00	8.56	15.70	49.82 (1)	74.08
2007/2008	3.49	1.95	0.30	0.30	0.50	2.00	8.54	15.80	49.94 (1)	74.28
2008/2009	3.49	1.95	0.30	0.30	0.50	2.00	8.54	15.80	50.05 (1)	74.39
2009/2010	3.79	1.69	0.30	0.30	0.50	2.00	8.58	15.80	55.11 (1)	79.49

(1) Includes 2.30 mill continuous Library District Levy to cover Willoughby/Eastlake School District and distributed directly to the library.

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
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	100.0%
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%
2007/2008	\$3,577,702	\$3,410,633	95.3%	\$79,475	\$3,490,108	97.6%
2008/2009	\$3,620,455	\$3,506,106	96.8%	\$143,322	\$3,649,428	100.0%
2009/2010	\$3,551,848	\$3,428,928	96.5%	\$102,650	\$3,531,578	99.4%

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				
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
2008	\$11,966,207	\$250,000	\$16,374	\$5,200,000	\$3,031,117	\$6,247,768	\$1,610,000	\$28,321,466	\$535,054,513	5.29%	1,252
2009	\$11,149,654	\$225,000	\$15,140	\$8,856,000	\$2,599,534	\$6,215,292	\$3,294,000	\$32,354,620	\$535,054,513	6.05%	1,430
2010	\$10,308,102	\$200,000	\$14,523	\$8,916,183	\$2,356,898	\$7,093,785	\$3,383,817	\$32,273,308	\$535,054,513	6.03%	\$1,427

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 S19 for personal income and population data.

CITY OF WILLOUGHBY, OHIO
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST NINE 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	\$2,479,863	\$8,840,113	0.58%	\$391
2003	\$16,912,107	\$2,712,988	\$14,199,119	0.91%	\$628
2004	\$16,142,842	\$2,680,425	\$13,462,417	0.72%	\$595
2005	\$15,108,577	\$2,778,002	\$12,330,575	0.64%	\$545
2006	\$14,039,312	\$3,034,403	\$11,004,909	0.59%	\$486
2007	\$13,057,760	\$3,273,982	\$9,783,778	0.48%	\$433
2008	\$12,116,206	\$3,484,231	\$8,631,975	0.42%	\$382
2009	\$11,149,654	\$3,738,873	\$7,410,781	0.40%	\$328
2010	\$10,308,102	\$3,860,372	\$6,447,730	0.37%	\$285

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 S11 for property value data.
- (3) Population data can be found in the schedule of Demographic and Economic Statistics on page S19.

CITY OF WILLOUGHBY, OHIO
DIRECT AND OVERLAPPING DEBT
DECEMBER 31, 2010
(UNAUDITED)

	<u>Assessed Valuation (1)</u>	<u>Net General Tax Supported Debt (2)</u>	<u>Percent Overlapping(3)</u>	<u>Amount Applicable to City of Willoughby</u>
Direct:				
City of Willoughby	\$ 627,858,723	\$ <u>10,308,102</u>		\$ <u>10,308,102</u>
Overlapping:				
Willoughby-Eastlake City Schools	\$ 1,739,438,660	\$ 325,000	35.38%	\$ 114,985
Kirtland Local School District	\$ 332,382,593	\$ 15,044,992	3.74%	\$ 562,683
Auburn Joint Vocational S.D.	\$ 2,451,434,029	0	0.51%	\$ 0
Lake County	\$ 6,338,526,292	\$ <u>16,425,000</u>	9.91%	\$ <u>1,627,717</u>
Total Overlapping		\$ <u>31,794,992</u>		\$ <u>2,305,385</u>
Total Direct and Overlapping Debt		<u>\$ 42,103,094</u>		<u>\$ 12,613,487</u>

Sources: (1) Lake County Auditor's Office.
(2) Fiscal Officers of Subdivisions (Does not include any balances in Debt Service Funds).
(3) Percentages are determined by dividing each overlapping government located within the boundaries of the City by the total assessed valuation of the government. The valuations were for the 2010 collection year.

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Overall Debt Limitation - 10.5% of Assessed Valuation	\$ 57,408,696	\$ 58,901,616	\$ 60,421,327	\$ 66,612,087	\$ 68,638,627	\$ 67,294,551	\$ 71,730,045	\$ 71,015,421	\$ 69,564,604	\$ 65,925,166
Gross Indebtedness	21,443,686	26,498,537	32,830,266	30,893,765	29,394,084	27,165,163	27,580,623	28,321,465	32,354,620	\$ 32,273,308
Less:										
OWDA	(5,261,783)	(5,777,083)	(6,485,430)	(5,607,043)	(4,830,653)	(3,988,288)	(4,303,686)	(5,839,487)	(5,837,076)	(6,688,060)
OPWC	(386,905)	(376,455)	(504,837)	(411,724)	(386,181)	(360,637)	(438,515)	(424,655)	(393,356)	(420,248)
Special Assessment Bond & Notes	(1,482,949)	(5,190,547)	(5,246,863)	(5,229,575)	(5,387,287)	(5,355,000)	(6,625,000)	(7,060,000)	(12,375,000)	(12,500,000)
Sewer Debt	(754,203)	(684,476)	(616,029)	(547,581)	(841,386)	(696,926)	(550,662)	(401,117)	(249,534)	(136,898)
Golf Debt	(1,500,000)	(3,150,000)	(3,065,000)	(2,955,000)	(2,840,000)	(2,725,000)	(2,605,000)	(2,480,000)	(2,350,000)	(2,220,000)
	<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>	<u>(16,205,259)</u>	<u>(21,204,966)</u>	<u>(21,965,206)</u>
Net Debt Within 10.5% Limitations	12,057,846	11,319,976	16,912,107	16,142,842	15,108,577	14,039,312	13,057,760	12,116,206	11,149,654	10,308,102
Legal Debt Margin Within 10.5% Limitation*	<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>	<u>\$ 58,899,215</u>	<u>\$ 58,414,950</u>	<u>\$ 55,617,064</u>
Total Net Debt Applicable to the 10.5% Limit as a Percentage of the Debt Limit	21.00%	19.22%	27.99%	24.23%	22.01%	20.86%	18.20%	17.06%	16.03%	15.64%
Unvoted Debt Limitation - 5.5% of Assessed Valuation	\$ 30,071,222	\$ 30,853,227	\$ 31,649,267	\$ 34,892,046	\$ 35,953,567	\$ 35,249,526	\$ 37,572,881	\$ 37,198,554	\$ 36,438,602	\$ 34,532,230
Net Debt Within 10.5% Limitations	12,057,846	11,319,976	16,912,107	16,142,842	15,108,577	14,039,312	13,057,760	12,116,206	11,149,654	10,308,102
Less Debt Outside Limitations (Voted)	<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>	<u>(4,555,000)</u>	<u>(4,360,000)</u>	<u>(4,160,000)</u>
Debt Within 5.5% Limitations	<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>	<u>7,561,206</u>	<u>6,789,654</u>	<u>6,148,102</u>
Legal Debt Margin Within 5.5% Limitation*	<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>	<u>\$ 29,637,348</u>	<u>\$ 29,648,948</u>	<u>\$ 28,384,128</u>
Total Debt Applicable to the 5.5% Limit as a Percentage of the Debt Limit	19.61%	17.44%	35.38%	30.56%	27.45%	25.66%	22.14%	20.33%	18.63%	17.80%

LEGAL DEBT MARGIN CALCULATION FOR 2010

Assessed Valuation	\$ 627,858,723
Overall Debt Limitation -(10.5% of Assessed Valuation)	\$ 65,925,166
Gross Indebtedness	32,273,308
Less :	
OWDA/OPWC	(7,108,308)
Special Assessment Bonds & Note	(12,500,000)
Sewer Debt	(136,898)
Recreation- Golf Debt	<u>(2,220,000)</u>
Net Debt Within 10.5% Limitations-General Obligation Bonds	<u>10,308,102</u>
Legal Debt Margin Within 10.5% Limitation	<u>\$ 55,617,064</u>
Unvoted Debt Limitation -(5.5% of Assessed Valuation)	\$ 34,532,230
Gross Indebtedness Authorized by Council	10,308,102
Less Debt Outside Limitations- Voted	<u>(4,160,000)</u>
Debt Within 5.5% Limitations	<u>6,148,102</u>
Legal Debt Margin Within 5.5% Limitation	<u>\$ 28,384,128</u>

* Calculated without regard to balance in Debt Service funds.

CITY OF WILLOUGHBY, OHIO
PLEDGED-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>	
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
2008	\$47,068	\$25,000	\$16,088	1.15
2009	\$42,793	\$25,000	\$14,625	1.08
2010	\$44,159	\$25,000	\$13,163	1.16

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 (1)	Occupied Dwelling Units Households(1)	Persons Per/Owner Households	Owner Occupied Housing Units (%)	Occupied County Population (1)
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
2008	22,621	\$535,054,513	\$23,653	\$43,387	39.1	23.8%	3,853	6.6%	351	10,700	10,265	2.40	59.8	227,511
2009	22,621	\$535,054,513	\$23,653	\$43,387	39.1	23.8%	3,968	8.8%	351	10,700	10,265	2.40	59.8	227,511
2010	22,621	\$535,054,513	\$23,653	\$43,387	39.1	23.8%	3,686	8.2%	351	10,700	10,265	2.40	59.8	227,511

(1) Source: U.S. Bureau of the Census 2000

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

(3) Source: Ohio Bureau of Employment Statistics for 2006 and prior, 2007 to 2010 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	2010			2001		
	Employees(1)	Rank	Percentage of Total City Employment(2)	Employees(1)	Rank	Percentage of Total City Employment
Lake Health (Lake West)	669	1	4.05%	666	1	NA
Willoughby-Eastlake City Schools	458	2	2.77%	439	2	NA
Ohio Presbyterian -Breckenridge	450	3	2.72%	415	3	NA
Marous Bros. Construction	237	4	1.43%	230	8	NA
City of Willoughby	233	5	1.41%	247	7	NA
Windsor-Laurelwood Hospital	225	6	1.36%	335	4	NA
Deepwood Sheltered Industries	205	7	1.24%	200	10	NA
Giant Eagle	180	8	1.09%			
Momentive Performance/G E Lighting	145	9	0.88%	300	5	NA
Bescast	141	10	0.85%	200	10	NA
Metal Seal & Products				250	6	NA
CT Consultants, Inc.				212	9	NA
Total	<u>2943</u>			<u>3494</u>		
Citywide (2)			<u>16532</u>			

Source:

(1) Based on City records, and individual company reporting

(2) 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>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<u>Governmental</u>										
General Government										
Council	8	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	1	1	1	1	1	1	1	1	1	1
Court	25	26	25	26	26	26	27	26	27	26
Building & Grounds	6	8	8	8	8	7	7	7	7	7
Finance	10	9	9	9	9	9	9	9	9	9
Service	6	6	6	6	6	6	5	5	5	4
Vehicle Maintenance	5	5	5	5	5	5	5	5	5	4
Security of Persons and Property										
Police	60	60	60	60	60	59	59	59	59	59
Fire	43	44	44	42	41	40	41	41	41	41
Public Health and Welfare										
Cemetery	3	3	3	2	2	3	3	3	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	5	5	5	5	5	5	5
Recreation	7	7	7	7	7	7	7	7	7	7
Transportation										
Street	16	15	15	13	12	12	12	12	11	9
Traffic	3	3	3	2	2	2	2	2	2	2
Total Governmental	<u>212</u>	<u>215</u>	<u>214</u>	<u>209</u>	<u>207</u>	<u>205</u>	<u>206</u>	<u>205</u>	<u>205</u>	<u>200</u>
<u>Business-Type</u>										
Sewer										
Sewer	7	7	7	7	7	7	7	7	7	7
WPCC	23	23	23	23	22	21	22	22	21	22
Airport	1	1	1	1	1	1	1	1	1	1
Golf Course	4	4	4	3	3	3	3	3	3	3
Total Business-Type	<u>35</u>	<u>35</u>	<u>35</u>	<u>34</u>	<u>33</u>	<u>32</u>	<u>33</u>	<u>33</u>	<u>32</u>	<u>33</u>
Totals	<u>247</u>	<u>250</u>	<u>249</u>	<u>243</u>	<u>240</u>	<u>237</u>	<u>239</u>	<u>238</u>	<u>237</u>	<u>233</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>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<u>Governmental</u>										
General Government										
Council - Ordinances & Resolutions	215	221	169	159	190	177	155	165	152	164
Personnel - Civil Service Exams (taken)	133	178	71	139	156	137	30	34	126	288
Court - Number of cases	17,367	20,096	20,059	21,089	18,984	18,735	17,811	18,653	17,516	16,610
Finance										
Number of A/P checks processed	9,691	8,308	8,301	7,739	7,244	7,076	7,047	6,785	6,780	6,478
Number of purchase orders issued	1,126	1,046	1,058	856	837	945	963	980	963	903
Security of Persons and Property										
Police										
Total Arrests & other Citations	7,048	7,391	6,296	6,632	5,886	5,548	5,436	5,347	4,901	5,187
Parking Citations	NA	1,745	1,543	1,696	1,552	1,554	1,567	1,637	2,068	2,686
Fire										
Total Number of Calls	3,999	4,213	4,467	4,375	4,526	4,543	4,555	4,643	4,522	4,744
Public Health and Welfare										
Cemetery (plots sold)	59	68	72	90	60	55	84	52	84	70
Community Environment										
Building										
Building Permits Issued	961	1,065	1,100	1,010	978	993	897	836	715	844
Inspections - Residential	4,057	4,218	4,696	3,490	3,438	5,150	4,340	3,417	2,888	3,569
- Industrial	1,544	1,652	1,572	994	1,260	1,113	606	853	669	785
Leisure Time Activities										
Parks - Bus Rides	6,244	4,048	5,236	5,378	5,616	8,746	7,343	8,780	8,736	8,624
- Program Participants	511	432	368	488	312	307	301	361	356	374
Pools - Bus Rides	1,887	1,165	1,448	discontinued						
- Attendance	75,260	74,414	60,705	53,860	71,466	66,868	68,544	70,656	63,634	69,323
Senior Center - Membership	1,285	1,426	1,219	1,133	1,095	1,316	1,346	1,200	1,253	1,271
- Attendance	21,134	22,786	23,316	22,481	24,948	26,329	27,503	27,523	29,581	29,698
<u>Business-Type</u>										
Sewer										
Sewer - Point of Sale Inspections	298	325	295	330	319	324	268	237	192	195
WPCC										
Flow Data MG (millions of gallons)	2,369	2,446	28	2,558	2,624	2,705	2,365	2,628	2,370	2,155
Golf Course										
Rounds of golf	51,009	44,610	41,856	41,842	44,930	39,623	38,698	33,853	35,536	33,514

Source: Various Willoughby Departments

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

FUNCTION/PROGRAM	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Governmental Capital Assets										
General Government										
Other Departmental Vehicles	43	43	40	40	40	42	43	43	43	45
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	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	28	29	31	31	32	32	32	33	34	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	17	15	15	16	16	17	18	18	18	18
Square Footage of Buildings	37,878	37,878	37,878	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	13	14	14	14	14	14	14	14
Parks Acreage	153	153	186	186	186	186	186	152	152	152
Number of Swimming Pools	2 large / 1sm	2 large / 1sm	2 large / 1sm	2 large / 1sm	2 large / 1sm	2 large / 1sm	2 large / 1sm	2 large / 1sm	2 large / 1sm	2 large / 1sm
Number of Ballfields	15	15	14	14	14	14	14	15	15	15
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	14	14	13	13	13	13	14	15	15	15
Transportation										
Miles of Streets	80	80	89	89	89	89	89	89	89	89
Number of Street Lights	2,875	2,920	2,920	2,920	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	2	3	3	3

Sources: Various Willoughby Departments
Municipal Court completed 2005

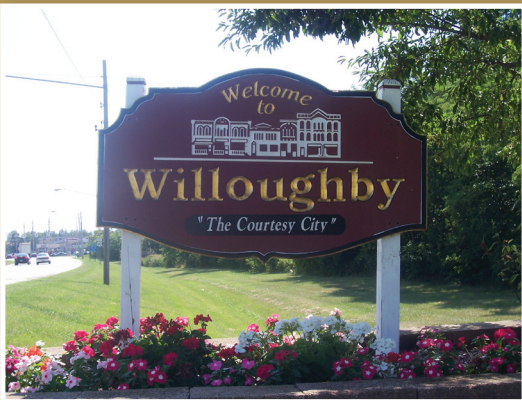


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CITY OF WILLOUGHBY

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 28, 2011**