

CITY OF WILLOUGHBY, OHIO

2019

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended December 31, 2019



OHIO AUDITOR OF STATE
KEITH FABER



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Member of City Council
City of Willoughby
One Public Square
Willoughby, Ohio 44094

We have reviewed the *Independent Auditor's Report* of the City of Willoughby, Lake County, prepared by Rea & Associates, Inc., for the audit period January 1, 2019 through December 31, 2019. 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 "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

August 31, 2020

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2019

COMPREHENSIVE ANNUAL FINANCIAL REPORT

for the year ended December 31, 2019

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.

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Deputy Finance Director
Cherrilyn Hoffman

Administrative Assistant
Mia A. Cook

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Christine Pedersen
Debbie Schreibman
Patrick Trost

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The City of
Willoughby, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2019

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City Of Willoughby

Robert A. Fiala
Mayor and Safety Director

July 21, 2020

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, 2019 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. This year because of the Covid19 pandemic an extension has been granted.

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 Rea & Associates, Inc. a firm of licensed certified public accountants. The goal of the audit was to provide reasonable assurance that the financial statements of the City for the year ended December 31, 2019, are free of material misstatement. The 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 unmodified opinion that the City's financial statements for the fiscal year ended December 31, 2019, 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 22,268. The City, a suburb of Cleveland, is located in Lake County within Northeastern Ohio.

v

"The Courtesy City"

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

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

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

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

- ◆ police and fire protection
- ◆ parks
- ◆ sanitary sewers
- ◆ 18-hole municipal golf course
- ◆ the construction and maintenance of roads and other infrastructure
- ◆ cultural and recreation activities

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. The City's annual appropriated budget includes all funds except agency funds. 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 including services and supplies, capital and transfers 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 including Bescast Inc., BevCorp LLC, and Cast Nylons Company.

In addition to our significant manufacturing base, the City is also home to Lake Health which remains an independent health care system while continuing partnerships with the world renowned Cleveland Clinic for heart surgery and University Hospital System of Cleveland for world class cancer care.

During the past two years, the City has approved various incentives to companies expanding and/or relocating to the City. Process Technology is an industry leader in the manufacturing of fluoropolymer, titanium and stainless-steel electric heaters, heat exchangers, in-line heaters and temperature controls. As part of a multi-million-dollar expansion, the company moved their headquarters to Willoughby. Rimeco Products Inc., a world-class supplier of CNC machined aerospace components tripled its building size moving and remodeling a 40,000 square foot building in the City. Weston, a nationally recognized commercial and industrial developer acquired land adjacent to the Lake County Executive Airport and constructed a 130,000 square foot spec industrial building. It is estimated that this \$7.5Million project will attract 60-100 new jobs to Willoughby. Marous Brothers, an award winning construction firm has begun work on a 35,000 square foot office headquarters building as part of over 100,000 square foot campus on 6-acres. This \$8 million project is changing the face of Willoughby's Vine street corridor.

The City also offers a full complement of commercial areas and retail establishments as well as a vital historic downtown. Several developments have continued to add homes including Fairway Glenn and Melrose Farms. The City approved a new 50-unit fee simple townhome development in 2019 and new housing subdivisions are proposed for 2020.

MAJOR INITIATIVES

Construction was completed on the David E. Anderson Senior Center, a joint collaboration with the Willoughby-Eastlake School District and the Lake County YMCA. These facilities named Union Village opened in August, 2019.

The City also completed planning and design and committed to construction contracts for two major projects in 2019: WPC Capacity Enhancement Project and East 364th/East 365th/Harvard Storm Sewer Replacement.

Approximately \$1 million dollars was also spent on road rehabilitation and resurfacing through a tax levy provided by the voters of the City. The levy was renewed for five years in 2016.

RELEVANT FINANCIAL POLICIES

Union contracts were negotiated and completed in 2019. The three-year contracts were settled with 2-2.25% wage increases in each year and include a 13% employee contribution to health insurance costs. Other employment policies and benefits and future personnel needs are also being reviewed.

LONG TERM FINANCIAL PLANNING

The City has a storm water fee to assist in funding infrastructure projects. This fee is collected by the Lake County Storm Water Authority as a special assessment on property tax bills. The fee is generating approximately \$700,000 annually after administrative costs, which is being used for financing and direct payment of storm water projects.

The City has been updating existing long-term facility and capital equipment plans as well as determining funding sources including grants, debt and other payment options.

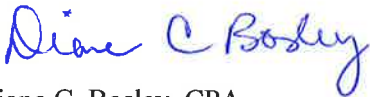
AWARDS & ACKNOWLEDGMENTS

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, 2018. This was the 33rd 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 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.

Respectfully submitted,



Diane C. Bosley, CPA
Finance Director



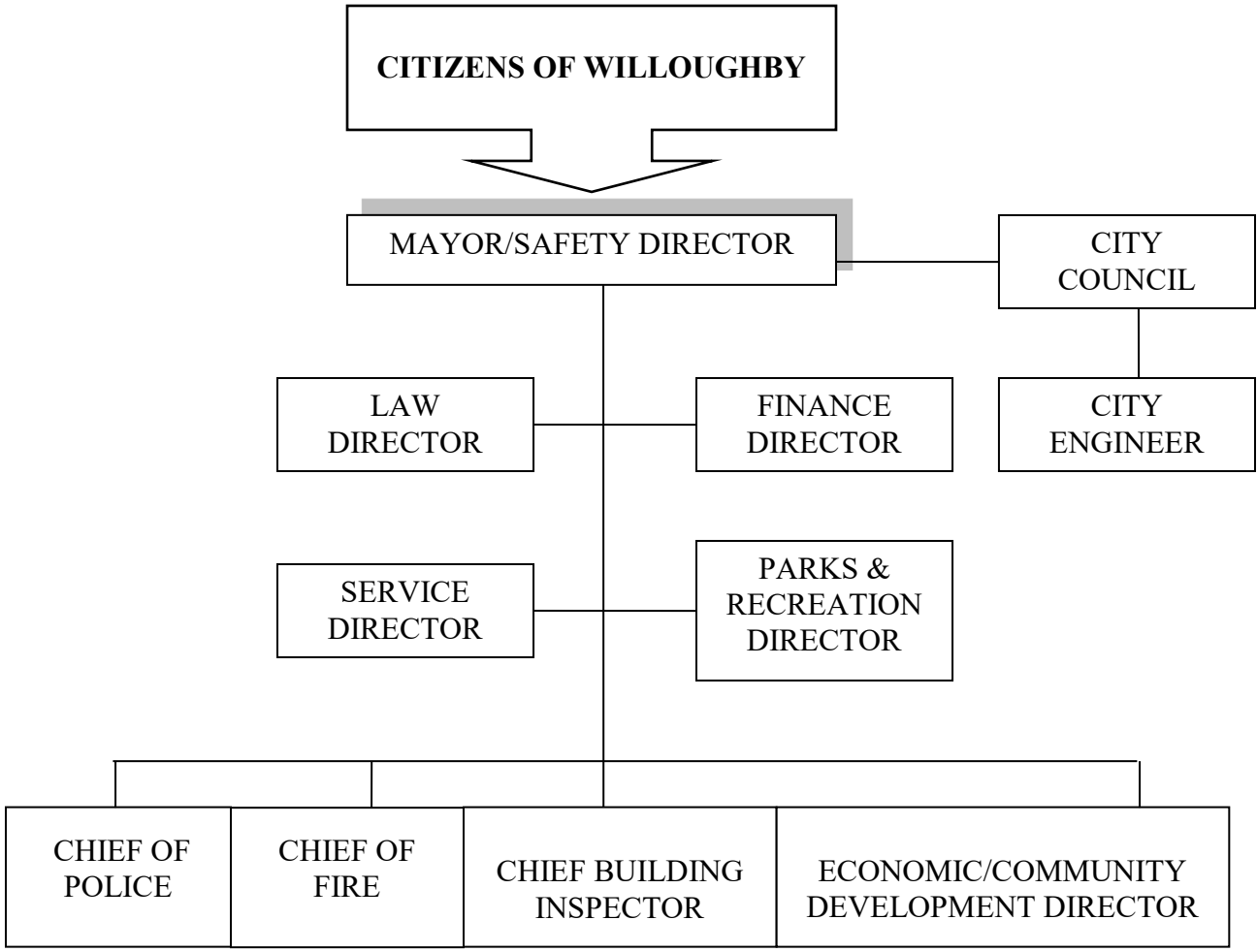
Cherrilyn Hoffman
Deputy Finance Director



Enriched by its History . . .
Prepared for its Future

ORGANIZATIONAL CHART

The City of
Willoughby, Ohio



ELECTED & APPOINTED OFFICIALS

The City of
Willoughby, Ohio

Mayor
Robert A. Fiala

CITY COUNCIL

Ward 4
Robert E. Carr / President

Ward 1
Christopher W. Woodin

Ward 3
John Tomaselli

Ward 6
Robert J. Harrold

Ward 2
Ken J. Kary

Ward 5
Daniel J. Anderson

Council-At-Large
Katie McNeill

Director of Finance
Diane C. Bosley

Director of Public Service
Lee Bock

Director of Law
Michael C. Lucas

*Director of
Parks & Recreation*
Judean Banker



Government Finance Officers Association

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, 2018

Christopher P. Morrill

Executive Director/CEO



The City of Willoughby™



Financial Information

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July 21, 2020

To the Members of Council
City of Willoughby
Lake County, Ohio
One Public Square
Willoughby, OH 44094

Independent Auditor's Report

Report on the Financial Statements

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 (the City), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Willoughby, Lake County, Ohio, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As described in Note 23 to the financial statements, during 2020, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis, Schedule of the City's Proportionate Share of the Net Pension Liability, Schedule of the City's Contributions-Pension, Schedule of the City's Proportionate Share of the Net OPEB Liability, and Schedule of the City's Contributions - OPEB* as listed in the table of contents 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.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 21, 2020 on our consideration of the City'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

Rea & Associates, Inc.

Medina, Ohio



The City of Willoughby™

CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
UNAUDITED

The discussion and analysis of the City of Willoughby's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2019. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers are encouraged to consider the information presented here in conjunction with the additional information contained in the transmittal letter, financial statements and the notes to those financial statements to enhance their understanding of the City's performance.

Financial Highlights

The assets and deferred outflows of resources of the City of Willoughby exceeded liabilities and deferred inflows by \$42,296,662. Assets and deferred outflows of resources in Governmental activities exceeded liabilities and deferred inflows of resources by \$18,010,924 and by \$24,285,738 in Business-Type activities. The total assets and deferred outflows of the City increased by \$2,374,116.

Total liabilities and deferred inflows of resources of the City of Willoughby decreased \$6,206,678 as compared to 2018. The total liabilities and deferred inflows of resources of governmental activities decreased by \$7,083,320 and the total liabilities and deferred inflows of business type-activities increased by \$876,642.

As a result of the reporting requirements of GASB 68 and 75, the City is showing a deficit total net position unrestricted of \$33,673,116. The deficit decreased by \$12,166,347 in Governmental activities and increased by \$571,398 in Business-Type activities. More information regarding these reporting changes follows in this analysis.

The overall financial condition of the City reflects a growth of \$8,580,794 in comparing the net position of 2019 to 2018. Governmental Activities increased by \$9,353,395 while Business-Type activities decreased by \$772,601.

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 basic 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 position presents information on all the City's non-fiduciary assets, deferred outflows of resources, liabilities and deferred inflows of resources with the residual being reported as net position. Over time, increases or decreases in net position 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.

CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
UNAUDITED

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

Both the statement of net position 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 position 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 sewer system and golf course operations are reported here.

Government-wide financial statements can be found starting on page 18 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 and deferred outflow of resources 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 position and the statement of activities) and governmental funds.

The City maintains 22 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and

CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
UNAUDITED

changes in fund balances, for the General fund, Capital Projects fund, and General Bond Retirement fund; these are considered to be major funds.

The General fund is the government's primary operating fund. It accounts for all financial resources of the City except those that are required to be accounted for in a separate fund. The Capital Projects fund is the City's primary fund for the purchase of capital assets not required for purchase by a separate fund. 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/schedule (non-GAAP basis) has been provided for each governmental and proprietary fund to demonstrate budgetary compliance.

Proprietary Funds - The City maintains two different types of 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 and Golf Course fund. Internal Service Funds are an accounting device used to accumulate and allocate costs internally to the City's various functions. The City has one Internal Service Fund to account for workers' compensation coverage.

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 and Golf Course funds as they are considered major and for the Internal Service Fund.

The basic proprietary fund financial statements can be found starting on page 25 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 the statement of Fiduciary assets and liabilities.

Notes to the Basic 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 basic financial statements can be found starting on page 30 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.

CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
UNAUDITED

After the notes to the basic financial statements, this report presents required supplementary information concerning the City of Willoughby's proportionate share of net pension asset/liability and required pension contributions and net OPEB liability and required OPEB contributions. Required supplementary information can be found starting on page 87.

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 94 of this report.

Government-wide Financial Analysis

As noted earlier, the statement of net position 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 position and the statement of activities are divided into the following categories:

- ◆ Assets
- ◆ Deferred Outflows of Resources
- ◆ Liabilities
- ◆ Deferred Inflows of Resources
- ◆ Net Position (Assets plus Deferred Outflows minus Deferred Inflows plus Liabilities)
- ◆ Program Expenses and Revenues
- ◆ General Revenues
- ◆ Net Position Beginning and End of Year

The City of Willoughby as a Whole

By far, the largest portion of the City's net position, at over 58% greater value, is 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 and any deferred outflows/inflows of resources, 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 position for 2019 compared to 2018.

CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
UNAUDITED

| | City of Willoughby's Net Position | | | | | |
|--------------------------------------|-----------------------------------|---------------------|-----------------------------|----------------------|----------------------|----------------------|
| | Governmental Activities | | Business-type Activities | | Total Government | |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Current and other assets | \$ 27,983,759 | \$ 30,416,962 | \$ 4,668,633 | \$ 4,543,916 | \$ 32,652,392 | \$ 34,960,878 |
| Capital assets | 60,768,419 | 62,167,674 | 37,708,212 | 38,401,426 | 98,476,631 | 100,569,100 |
| Total Assets | 88,752,178 | 92,584,636 | 42,376,845 | 42,945,342 | 131,129,023 | 135,529,978 |
| Total Deferred Outflows of Resources | 14,131,389 | 8,028,856 | 1,354,175 | 681,637 | 15,485,564 | 8,710,493 |
| Current and other liabilities | 2,868,274 | 11,080,186 | 434,742 | 373,126 | 3,303,016 | 11,453,312 |
| Long term liabilities outstanding | 76,485,152 | 73,357,116 | 18,933,094 | 17,497,890 | 95,418,246 | 90,855,006 |
| Total Liabilities | 79,353,426 | 84,437,302 | 19,367,836 | 17,871,016 | 98,721,262 | 102,308,318 |
| Total Deferred Inflows of Resources | 5,519,217 | 7,518,661 | 77,446 | 697,624 | 5,596,663 | 8,216,285 |
| Net Position: | | | | | | |
| Net Investment in Capital Assets | 41,631,891 | 42,218,153 | 25,451,992 | 25,519,061 | 67,083,883 | 67,737,214 |
| Restricted | 8,229,721 | 10,456,411 | 656,174 | 790,308 | 8,885,895 | 11,246,719 |
| Unrestricted (deficit) | (31,850,688) | (44,017,035) | (1,822,428) | (1,251,030) | (33,673,116) | (45,268,065) |
| Total Net Position | \$ 18,010,924 | \$ 8,657,529 | \$ 24,285,738 | \$ 25,058,339 | \$ 42,296,662 | \$ 33,715,868 |

An additional portion of the City's net position, \$8,885,895 represents resources that have been restricted on how they may be used. The remaining balance of net position unrestricted may be used to meet the City's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the City reported a deficit for net position unrestricted of \$33,673,116.

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

CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
UNAUDITED

| City of Willoughby's Change in Net Position | | | | | | |
|---|----------------------------|-------------------|-----------------------------|------------------|-------------------|-------------------|
| | Governmental Activities | | Business-type Activities | | Total | |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Revenues | | | | | | |
| Program Revenues | | | | | | |
| Charges for Services | \$ 5,669,344 | \$ 5,527,394 | \$ 6,087,263 | \$ 6,658,606 | \$ 11,756,607 | \$ 12,186,000 |
| Operating Grants & Contributions | 196,917 | 208,667 | | | 196,917 | 208,667 |
| Capital Grants & Contributions | 550,505 | 849,776 | 273,332 | 307,158 | 823,837 | 1,156,934 |
| General Revenues | | | | | | |
| Municipal Income Taxes | 19,733,618 | 18,399,404 | | | 19,733,618 | 18,399,404 |
| Property & Other Local Taxes | 4,578,895 | 4,389,656 | | | 4,578,895 | 4,389,656 |
| Grants & Entitlements | 2,893,444 | 2,524,103 | | | 2,893,444 | 2,524,103 |
| Investment Earnings | 645,496 | 463,076 | 75,147 | 36,029 | 720,643 | 499,105 |
| Miscellaneous | 35,143 | 40,509 | 9,114 | 0 | 44,257 | 40,509 |
| Total Revenues | 34,303,362 | 32,402,585 | 6,444,856 | 7,001,793 | 40,748,218 | 39,404,378 |
| Expenses | | | | | | |
| General Government | 10,186,960 | 8,821,326 | | | 10,186,960 | 8,821,326 |
| Security of Persons & Property | 3,974,889 | 18,748,837 | | | 3,974,889 | 18,748,837 |
| Public Health & Welfare | 554,134 | 497,933 | | | 554,134 | 497,933 |
| Community Environment | 1,316,403 | 1,111,839 | | | 1,316,403 | 1,111,839 |
| Leisure Time Activities | 2,862,610 | 2,518,170 | | | 2,862,610 | 2,518,170 |
| Transportation | 4,945,741 | 4,603,627 | | | 4,945,741 | 4,603,627 |
| Basic Utility Services | 581,467 | 626,253 | | | 581,467 | 626,253 |
| Interest & Fiscal Charges | 377,763 | 446,419 | | | 377,763 | 446,419 |
| Golf Course | | | 1,084,040 | 1,017,504 | 1,084,040 | 1,017,504 |
| Sewer | | | 6,283,417 | 5,625,699 | 6,283,417 | 5,625,699 |
| Total Expenses | 24,799,967 | 37,374,404 | 7,367,457 | 6,643,203 | 32,167,424 | 44,017,607 |
| Transfers | (150,000) | (100,000) | 150,000 | 100,000 | 0 | 0 |
| Change in Net Position | 9,353,395 | (5,071,819) | (772,601) | 458,590 | 8,580,794 | (4,613,229) |
| Net Position Beginning of Year | 8,657,529 | 13,729,348 | 25,058,339 | 24,599,749 | 33,715,868 | 38,329,097 |
| Net Position End of Year | \$ 18,010,924 | \$ 8,657,529 | \$ 24,285,738 | \$ 25,058,339 | \$ 42,296,662 | \$ 33,715,868 |

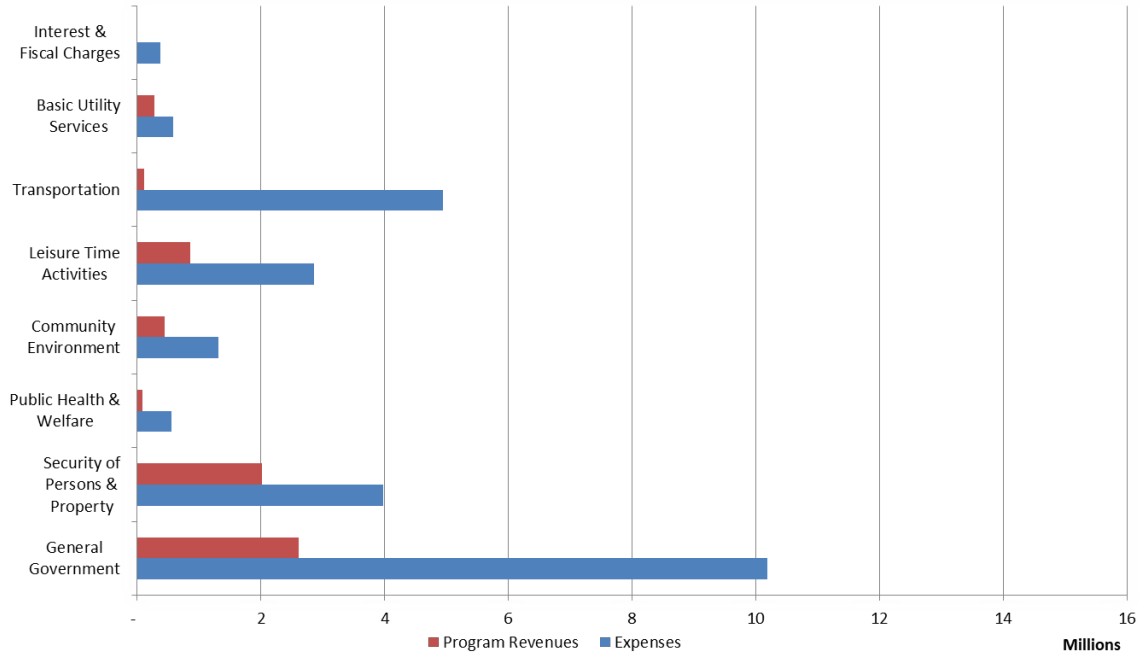
Governmental Activities

Income tax collections in governmental activities were up 7.25%. Grants and Entitlements increased by 14.63% primarily because of the increase to the state gas tax that began in July of 2019. Investment earnings increased by 39.39% in 2019 as interest rates had improved. Capital Grants and Contributions decreased over 35% in 2019 compared with 2018 as less were received.

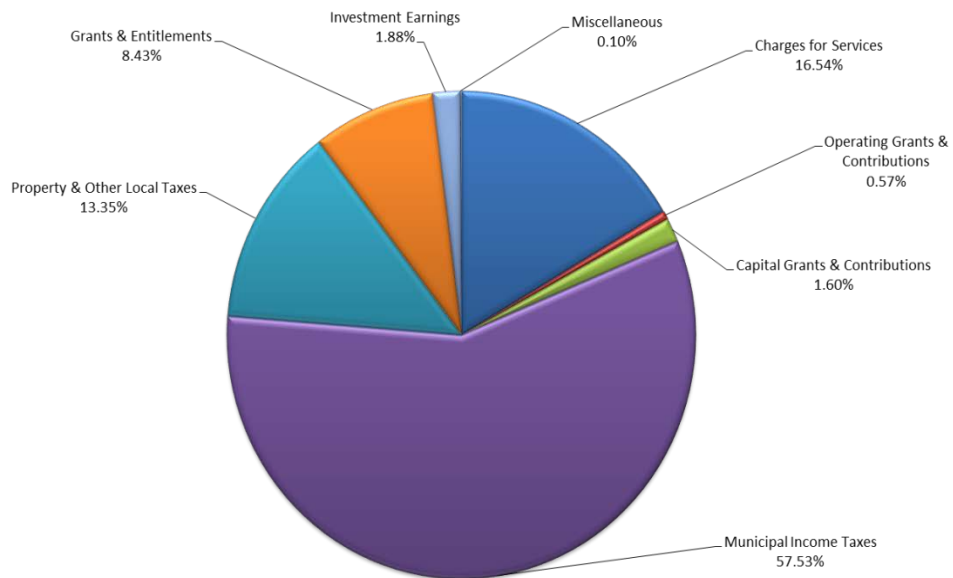
Expenses in governmental activities decreased overall by 33.64%. While most functions were impacted by increased personnel costs and higher pension/OPEB liability expense recognition, the largest percentage increase of 15.48% was for General Government. The largest reduction was in Security of Persons (78.8%) primarily as a result of a change in the calculation model for provision of health care stipends for retirees in the Ohio Police & Fire Pension Fund. More information can be found in Note 11: Defined other Post-Employment Benefits (OPEB) Plans.

CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
UNAUDITED

Expenses & Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities

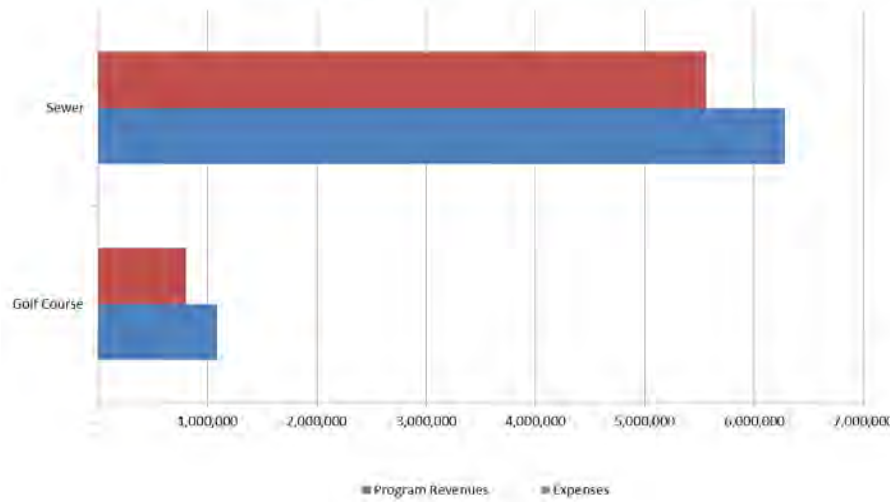


CITY OF WILLOUGHBY, OHIO
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
UNAUDITED

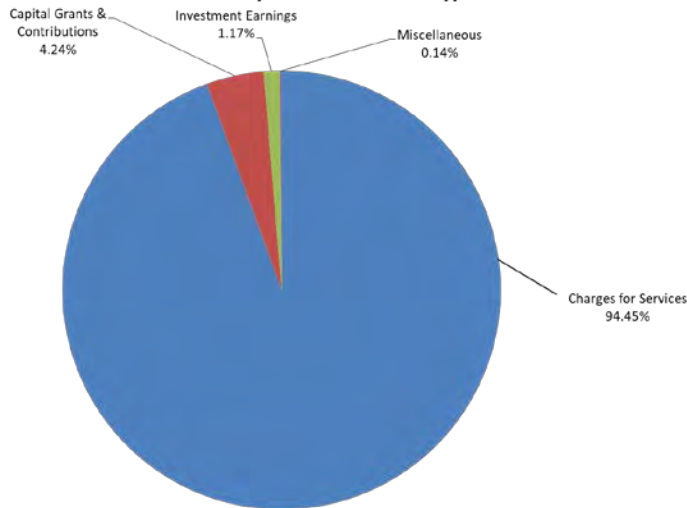
Business-Type Activities

Business-type activities account for 57.4% of the City of Willoughby’s total net position. The Golf Course saw a slight increase in revenues in 2019 while the Sewer funds saw a decrease in Charges for Services as there were less shared projects requiring repayment through sewer fees. Capital Grants and Contributions decreased 11% in 2019 with less improvement and project funding than 2018. Business-type expenses increased nearly 11% overall in 2019 compared to 2018. Golf Course and Sewer expenses increased 6.5% and 11.7% respectively. Both of these increases were primarily for recognition of pension and OPEB expense shares. The Sewer fund also had increased Contractual Service expenses.

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, 2019
UNAUDITED

Financial Analysis of the City of Willoughby's Funds

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

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

Fund balances are the differences between assets and deferred outflows of resources compared to liabilities and deferred inflows of resources 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 City'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 \$16,192,753. This is \$5,076,069 more than in 2018. General fund revenue was higher by nearly \$1.5 million in income tax collections and charge for services. Expenditures were lower by \$1,209,942 in the areas of general government and basic utility. That in addition to lower transfers of \$3 million contributed to fund balance increasing by \$966,232 over 2018. The Capital Projects fund balance increased by \$3,133,046 mainly due to renewal of the note for the Senior Center for \$6,400,000. The General Bond Retirement fund balance decreased minimally. Nonspendable fund balance of \$680,625 includes interfund loans, prepaids, inventory, and cemetery investments. Fund balances in the amount of \$4,824,934 are restricted primarily for debt service, roads and infrastructure, municipal court purposes, and drug and alcohol enforcement. Committed fund balance of \$3,121,899 for capital improvements is a significant decrease over 2018. This is mainly due to the substantial completion of the Senior Center and less committed to other capital projects. Assigned fund balance of \$1,037,811 includes just over \$530,000 for future severance payments and other operating amounts for all of the program functions of government in the General fund. Unassigned fund balance of \$6,527,484 represents all of the remaining funds, \$7,388,510 of the General fund reduced by the deficit unassigned balance (\$861,026) 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 position of the Golf Course fund reflects a deficit of (\$1,950,509) compared to (\$1,839,719) in 2018. The Golf Course received a transfer of \$150,000 from the General fund and saw a slight increase in revenue. No additional capital investment and higher pension/OPEB liability recognition contribute to the deficit. Unrestricted net position of the Sewer fund decreased from \$588,689 in 2018 to \$128,081 in 2019 mainly related to pension/OPEB liability recognition.

CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
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General Fund Budgetary Highlights –The year saw revenues exceeding the amount forecasted by \$813,130 and expenditures \$1,904,444 under the amounts requested. Most significant were lower personnel costs for the Court and the City. The City Administration and Council continue to closely monitor and tighten expenditures by the General fund departments. The City generally chooses to operate within its original budget framework even though some forecasts may be exceeded on the revenue side and expenditures will be contained. In 2019, the Income tax budget was amended to reflect higher than expected revenue.

Capital Assets and Debt Administration

Capital Assets - The City's investment in capital assets for governmental and business-type activities as of December 31, 2019, was \$98,476,631 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, 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 an increase of over 1.56% over the prior year for governmental activities and increased over 1.14% for business-type activities. These changes are calculated before depreciation.

| | City of Willoughby's Capital Assets | | | | | |
|--------------------------|-------------------------------------|--------------|-----------------------------|--------------|---------------|---------------|
| | Governmental Activities | | Business-type Activities | | Total | |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Land | \$8,055,203 | \$8,811,063 | \$2,673,107 | \$2,673,107 | \$10,728,310 | \$11,484,170 |
| Construction in Progress | 7,210,617 | 10,826,130 | 588,293 | 420,052 | 7,798,910 | 11,246,182 |
| Buildings | 30,402,040 | 25,209,118 | 26,670,818 | 26,555,957 | 57,072,858 | 51,765,075 |
| Improvements | 16,270,598 | 15,555,310 | 43,608,725 | 43,131,024 | 59,879,323 | 58,686,334 |
| Machinery & Equipment | 13,931,940 | 13,457,764 | 5,624,236 | 5,489,772 | 19,556,176 | 18,947,536 |
| Infrastructure | 52,195,099 | 52,233,614 | | | 52,195,099 | 52,233,614 |
| Total Capital Assets | 128,065,497 | 126,092,999 | 79,165,179 | 78,269,912 | 207,230,676 | 204,362,911 |
| Accumulated Depreciation | (67,297,078) | (63,925,325) | (41,456,967) | (39,868,486) | (108,754,045) | (103,793,811) |
| Capital Assets (Net) | \$60,768,419 | \$62,167,674 | \$37,708,212 | \$38,401,426 | \$98,476,631 | \$100,569,100 |

Major capital asset events during 2019 were as follows:

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

5 Ford F250 Trucks, 2 Kubota mowers, a John Deere skid steer and an asphalt trailer were purchased in 2019 for use by the City's service departments including the sewer departments. The City purchased a new Sutphen Fire Pumper and Chevy Tahoe for use by the fire department.

Construction was substantially completed on the new David E. Anderson Senior Center, a joint collaboration with the Willoughby-Eastlake School District and the Lake County YMCA. The Grand Opening was August, 2019.

CITY OF WILLOUGHBY, OHIO
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
UNAUDITED

The City received contributions of infrastructure as a result of the Melrose Farms Subdivision Phase V development.

The City also completed planning and design and committed to construction contracts for two projects in 2019: WPCC Capacity Enhancement Project in the Sewer fund and East 364th/East 365th/Harvard Storm Sewer Replacement in the Capital fund.

Additional information regarding capital assets can be found starting on page 51 of the notes to the basic financial statements.

Outstanding Debt - The City’s total outstanding debt decreased by \$1,456,333. The City continued to pay down outstanding bonds and loans in relation to Governmental Activities and Business-type Activities.

| City of Willoughby's Outstanding Debt at December 31 | | | | | | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Governmental | | Business-Type | | Total | |
| | Activities | | Activities | | | |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| General Obligation Bonds | \$6,565,832 | \$7,689,904 | | | \$6,565,832 | \$7,689,904 |
| Enterprise Bonds w/ G.O. Commitment | | | \$2,295,000 | \$2,450,000 | 2,295,000 | 2,450,000 |
| OWDA & OPWC | 583,585 | 276,802 | 9,973,649 | 10,448,938 | 10,557,234 | 10,725,740 |
| Capital Notes Payable | 12,015,000 | 12,020,000 | | | 12,015,000 | 12,020,000 |
| Police Pension Liability | 83,475 | 87,230 | | | 83,475 | 87,230 |
| TOTAL | \$19,247,892 | \$20,073,936 | \$12,268,649 | \$12,898,938 | \$31,516,541 | \$32,972,874 |

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 \$648,978,680 at the end of 2019. The City has borrowed 46.25% 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.).

The City reduced an outstanding note to \$5,615,000, of which \$5,000 is considered short-term with the remainder considered long-term for the Riverside Commons Special Assessment. The City renewed the Senior Center Building note for \$ 6,400,000. Additional information regarding the City’s debt can be found starting on page 77 of the notes to the financial statements.

Economic Factors and Next Year’s Budget

The City of Willoughby has remained strong despite many challenges over the last decade. State and national economic conditions, health care costs and loss of intergovernmental revenues always impact and influence decision making on financial matters. The year 2020 began as 2019 ended, with strong Income tax revenues in the first two months. In the budgeting process we maintained our conservative practices and budgeted \$1m less of income tax than what we recorded in 2019. Most positions were anticipated to be filled as employees retired. With the Covid-19 pandemic, we made immediate reductions in part-time positions and put several full-time open positions on hold. The impact on the City’s future operating

CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
UNAUDITED

costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated. The Mayor and Council will consider many factors when setting and if necessary, adjusting the budget and preserving our commitment to providing services to our citizens. The priorities include: public safety, investment in infrastructure, efforts to promote economic development and employment growth, and retaining adequate fund balances to ensure both financial flexibility and long term stability. The City keeps these in mind as it monitors revenues and expenditures on a continual basis. The City has adopted and continues to look for measures of cost containment as well as pursuing grants and low cost loans to fund operations and specific capital projects. The City has completed necessary capital improvements and continues to maintain the roads with the help provided by the road and bridge levy. The City will continue to monitor the local, regional and national economies and make business decisions that best provide for the needs of our citizens.

In conclusion, the implementation of GASB Statement No. 68 and 75 requires the reader to perform additional calculations to determine the City's Total Net Position at December 31, 2019 without the implementation of GASB Statement No. 68 and 75. This is an important exercise, as the State Pension Systems (OPERS & OP&F) collect, hold and distributes pensions and OPEB to our employees, not the City of Willoughby. Overall with the exclusion of GASB 68 and 75, the net position reduced minimally (1.63%) in 2019 from 2018. These calculations are as follows:

| | Governmental Activities | Business-Type Activities | Total |
|---|------------------------------------|-------------------------------------|----------------------|
| Total Net Position at Dec. 31, 2019 (with GASB 68 & 75) | \$ 18,010,924 | \$ 24,285,738 | \$ 42,296,662 |
| GASB 68 Calculations | | | |
| Add: Deferred Inflows related to Pension | 944,034 | 68,875 | 1,012,909 |
| Net Pension Liability | 41,429,031 | 3,946,525 | 45,375,556 |
| Less: Deferred Outflows related to Pension | (11,476,027) | (1,188,200) | (12,664,227) |
| Net Pension Asset | (40,998) | (11,816) | (52,814) |
| | <u>48,866,964</u> | <u>27,101,122</u> | <u>75,968,086</u> |
| GASB 75 Calculations | | | |
| Add: Deferred Inflows related to OPEB | 1,110,207 | 8,571 | 1,118,778 |
| Net OPEB Liability | 9,505,802 | 1,847,911 | 11,353,713 |
| Less: Deferred Outflows related to OPEB | (2,627,473) | (153,546) | (2,781,019) |
| | <u>56,855,500</u> | <u>28,804,058</u> | <u>85,659,558</u> |
| Total Net Position at Dec. 31, 2019 (without GASB 68 & 75) | <u>\$ 56,855,500</u> | <u>\$ 28,804,058</u> | <u>\$ 85,659,558</u> |

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 POSITION
DECEMBER 31, 2019

| | Governmental Activities | Business-Type Activities | Total |
|--|------------------------------------|-------------------------------------|----------------------|
| ASSETS | | | |
| Equity in City Treasury Cash and Investments | \$ 13,620,616 | \$ 3,492,312 | \$ 17,112,928 |
| Inventory | 190,679 | 47,471 | 238,150 |
| Accrued Interest Receivable | 48,472 | 21,620 | 70,092 |
| Accounts Receivable | 137,782 | 197,887 | 335,669 |
| Prepaid Items | 2,574 | 0 | 2,574 |
| Intergovernmental Receivable | 1,982,273 | 969,081 | 2,951,354 |
| Taxes Receivable | 10,049,585 | 0 | 10,049,585 |
| Loan Receivable | 120,000 | 0 | 120,000 |
| Internal Balances | 1,058,903 | (1,058,903) | 0 |
| Restricted Assets - Cash Investments | 0 | 987,349 | 987,349 |
| Net Pension Asset | 40,998 | 11,816 | 52,814 |
| Special Assessments Receivable | 731,877 | 0 | 731,877 |
| Nondepreciable Capital Assets | 15,265,820 | 3,261,400 | 18,527,220 |
| Depreciable Capital Assets, Net | 45,502,599 | 34,446,812 | 79,949,411 |
| TOTAL ASSETS | 88,752,178 | 42,376,845 | 131,129,023 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Pension | 11,476,027 | 1,188,200 | 12,664,227 |
| OPEB | 2,627,473 | 153,546 | 2,781,019 |
| Deferred Charge on Refunding | 27,889 | 12,429 | 40,318 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | 14,131,389 | 1,354,175 | 15,485,564 |
| LIABILITIES | | | |
| Accounts Payable | 751,032 | 249,685 | 1,000,717 |
| Matured Compensated Absences Payable | 143,262 | 0 | 143,262 |
| Salaries, Wages and Benefits Payable | 1,741,373 | 63,903 | 1,805,276 |
| Accrued Interest Payable | 184,032 | 121,033 | 305,065 |
| Intergovernmental Payable | 31,200 | 121 | 31,321 |
| Notes Payable | 5,000 | 0 | 5,000 |
| Claims Payable | 10,041 | 0 | 10,041 |
| Matured Bonds and Interest Payable | 2,334 | 0 | 2,334 |
| Long-Term Liabilities: | | | |
| Due Within One Year | 2,818,528 | 1,276,102 | 4,094,630 |
| Due In More Than One Year | | | |
| Net Pension Liability | 41,429,031 | 3,946,525 | 45,375,556 |
| Net OPEB Liability | 9,505,802 | 1,847,911 | 11,353,713 |
| Other Amounts Due in More Than One Year | 22,731,791 | 11,862,556 | 34,594,347 |
| TOTAL LIABILITIES | 79,353,426 | 19,367,836 | 98,721,262 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Pension | 944,034 | 68,875 | 1,012,909 |
| OPEB | 1,110,207 | 8,571 | 1,118,778 |
| Property Taxes | 3,464,976 | 0 | 3,464,976 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 5,519,217 | 77,446 | 5,596,663 |
| NET POSITION | | | |
| Net Investment in Capital Assets | 41,631,891 | 25,451,992 | 67,083,883 |
| Restricted for: | | | |
| Capital Projects | 2,113,989 | 0 | 2,113,989 |
| Debt Service | 1,142,831 | 0 | 1,142,831 |
| Equipment Replacement | 0 | 656,174 | 656,174 |
| Street Construction Maintenance and Repair | 2,279,659 | 0 | 2,279,659 |
| Security of Persons | 1,057,677 | 0 | 1,057,677 |
| Municipal Court | 1,106,180 | 0 | 1,106,180 |
| Other Purposes | 177,013 | 0 | 177,013 |
| Permanent Fund Purpose: | | | |
| Cemetery Fund | 352,372 | 0 | 352,372 |
| Unrestricted | (31,850,688) | (1,822,428) | (33,673,116) |
| TOTAL NET POSITION | \$ 18,010,924 | \$ 24,285,738 | \$ 42,296,662 |

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

| | PROGRAM REVENUES | | | | NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION | | |
|---|---------------------|--------------------------------|--|----------------------------------|---|--------------------------|----------------------|
| | 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 | \$ 10,186,960 | \$ 2,618,104 | \$ 0 | \$ 0 | \$ (7,568,856) | | \$ (7,568,856) |
| Security of Persons and Property | 3,974,889 | 1,809,928 | 66,917 | 135,699 | (1,962,345) | | (1,962,345) |
| Public Health and Welfare | 554,134 | 92,315 | 0 | 0 | (461,819) | | (461,819) |
| Community Environment | 1,316,403 | 440,462 | 0 | 0 | (875,941) | | (875,941) |
| Leisure Time Activities | 2,862,610 | 706,069 | 130,000 | 24,712 | (2,001,829) | | (2,001,829) |
| Transportation | 4,945,741 | 2,466 | 0 | 113,200 | (4,830,075) | | (4,830,075) |
| Basic Utility Services | 581,467 | 0 | 0 | 276,894 | (304,573) | | (304,573) |
| Interest and Fiscal Charges | 377,763 | 0 | 0 | 0 | (377,763) | | (377,763) |
| TOTAL GOVERNMENTAL ACTIVITIES | 24,799,967 | 5,669,344 | 196,917 | 550,505 | (18,383,201) | | (18,383,201) |
| BUSINESS-TYPE ACTIVITIES | | | | | | | |
| Golf Course | 1,084,040 | 801,432 | 0 | 0 | | \$ (282,608) | (282,608) |
| Sewer | 6,283,417 | 5,285,831 | 0 | 273,332 | | (724,254) | (724,254) |
| TOTAL BUSINESS-TYPE ACTIVITIES | 7,367,457 | 6,087,263 | 0 | 273,332 | | (1,006,862) | (1,006,862) |
| TOTAL | \$32,167,424 | \$11,756,607 | \$196,917 | \$823,837 | (18,383,201) | (1,006,862) | (19,390,063) |
| GENERAL REVENUES | | | | | | | |
| Property Taxes Levied for: | | | | | | | |
| | | | | | 1,100,674 | | 1,100,674 |
| | | | | | 1,521,791 | | 1,521,791 |
| | | | | | 1,081,243 | | 1,081,243 |
| Income Taxes Levied for: | | | | | | | |
| | | | | | 19,733,618 | | 19,733,618 |
| Other Taxes | | | | | | | |
| | | | | | 176,419 | | 176,419 |
| | | | | | 260,443 | | 260,443 |
| | | | | | 210,369 | | 210,369 |
| | | | | | 227,956 | | 227,956 |
| | | | | | 2,893,444 | | 2,893,444 |
| | | | | | 645,496 | 75,147 | 720,643 |
| | | | | | 35,143 | 9,114 | 44,257 |
| TOTAL GENERAL REVENUES | | | | | 27,886,596 | 84,261 | 27,970,857 |
| Transfers | | | | | (150,000) | 150,000 | 0 |
| TOTAL GENERAL REVENUES AND TRANSFERS | | | | | 27,736,596 | 234,261 | 27,970,857 |
| CHANGE IN NET POSITION | | | | | 9,353,395 | (772,601) | 8,580,794 |
| NET POSITION BEGINNING OF YEAR | | | | | 8,657,529 | 25,058,339 | 33,715,868 |
| NET POSITION END OF YEAR | | | | | \$ 18,010,924 | \$ 24,285,738 | \$ 42,296,662 |

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2019

| | <u>GENERAL</u> | <u>CAPITAL PROJECTS</u> | <u>GENERAL BOND RETIREMENT</u> | <u>OTHER GOVERNMENTAL FUNDS</u> | <u>TOTAL GOVERNMENTAL FUNDS</u> |
|---|---------------------|-----------------------------|------------------------------------|---|---|
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Assets: | | | | | |
| Equity in City Treasury Cash and Investments | \$6,695,034 | \$2,409,756 | \$6,613 | \$4,138,273 | \$13,249,676 |
| Inventory - Supplies | 85,691 | 0 | 0 | 104,988 | 190,679 |
| Accrued Interest Receivable | 38,292 | 10,180 | 0 | 0 | 48,472 |
| Accounts Receivable | 123,655 | 0 | 0 | 14,127 | 137,782 |
| Prepaid Items | 2,574 | 0 | 0 | 0 | 2,574 |
| Intergovernmental Receivable | 902,625 | 289,377 | 55,000 | 735,271 | 1,982,273 |
| Taxes Receivable | 7,414,026 | 0 | 1,099,417 | 1,536,142 | 10,049,585 |
| Loan Receivable | 0 | 0 | 120,000 | 0 | 120,000 |
| Due from Other Funds | 135,000 | 5,000 | 918,903 | 0 | 1,058,903 |
| Special Assessments Receivable | <u>0</u> | <u>0</u> | <u>0</u> | <u>731,877</u> | <u>731,877</u> |
| TOTAL ASSETS | <u>15,396,897</u> | <u>2,714,313</u> | <u>2,199,933</u> | <u>7,260,678</u> | <u>27,571,821</u> |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| | <u>\$15,396,897</u> | <u>\$2,714,313</u> | <u>\$2,199,933</u> | <u>\$7,260,678</u> | <u>\$27,571,821</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts Payable | \$160,007 | \$438,802 | \$617 | \$151,606 | \$751,032 |
| Matured Compensated Absences Payable | 143,262 | 0 | 0 | 0 | 143,262 |
| Salaries, Wages, and Benefits Payable | 1,654,670 | 0 | 0 | 86,703 | 1,741,373 |
| Intergovernmental Payable | 1,731 | 0 | 0 | 29,469 | 31,200 |
| Notes Payable | 0 | 5,000 | 0 | 0 | 5,000 |
| Matured Bonds & Interest Payable | <u>0</u> | <u>0</u> | <u>2,334</u> | <u>0</u> | <u>2,334</u> |
| TOTAL LIABILITIES | <u>1,959,670</u> | <u>443,802</u> | <u>2,951</u> | <u>267,778</u> | <u>2,674,201</u> |
| Deferred Inflows of Resources: | | | | | |
| Property Taxes | 990,790 | 0 | 1,032,084 | 1,442,102 | 3,464,976 |
| Unavailable Revenue - Income Tax | 3,161,360 | 0 | 0 | 0 | 3,161,360 |
| Unavailable Revenue - Grants and Entitlements | 522,113 | 0 | 55,000 | 494,790 | 1,071,903 |
| Unavailable Revenue - Special Assessments | 0 | 0 | 0 | 731,877 | 731,877 |
| Unavailable Revenue - Delinquent Property Taxes | 64,014 | 0 | 67,333 | 94,040 | 225,387 |
| Unavailable Revenue - Other | <u>49,364</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>49,364</u> |
| TOTAL DEFERRED INFLOWS OF RESOURCES | <u>4,787,641</u> | <u>0</u> | <u>1,154,417</u> | <u>2,762,809</u> | <u>8,704,867</u> |
| Fund Balances: | | | | | |
| Nonspendable | 223,265 | 0 | 0 | 457,360 | 680,625 |
| Restricted | 0 | 9,638 | 1,042,565 | 3,772,731 | 4,824,934 |
| Committed | 0 | 3,121,899 | 0 | 0 | 3,121,899 |
| Assigned | 1,037,811 | 0 | 0 | 0 | 1,037,811 |
| Unassigned (Deficit) | <u>7,388,510</u> | <u>(861,026)</u> | <u>0</u> | <u>0</u> | <u>6,527,484</u> |
| TOTAL FUND BALANCES | <u>8,649,586</u> | <u>2,270,511</u> | <u>1,042,565</u> | <u>4,230,091</u> | <u>16,192,753</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | |
| | <u>\$15,396,897</u> | <u>\$2,714,313</u> | <u>\$2,199,933</u> | <u>\$7,260,678</u> | <u>\$27,571,821</u> |

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
AS OF DECEMBER 31, 2019

| | |
|--|-----------------------------|
| TOTAL GOVERNMENTAL FUND BALANCES | \$16,192,753 |
| Amounts reported for government activities in the statement of net position are different because: | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. | 60,768,419 |
| Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds. | |
| Municipal Income Taxes | 3,161,360 |
| Delinquent Property Taxes | 225,387 |
| Grants and Entitlements | 1,071,903 |
| Charges for Services | 27,334 |
| Special Assessments | 731,877 |
| Fines and Forfeitures | 22,030 |
| Total | 5,239,891 |
| Internal service funds are used by management to charge costs of certain activities such as insurance to individual funds. Assets and liabilities of the Internal Service fund are included in Governmental Activities in the Statement of Net Position. | 360,899 |
| Charges on Refunding are being amortized over the life of the bonds in the Statement of Net Position. | 27,889 |
| The net pension liability and OPEB is not due and payable in the current period; therefore, the liability, asset and related deferred inflows/outflows are not reported in governmental funds. | |
| Net Pension Asset | 40,998 |
| Deferred Outflows-Pension & OPEB | 14,103,500 |
| Deferred Inflows-Pension & OPEB | (2,054,241) |
| Net Pension & OPEB Liability | (50,934,833) |
| Total | (38,844,576) |
| 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 | (6,565,832) |
| OPWC Loans | (2,801) |
| OWDA Loans | (580,784) |
| Bond Anticipation Notes | (12,010,000) |
| Police Pension Liability | (83,475) |
| Landfill Post Closure Care Liability | (334,272) |
| Compensated Absences | (5,973,155) |
| Accrued Interest Payable | (184,032) |
| Total | (25,734,351) |
| NET POSITION OF GOVERNMENTAL ACTIVITIES | <u>\$ 18,010,924</u> |

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, 2019

| | <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 | \$19,167,062 | \$0 | \$0 | \$0 | \$19,167,062 |
| Property and Other Local Taxes | 1,683,846 | 117,613 | 1,054,597 | 1,543,725 | 4,399,781 |
| Intergovernmental | 1,445,945 | 290,492 | 136,262 | 1,573,173 | 3,445,872 |
| Charges for Services | 1,593,905 | 0 | 0 | 431,592 | 2,025,497 |
| Special Assessments | 0 | 0 | 0 | 711,586 | 711,586 |
| Fines and Forfeitures | 1,932,146 | 0 | 0 | 678,264 | 2,610,410 |
| Licenses & Permits | 305,007 | 0 | 0 | 0 | 305,007 |
| Interest | 524,121 | 50,334 | 71,041 | 0 | 645,496 |
| Miscellaneous | <u>0</u> | <u>116,503</u> | <u>0</u> | <u>10,354</u> | <u>126,857</u> |
| TOTAL REVENUES | <u>26,652,032</u> | <u>574,942</u> | <u>1,261,900</u> | <u>4,948,694</u> | <u>33,437,568</u> |
| EXPENDITURES: | | | | | |
| Current: | | | | | |
| General Government | 6,621,708 | 5,731 | 24,672 | 340,586 | 6,992,697 |
| Security of Persons and Property | 13,529,505 | 52,992 | 0 | 2,334,054 | 15,916,551 |
| Public Health and Welfare | 496,041 | 0 | 0 | 0 | 496,041 |
| Community Environment | 1,007,516 | 11,892 | 0 | 80,690 | 1,100,098 |
| Leisure Time Activities | 934,721 | 34,356 | 0 | 1,118,055 | 2,087,132 |
| Transportation | 0 | 34,457 | 0 | 1,731,993 | 1,766,450 |
| Basic Utility Services | 68,095 | 0 | 0 | 0 | 68,095 |
| Capital Outlay | 8,478 | 4,018,171 | 0 | 952,107 | 4,978,756 |
| Debt Service: | | | | | |
| Principal | 0 | 0 | 1,108,920 | 0 | 1,108,920 |
| Interest | <u>0</u> | <u>0</u> | <u>397,071</u> | <u>0</u> | <u>397,071</u> |
| TOTAL EXPENDITURES | <u>22,666,064</u> | <u>4,157,599</u> | <u>1,530,663</u> | <u>6,557,485</u> | <u>34,911,811</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 3,985,968 | (3,582,657) | (268,763) | (1,608,791) | (1,474,243) |
| OTHER FINANCING SOURCES (USES): | | | | | |
| Transfers In | 0 | 0 | 265,000 | 2,735,000 | 3,000,000 |
| Transfers Out | (3,000,000) | 0 | 0 | (150,000) | (3,150,000) |
| Repayment of Bond Anticipation Note | 0 | (5,615,000) | 0 | 0 | (5,615,000) |
| Issuance of Bond Anticipation Note | 0 | 12,010,000 | 0 | 0 | 12,010,000 |
| Issuance of Other Loan Debt | <u>0</u> | <u>320,703</u> | <u>0</u> | <u>0</u> | <u>320,703</u> |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>(3,000,000)</u> | <u>6,715,703</u> | <u>265,000</u> | <u>2,585,000</u> | <u>6,565,703</u> |
| NET CHANGE IN FUND BALANCES | 985,968 | 3,133,046 | (3,763) | 976,209 | 5,091,460 |
| FUND BALANCE BEGINNING OF YEAR | 7,683,354 | (862,535) | 1,046,328 | 3,249,537 | 11,116,684 |
| CHANGE IN INVENTORY | (19,736) | <u>0</u> | <u>0</u> | <u>4,345</u> | (15,391) |
| FUND BALANCES END OF YEAR | <u>\$8,649,586</u> | <u>\$2,270,511</u> | <u>\$1,042,565</u> | <u>\$4,230,091</u> | <u>\$16,192,753</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, 2019

NET CHANGES IN FUND BALANCES-TOTAL GOVERNMENTAL FUNDS \$ 5,091,460

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 | 4,978,756 | |
| Donations | 168,300 | |
| Current Year Depreciation | <u>(4,754,231)</u> | |
| Total | | 392,825 |

Government funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (1,792,080)

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

| | | |
|---------------------------|-----------|---------|
| Municipal Income Taxes | 566,556 | |
| Delinquent Property Taxes | 88,562 | |
| Grants and Entitlements | 25,533 | |
| Charges for Services | (22,446) | |
| Special Assessments | 39,211 | |
| Fines and Forfeitures | <u>78</u> | |
| Total | | 697,494 |

The repayment of note and bond principal, police pension, and landfill closure costs are expenditures in the governmental funds but the repayment reduces long-term liabilities in the statement of net position. 6,787,824

Long-term note and debt issuance are reported as other financing sources in the governmental funds but increase long-term liabilities on the statement of net position. (12,330,703)

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 | (228,824) | |
| Accrued Interest | (468) | |
| Amortization of Premium | 29,072 | |
| Amortization of Deferral on Refunding | (9,296) | |
| Change in Inventory | <u>(15,391)</u> | |
| Total | | (224,907) |

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows pension and OPEB 2,681,482

Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability are reported as pension/OPEB expense in the statement of activities. 8,051,192

Internal service funds are used by management to account for a retrospective rating workers' compensation program. The net expense of this fund is reported in the Governmental Activities. (1,192)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 9,353,395

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, 2019

| | <u>BUDGETED AMOUNTS</u> | | | VARIANCE WITH |
|---|-------------------------|--------------------|--------------------|--|
| | <u>ORIGINAL</u> | <u>FINAL</u> | <u>ACTUAL</u> | FINAL BUDGET POSITIVE (NEGATIVE) |
| REVENUES: | | | | |
| Municipal Income Taxes | \$17,895,000 | \$18,895,000 | \$19,206,814 | \$311,814 |
| Property and Other Local Taxes | 1,666,450 | 1,666,450 | 1,775,555 | 109,105 |
| Intergovernmental | 1,197,500 | 1,197,500 | 1,344,086 | 146,586 |
| Charges for Services | 1,251,500 | 1,251,500 | 1,460,128 | 208,628 |
| Fines and Forfeitures | 2,030,500 | 2,030,500 | 1,962,544 | (67,956) |
| Licenses and Permits | 183,200 | 183,200 | 304,436 | 121,236 |
| Interest Income | 360,000 | 360,000 | 343,717 | (16,283) |
| Other | <u>112,500</u> | <u>112,500</u> | <u>112,500</u> | <u>0</u> |
| Total Revenues | <u>24,696,650</u> | <u>25,696,650</u> | <u>26,509,780</u> | <u>813,130</u> |
| EXPENDITURES: | | | | |
| Legislative- Council | 162,296 | 162,296 | 156,366 | 5,930 |
| Judicial- Municipal Court | 2,395,277 | 2,395,277 | 1,819,001 | 576,276 |
| Executive-Mayor | <u>23,784,807</u> | <u>23,784,807</u> | <u>22,462,569</u> | <u>1,322,238</u> |
| Total Expenditures | <u>26,342,380</u> | <u>26,342,380</u> | <u>24,437,936</u> | <u>1,904,444</u> |
| Excess of Revenues Over (Under) Expenditures | (1,645,730) | (645,730) | 2,071,844 | 2,717,574 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers Out | (2,735,000) | (3,150,000) | (3,000,000) | 150,000 |
| Other | <u>250,000</u> | <u>250,000</u> | <u>732,899</u> | <u>482,899</u> |
| Total Other Financing Sources (Uses) | <u>(2,485,000)</u> | <u>(2,900,000)</u> | <u>(2,267,101)</u> | <u>632,899</u> |
| NET CHANGE IN FUND BALANCE | (4,130,730) | (3,545,730) | (195,257) | 3,350,473 |
| FUND BALANCE BEGINNING OF YEAR | 4,902,547 | 4,902,547 | 4,902,547 | 0 |
| Prior Year Encumbrances Appropriated | <u>81,738</u> | <u>81,738</u> | <u>81,738</u> | <u>0</u> |
| FUND BALANCE END OF YEAR | <u>\$853,555</u> | <u>\$1,438,555</u> | <u>\$4,789,028</u> | <u>\$3,350,473</u> |

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AS OF DECEMBER 31, 2019

| | <u>BUSINESS-TYPE</u> | | | <u>GOVERNMENTAL</u> |
|--|----------------------|---------------------|---------------------|---------------------|
| | <u>ACTIVITIES</u> | | | <u>ACTIVITIES</u> |
| | <u>GOLF</u> | | | <u>INTERNAL</u> |
| | <u>COURSE</u> | <u>SEWER</u> | <u>TOTAL</u> | <u>SERVICE FUND</u> |
| ASSETS | | | | |
| CURRENT ASSETS | | | | |
| Equity in City Treasury Cash and Investments | \$40,887 | \$3,451,425 | \$3,492,312 | \$370,940 |
| Inventory | 4,074 | 43,397 | 47,471 | 0 |
| Accrued Interest Receivable | 0 | 21,620 | 21,620 | 0 |
| Accounts Receivable | 0 | 197,887 | 197,887 | 0 |
| Intergovernmental Receivable | <u>212</u> | <u>968,869</u> | <u>969,081</u> | <u>0</u> |
| TOTAL CURRENT ASSETS | <u>45,173</u> | <u>4,683,198</u> | <u>4,728,371</u> | <u>370,940</u> |
| NONCURRENT ASSETS | | | | |
| Restricted Assets: | | | | |
| Cash Investments | 0 | 987,349 | 987,349 | 0 |
| Net Pension Asset | 1,943 | 9,873 | 11,816 | 0 |
| Land and Construction in Progress | 2,273,366 | 988,034 | 3,261,400 | 0 |
| Depreciable Capital Assets, Net | <u>1,445,079</u> | <u>33,001,733</u> | <u>34,446,812</u> | <u>0</u> |
| TOTAL NONCURRENT ASSETS | <u>3,720,388</u> | <u>34,986,989</u> | <u>38,707,377</u> | <u>0</u> |
| TOTAL ASSETS | <u>3,765,561</u> | <u>39,670,187</u> | <u>43,435,748</u> | <u>370,940</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred Charge on Refunding | 12,429 | 0 | 12,429 | 0 |
| Pension | 195,376 | 992,824 | 1,188,200 | 0 |
| OPEB | <u>25,247</u> | <u>128,299</u> | <u>153,546</u> | <u>0</u> |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | <u>233,052</u> | <u>1,121,123</u> | <u>1,354,175</u> | <u>0</u> |
| LIABILITIES | | | | |
| CURRENT LIABILITIES | | | | |
| Accounts Payable | 2,694 | 246,991 | 249,685 | 0 |
| Salaries, Wages & Benefits Payable | 52,531 | 252,389 | 304,920 | 0 |
| Accrued Interest Payable | 2,182 | 118,851 | 121,033 | 0 |
| Due to Other Funds | 1,058,903 | 0 | 1,058,903 | 0 |
| Intergovernmental Payable | 0 | 121 | 121 | 0 |
| Claims Payable | 0 | 0 | 0 | 10,041 |
| Bonds Payable | <u>80,000</u> | <u>955,085</u> | <u>1,035,085</u> | <u>0</u> |
| TOTAL CURRENT LIABILITIES | <u>1,196,310</u> | <u>1,573,437</u> | <u>2,769,747</u> | <u>10,041</u> |
| NONCURRENT LIABILITIES | | | | |
| Salaries, Wages & Benefits Payable | 136,422 | 492,570 | 628,992 | 0 |
| Bonds Payable | 1,105,000 | 10,128,564 | 11,233,564 | 0 |
| Net Pension Liability | 648,930 | 3,297,595 | 3,946,525 | 0 |
| Net OPEB Liability | <u>303,853</u> | <u>1,544,058</u> | <u>1,847,911</u> | <u>0</u> |
| TOTAL NONCURRENT LIABILITIES | <u>2,194,205</u> | <u>15,462,787</u> | <u>17,656,992</u> | <u>0</u> |
| TOTAL LIABILITIES | <u>3,390,515</u> | <u>17,036,224</u> | <u>20,426,739</u> | <u>10,041</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Pension | 11,323 | 57,552 | 68,875 | 0 |
| OPEB | <u>1,410</u> | <u>7,161</u> | <u>8,571</u> | <u>0</u> |
| TOTAL DEFERRED INFLOWS OF RESOURCES | <u>12,733</u> | <u>64,713</u> | <u>77,446</u> | <u>0</u> |
| NET POSITION | | | | |
| Net Investment in Capital Assets | 2,545,874 | 22,906,118 | 25,451,992 | 0 |
| Restricted for: | | | | |
| Equipment Replacement | 0 | 656,174 | 656,174 | 0 |
| Unrestricted (Deficit) | <u>(1,950,509)</u> | <u>128,081</u> | <u>(1,822,428)</u> | <u>360,899</u> |
| TOTAL NET POSITION | <u>\$595,365</u> | <u>\$23,690,373</u> | <u>\$24,285,738</u> | <u>\$360,899</u> |

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

| | <u>BUSINESS-TYPE</u> <u>ACTIVITIES</u> | | | <u>GOVERNMENTAL</u> <u>ACTIVITIES</u> |
|--|---|---------------------|---------------------|--|
| | <u>GOLF</u> <u>COURSE</u> | <u>SEWER</u> | <u>TOTAL</u> | <u>INTERNAL</u> <u>SERVICE FUND</u> |
| OPERATING REVENUES: | | | | |
| Charges for Services | <u>\$801,432</u> | <u>\$5,285,831</u> | <u>\$6,087,263</u> | <u>\$0</u> |
| Total Operating Revenues | <u>801,432</u> | <u>5,285,831</u> | <u>6,087,263</u> | <u>0</u> |
| OPERATING EXPENSES: | | | | |
| Personal Services | 633,872 | 2,956,390 | 3,590,262 | 0 |
| Contractual Services | 112,416 | 786,290 | 898,706 | 1,192 |
| Materials & Supplies | 165,818 | 166,534 | 332,352 | 0 |
| Heat, Light & Power | 28,914 | 307,072 | 335,986 | 0 |
| Other Expenses | 5,641 | 30,742 | 36,383 | 0 |
| Depreciation | <u>105,763</u> | <u>1,756,337</u> | <u>1,862,100</u> | <u>0</u> |
| Total Operating Expenses | <u>1,052,424</u> | <u>6,003,365</u> | <u>7,055,789</u> | <u>1,192</u> |
| Net Income (Loss) from Operations | <u>(250,992)</u> | <u>(717,534)</u> | <u>(968,526)</u> | <u>(1,192)</u> |
| NON-OPERATING REVENUES (EXPENSES): | | | | |
| Interest - Income | 0 | 75,147 | 75,147 | 0 |
| Interest - Expense | (31,616) | (264,494) | (296,110) | 0 |
| Other - Income | 1,866 | 7,248 | 9,114 | 0 |
| Other - Expense | <u>0</u> | <u>(15,558)</u> | <u>(15,558)</u> | <u>0</u> |
| Total Non-Operating Revenues (Expenses) | <u>(29,750)</u> | <u>(197,657)</u> | <u>(227,407)</u> | <u>0</u> |
| Net Income (Loss) Before Contributions and Transfers | <u>(280,742)</u> | <u>(915,191)</u> | <u>(1,195,933)</u> | <u>(1,192)</u> |
| Capital Contributions | 0 | 273,332 | 273,332 | 0 |
| Transfer In | <u>150,000</u> | <u>0</u> | <u>150,000</u> | <u>0</u> |
| CHANGE IN NET POSITION | <u>(130,742)</u> | <u>(641,859)</u> | <u>(772,601)</u> | <u>(1,192)</u> |
| NET POSITION BEGINNING OF YEAR | <u>726,107</u> | <u>24,332,232</u> | <u>25,058,339</u> | <u>362,091</u> |
| NET POSITION END OF YEAR | <u>\$595,365</u> | <u>\$23,690,373</u> | <u>\$24,285,738</u> | <u>\$360,899</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, 2019

(continued on following page)

| | <u>Business-Type Activities</u> | | | <u>Governmental Activities</u> |
|--|---------------------------------|--------------------|--------------------|--------------------------------|
| | <u>Golf Course</u> | <u>Sewer</u> | <u>Total</u> | <u>Internal Service Fund</u> |
| Cash flows from operating activities: | | | | |
| Receipts from customers and users | \$691,440 | \$4,482,496 | \$5,173,936 | \$0 |
| Payments to suppliers | (75,485) | (63,143) | (138,628) | (7,992) |
| Payments to employees | <u>(625,489)</u> | <u>(2,914,655)</u> | <u>(3,540,144)</u> | <u>0</u> |
| NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES | <u>(9,534)</u> | <u>1,504,698</u> | <u>1,495,164</u> | <u>(7,992)</u> |
| | | | | |
| Cash flows from noncapital financing activities: | | | | |
| Other non-operating revenues | 711 | 7,248 | 7,959 | 0 |
| NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES | <u>711</u> | <u>7,248</u> | <u>7,959</u> | <u>0</u> |
| | | | | |
| Cash flows from capital and related financing activities: | | | | |
| Proceeds from loans | 0 | 381,572 | 381,572 | 0 |
| Acquisition and construction of capital assets | (8,800) | (1,140,289) | (1,149,089) | 0 |
| Proceeds from Interfund Transfer | 150,000 | 0 | 150,000 | 0 |
| Principal reduction on long-term debt | (80,000) | (931,861) | (1,011,861) | 0 |
| Interest paid on long-term debt | (31,750) | (274,707) | (306,457) | 0 |
| Contributions from customers | <u>0</u> | <u>239,132</u> | <u>239,132</u> | <u>0</u> |
| NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES | <u>29,450</u> | <u>(1,726,153)</u> | <u>(1,696,703)</u> | <u>0</u> |
| | | | | |
| Cash flows from investing activities: | | | | |
| Interest on investments | <u>0</u> | <u>81,962</u> | <u>81,962</u> | <u>0</u> |
| NET CASH PROVIDED BY INVESTING ACTIVITIES | <u>0</u> | <u>81,962</u> | <u>81,962</u> | <u>0</u> |
| | | | | |
| NET INCREASE (DECREASE) IN CASH AND CASH INVESTMENTS | 20,627 | (132,245) | (111,618) | (7,992) |
| | | | | |
| CASH AND CASH INVESTMENTS AT BEGINNING OF YEAR | <u>20,260</u> | <u>4,571,019</u> | <u>4,591,279</u> | <u>378,932</u> |
| | | | | |
| CASH AND CASH INVESTMENTS AT END OF YEAR | <u>\$40,887</u> | <u>\$4,438,774</u> | <u>\$4,479,661</u> | <u>\$370,940</u> |

The Sewer Fund includes \$987,349 of cash and cash investments in restricted assets.

Noncash Capital and Related Financing Activities

The Sewer Fund had additions from contributions of capital in the amount of \$ 34,200 from a developer.

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

(continued)

| | <u>Business-Type Activities</u> | | | <u>Governmental</u> |
|---|---------------------------------|--------------------|--------------------|---------------------|
| | <u>Golf</u> | <u>Sewer</u> | <u>Total</u> | <u>Internal</u> |
| | <u>Course</u> | | | <u>Service Fund</u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES: | | | | |
| Operating income (loss) | (\$250,992) | (\$717,534) | (\$968,526) | (\$1,192) |
| Adjustments to reconcile operating income (loss) to net cash from operating activities: | | | | |
| Depreciation | 105,763 | 1,756,337 | 1,862,100 | 0 |
| Change in assets and liabilities: | | | | |
| (Increase) decrease in inventory of supplies | 2,084 | (8,589) | (6,505) | 0 |
| (Increase) decrease in accounts receivable | 500 | (14,897) | (14,397) | 0 |
| (Increase) decrease in due from other govts | (31) | (227,118) | (227,149) | 0 |
| (Increase) decrease in net pension asset | 806 | 4,095 | 4,901 | 0 |
| (Increase) decrease in deferred charges | 4,144 | 0 | 4,144 | 0 |
| (Increase) decrease in deferred outflows - pension | (104,961) | (533,370) | (638,331) | 0 |
| (Increase) decrease in deferred outflows - OPEB | (6,306) | (32,045) | (38,351) | 0 |
| Increase (decrease) in accounts payable | (421) | 59,589 | 59,168 | 0 |
| Increase (decrease) in accrued salaries, wages, and benefits | 8,383 | 41,735 | 50,118 | 0 |
| Increase (decrease) in claims payable | 0 | 0 | 0 | (6,800) |
| Increase (decrease) in net pension liability | 281,269 | 1,429,293 | 1,710,562 | 0 |
| Increase (decrease) in net OPEB liability | 52,207 | 265,296 | 317,503 | 0 |
| Increase (decrease) in deferred inflows - pension | (83,522) | (424,405) | (507,927) | 0 |
| Increase (decrease) in deferred inflows - OPEB | (18,457) | (93,794) | (112,251) | 0 |
| Increase (decrease) in due to other governments | 0 | 105 | 105 | 0 |
| TOTAL ADJUSTMENTS | <u>241,458</u> | <u>2,222,232</u> | <u>2,463,690</u> | <u>(6,800)</u> |
| NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES | <u>(\$9,534)</u> | <u>\$1,504,698</u> | <u>\$1,495,164</u> | <u>(\$7,992)</u> |

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
AS OF DECEMBER 31, 2019

| | <u>AGENCY FUNDS</u> |
|--|---------------------|
| ASSETS | |
| Equity in City Treasury Cash and Investments | \$2,428,943 |
| Accounts Receivable | <u>334,232</u> |
| TOTAL ASSETS | <u>\$2,763,175</u> |
| LIABILITIES | |
| Accounts Payable | \$2,159,565 |
| Deposits Held and Due to Others | 200,273 |
| Intergovernmental Payable | <u>403,337</u> |
| TOTAL LIABILITIES | <u>\$2,763,175</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, 2019

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 and a golf course 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 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 position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Government-wide Financial Statements– The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. As a general rule, the activity of the internal service fund is eliminated to avoid “doubling up” revenues and expenses. An exception to this general rule is that interfund services provided and used are not eliminated in the process of consolidation. The statements distinguish between those activities of the City that are governmental and those that are considered business-type.

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

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 and deferred outflows of resources are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities and deferred inflows of resources are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources compared to liabilities and deferred inflows of resources is reported as fund balance.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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 transfers from the General fund, intergovernmental revenue, interest, and the sale of debt and existing 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 position, financial position, and cash flows. Proprietary funds are classified as either enterprise or internal service.

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.

Internal Service Funds – Internal Service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's only internal service fund is the Workers' Compensation Retro Rating fund. This fund accounts for the accumulation of funds to pay workers' compensation claims.

Fiduciary Funds – Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: *pension trust funds*, *investment trust funds*, *private-purpose trust funds*, and *agency funds*. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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 deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the City are included on the statement of net position.

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

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

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 inflows and outflows, and in the presentation of expenses versus expenditures.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements, and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (see Note 8). Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from non-exchange 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 Outflows/Inflows of Resources – In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding, pension and OPEB. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 10 and 11.

In addition to liabilities, the statements of net position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the City, deferred inflows of resources include property taxes, pension, OPEB and unavailable revenues. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2019, but which were levied to finance year 2020 operations. These amounts have been recorded as deferred inflows on both the

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, income taxes, franchise taxes, intergovernmental grants, special assessments, fines and forfeitures and charges for services. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 10 and 11)

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.

E. Pensions/Other Post-Employment Benefits (OPEB)

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

F. 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 position 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.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

During 2019, The City's investments included the State Treasury Asset Reserve of Ohio (STAR Ohio), non-negotiable and negotiable certificates of deposits, United States Treasury Notes, United States Agency debt securities, commercial paper and money market mutual funds. The City's investment in State Treasury Asset Reserve of Ohio (STAR Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company and is recognized as an external investment pool by the City. The City measures their investment in STAR Ohio as the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

For 2019, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

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 2019 amounted to \$524,121 which includes \$282,570 assigned from other City funds.

G. Receivables

Receivables at December 31, 2019 consist of taxes, amounts due from other governments, accounts (billings for user charged services), loan, special assessments, and accrued interest on investments. All are deemed collectible in full.

H. Materials and Supplies Inventory

Inventory consists of expendable supplies held for consumption. 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.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2019 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.

J. 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 position 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 position and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at acquisition value 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.

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 |

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

K. 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 non-spendable or restricted account. Interfund balance amounts are eliminated in the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

L. 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 proprietary funds, the entire amount of compensated absences is reported as a fund liability.

M. 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. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits. Bonds and long-term loans are recognized as a liability on the governmental fund financial statements when due.

N. 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 include amounts that can be used only for the specific purposes imposed by formal action (resolution) of City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (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

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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the general fund, assigned amounts represent intended uses established by policies of City Council and the Mayor or a Director delegated that authority by City Charter or ordinance, or by state statute. State statute authorizes the Finance Director to assign fund balance for purchase orders; provided such amounts have been lawfully appropriated.

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.

O. Net Position

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

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

P. 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.

Q. 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 and golf course services. Operating expenses are necessary costs that have been incurred in

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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 non-operating.

R. 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.

S. 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.

T. 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 of these occurred in 2019.

U. 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.

V. 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

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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 2019.

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. Recently Issued Accounting Pronouncements

During the year, the City followed the Governmental Accounting Standards Board (GASB) Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The City has postponed the implementation of GASB Statements No. 83, 84, 88, 90.

B. Fund Deficits

The Golf Course fund had deficit net position-unrestricted of \$1,950,509. The “Due to Other Funds” amount includes \$1,058,903 of advances from the General, General Bond Retirement and Capital Projects funds.

Capital Projects fund shows a negative budgetary basis fund balance of \$1,165,125. In 2019, the City had entered into two storm sewer construction project contracts. The proceeds of the funding of these projects will be received on a reimbursement basis. Thus the negative fund balance is a temporary situation. The General fund is responsible for all deficits.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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 | \$ 135,000 | \$ 0 | \$ 0 | \$ 0 | \$ 135,000 |
| Inventory | 85,691 | 0 | 0 | 104,988 | 190,679 |
| Prepays | 2,574 | 0 | 0 | 0 | 2,574 |
| Cemetery | <u>0</u> | <u>0</u> | <u>0</u> | <u>352,372</u> | <u>352,372</u> |
| Total Nonspendable | 223,265 | 0 | 0 | 457,360 | 680,625 |
| <u>Restricted for</u> | | | | | |
| Road and infrastructure | 0 | 0 | 0 | 1,915,417 | 1,915,417 |
| Recreation | 0 | 0 | 0 | 170,485 | 170,485 |
| Municipal Court | 0 | 0 | 0 | 718,705 | 718,705 |
| Police and Fire departments | 0 | 0 | 0 | 141,967 | 141,967 |
| Law Enforcement | 0 | 0 | 0 | 52,054 | 52,054 |
| Drug and Alcohol enforcement | 0 | 0 | 0 | 421,985 | 421,985 |
| Sidewalks and Trees | 0 | 0 | 0 | 196,462 | 196,462 |
| Street Lighting | 0 | 0 | 0 | 155,656 | 155,656 |
| Capital grant | 0 | 9,638 | 0 | 0 | 9,638 |
| Debt Service | <u>0</u> | <u>0</u> | <u>1,042,565</u> | <u>0</u> | <u>1,042,565</u> |
| Total Restricted | 0 | 9,638 | 1,042,565 | 3,772,731 | 4,824,934 |
| <u>Committed to</u> | | | | | |
| Capital improvements | <u>0</u> | <u>3,121,899</u> | <u>0</u> | <u>0</u> | <u>3,121,899</u> |
| Total Committed | 0 | 3,121,899 | 0 | 0 | 3,121,899 |
| <u>Assigned to</u> | | | | | |
| Compensated Absences | 533,657 | 0 | 0 | 0 | 533,657 |
| General Government | 243,797 | 0 | 0 | 0 | 243,797 |
| Security of Persons | 154,287 | 0 | 0 | 0 | 154,287 |
| Public Health & Welfare | 1,925 | 0 | 0 | 0 | 1,925 |
| Community Environment | 58,115 | 0 | 0 | 0 | 58,115 |
| Leisure Activities | 42,123 | 0 | 0 | 0 | 42,123 |
| Basic Utilities | <u>3,907</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>3,907</u> |
| Total Assigned | 1,037,811 | 0 | 0 | 0 | 1,037,811 |
| Unassigned (Deficits) | <u>7,388,510</u> | <u>(861,026)</u> | <u>0</u> | <u>0</u> | <u>6,527,484</u> |
| Total Fund Balances | <u>\$ 8,649,586</u> | <u>\$ 2,270,511</u> | <u>\$ 1,042,565</u> | <u>\$ 4,230,091</u> | <u>\$ 16,192,753</u> |

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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. Currently some eligible investments in the portfolio were purchased with remaining terms of up to five years. Generally, the majority of purchases are still being made in investments with remaining terms of two years or less. Average days to maturity for the City's investments at December 31, 2019 was 786.

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

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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 and other obligations of the State of Ohio or Ohio local governments;
- 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 paragraph 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 (STAR Ohio) 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, 2019, the City had \$5,995 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 bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured. The City has no deposit policy for custodial credit risk beyond the requirements of State statute.

At December 31, 2019, the carrying amount of the City's deposits, including certificates of deposit with various financial institutions was \$3,402,208 including restricted cash of \$987,349 and the bank balance was \$3,871,289. \$2,543,076 of the City's bank balance was covered by Federal Depository Insurance. \$1,245,643 was collateralized through participation in the Ohio Pooled Collateral System (OPCS). \$82,570 was uninsured and collateralized with securities held by the pledging financial institutions trust department or agent but not in the City's name.

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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

The City has a formal investment policy and utilizes a pooled investment concept for all its funds to maximize its investment program. STAR Ohio is measured at net asset value per share while all other investments are measured at fair value. Fair value is determined by quoted market prices and acceptable other pricing methodologies. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The following table identifies the City's recurring fair value measurement as of December 31, 2019. As previously discussed STAR Ohio is reported at its net asset value. All other investments of the City are valued using observable pricing methods (Level 2 inputs). As of December 31, 2019, fair value was \$127,423 above the City's net cost for investments.

| Investment Type/ Valuation | Moody's Rating | S&P Rating | Measurement Amount | Investment Maturities | |
|------------------------------------|-------------------|---------------|-----------------------|-----------------------|-------------------------|
| | | | | Less than 1 Year | Greater than 2 Years |
| Net Asset Value (NAV): | | | | | |
| STAR Ohio | Aaa | AAAm | \$ 2,770,427 | \$ 2,770,427 | \$ 0 |
| First Am Govt Obligations Fund | Aaa | AAAm | 39,468 | 39,468 | 0 |
| Fair Value: | | | | | |
| FFCB | Aaa | AA+ | 2,978,542 | 0 | 2,978,542 |
| FHLB | Aaa | AA+ | 355,036 | 0 | 355,036 |
| FHLMC | Aaa | AA+ | 1,946,912 | 1,047,713 | 899,199 |
| US Treasury Note | Aaa | AAA | 246,650 | 0 | 246,650 |
| Negotiable Certificates of Deposit | N/A | N/A | 4,078,796 | 494,812 | 3,583,984 |
| Commercial Paper | P-1 | A-1 | 4,705,186 | 4,705,186 | 0 |
| | | | <u>\$ 17,121,017</u> | <u>\$ 9,057,606</u> | <u>\$ 8,063,411</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.

Credit Risk: The credit risk of the City's investments is in the table above. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. At December 31, 2019, the weighted average maturity of investments with STAR Ohio was 56 days. The City has no investments policy that would further limit its investment choices.

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Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The U.S. Agency notes are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the City's name.

The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Finance Director or qualified trustee.

Concentration of Credit Risk: The City Investment Policy places no limit on the amount it may invest in any one issuer. In 2019, the City's total investments are 11.37% in FHLMC, 17.40% in FFCB, 2.07% in FHLB and 1.44% in U.S. Treasury Note. Other investments not specifically guaranteed by the U.S. Government total 67.72%.

NOTE 6: INTERFUND TRANSFERS AND BALANCES

As of December 31, 2019, 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> | |
| General Bond Retirement Fund | \$ 115,000 | \$ 150,000 | \$ 265,000 |
| Golf Course | 150,000 | 0 | 150,000 |
| Nonmajor Governmental Funds | 2,735,000 | 0 | 2,735,000 |
| Total | <u>\$ 3,000,000</u> | <u>\$ 150,000</u> | <u>\$ 3,150,000</u> |

The General fund transfers to the Capital Projects and Nonmajor Governmental funds were made to provide additional resources for capital needs and current operations. The transfer from Nonmajor Governmental funds to the General Bond Retirement fund was for debt payment.

As of December 31, 2019, interfund balances were as follows:

| | <i>Due from Other Funds</i> | <i>Due to Other Funds</i> |
|-------------------------|-----------------------------|---------------------------|
| <i>Major Funds</i> | | |
| General | \$ 135,000 | \$0 |
| Capital Projects | 5,000 | 0 |
| General Bond Retirement | 918,903 | 0 |
| Golf Course | 0 | 1,058,903 |
| | <u>\$ 1,058,903</u> | <u>\$ 1,058,903</u> |

The City has internal balances of \$1,058,903. This includes advances from the General fund for Golf Course operations. The General Bond Retirement fund balances are for Golf Course

CITY OF WILLOUGHBY, OHIO
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debt payments and the Capital Projects fund balances are for an equipment purchase of the Golf Enterprise fund. The Golf Course advances of \$1,058,903 are not expected to be repaid within one year.

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 restricted, committed or assigned 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 | \$ 985,968 |
| Net Adjustment for Revenue Accruals | (577,409) |
| Fair Value Adjustment for Investments | (72,587) |
| Net Adjustment for Expenditure Accruals | (510,573) |
| Encumbrances | (422,440) |
| Current Expenditures Against Prior Year Encumbrances | 401,784 |
| Budget Basis | <u>\$ (195,257)</u> |

NOTE 8: RECEIVABLES

Receivables at December 31, 2019 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).

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

A. Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2019 for real and public property taxes represents collections of 2018 taxes.

2019 real property taxes are levied after October 1, 2019, on the assessed value as of January 1, 2019, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2019 real property taxes are collected in and intended to finance 2020 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. 2019 public utility property taxes which became a lien December 31, 2018, are levied after October 1, 2019, and are collected in 2020 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2019, was \$8.46 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2019 property tax receipts were based are as follows:

| | |
|-------------------------|----------------------|
| Real Property | \$631,221,710 |
| Public Utility Tangible | \$17,756,970 |
| Total | \$648,978,680 |

Real property taxes are payable annually or semiannually. The due date for the 2019 levy was February 19, 2020, for all or one half of the taxes due. The second half due date is July 15, 2020.

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.

Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2019 and for which there is an enforceable legal claim. In General, Police Pension, Fire Pension, Recreation, Road and Bridge, and General Bond Retirement funds, the entire receivable has been offset by deferred inflows since the current taxes were not levied to finance 2019 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 a deferred inflow.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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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. The Regional Income Tax Agency (R.I.T.A) provides services to collect taxes, acting as an agent of the City. Each member municipality appoints its own delegate to the Regional Council of Governments which oversees R.I.T.A. Since 2018, net profit taxpayers in Ohio may opt in for collection by the State of Ohio Department of Taxation.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the R.I.T.A. 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 | \$ 14,457 |
| OWDA and OPWC | 270,178 |
| Gasoline & Motor Vehicle Tax | 538,188 |
| Local Government | 577,987 |
| Charges for Service | 71,667 |
| Homestead and Rollback | 179,000 |
| Grants | 78,725 |
| Fines | 252,071 |
| Total Governmental | 1,982,273 |
| Business-Type Activities: | |
| Charges for Service | 587,509 |
| OWDA and OPWC | 381,572 |
| Total Business-Type | 969,081 |
| Total Intergovernmental Receivables | \$ 2,951,354 |

D. Loan Receivable

The City is reporting a long-term loan receivable related to the Airport Improvement bonds (See Note 16). During 2014, the City entered into an agreement with the Lake County Port and Economic Development Authority for the transfer of ownership of the Willoughby Lost Nation Municipal Airport. As part of this agreement the Lake County Port and Economic Development Authority is obligated to make annual debt payments to reimburse the City for the Airport Improvement bonds. At December 31, 2019, the remaining balance being reported in the City's financial statements is \$120,000.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 9: CAPITAL ASSETS

A summary of changes in capital assets during 2019 follows:

| | Balance 01/01/19 | Additions | Deletions | Balance 12/31/19 |
|--|----------------------------|---------------------------|-----------------------------|----------------------------|
| Governmental Activities | | | | |
| <i>Capital Assets Not Being Depreciated</i> | | | | |
| Land | \$8,811,063 | \$0 | (\$755,860) | \$8,055,203 |
| Construction in Progress | 10,826,130 | 833,516 | (4,449,029) | 7,210,617 |
| <i>Total Capital Assets Not Being Depreciated</i> | <u>19,637,193</u> | <u>833,516</u> | <u>(5,204,889)</u> | <u>15,265,820</u> |
| <i>Capital Assets Being Depreciated</i> | | | | |
| Buildings | 25,209,118 | 6,250,579 | (1,057,657) | 30,402,040 |
| Improvements | 15,555,310 | 734,239 | (18,951) | 16,270,598 |
| Machinery and Equipment | 13,457,764 | 818,987 | (344,811) | 13,931,940 |
| Infrastructure: | | | | |
| Roads | 36,131,248 | 891,231 | (997,278) | 36,025,201 |
| Sidewalks | 1,163,026 | 0 | 0 | 1,163,026 |
| Curbs & Gutters | 985,795 | 0 | 0 | 985,795 |
| Storm Sewers | 11,587,540 | 55,100 | 0 | 11,642,640 |
| Street Lights | 41,948 | 12,432 | 0 | 54,380 |
| Traffic Signals | 1,790,846 | 0 | 0 | 1,790,846 |
| Bridges | 533,211 | 0 | 0 | 533,211 |
| <i>Total Capital Assets Being Depreciated</i> | <u>106,455,806</u> | <u>8,762,568</u> | <u>(2,418,697)</u> | <u>112,799,677</u> |
| <i>Less Accumulated Depreciation</i> | | | | |
| Buildings | (11,269,130) | (614,233) | 43,037 | (11,840,326) |
| Improvements | (11,201,403) | (437,767) | 18,002 | (11,621,168) |
| Machinery and Equipment | (9,322,887) | (757,465) | 327,568 | (9,752,784) |
| Infrastructure: | | | | |
| Roads | (22,911,845) | (2,553,562) | 993,871 | (24,471,536) |
| Sidewalks | (946,904) | (40,058) | 0 | (986,962) |
| Curbs & Gutters | (830,142) | (34,589) | 0 | (864,731) |
| Storm Sewers | (5,702,105) | (285,235) | 0 | (5,987,340) |
| Street Lights | (39,852) | 0 | 0 | (39,852) |
| Traffic Signals | (1,505,563) | (21,358) | 0 | (1,526,921) |
| Bridges | (195,494) | (9,964) | 0 | (205,458) |
| <i>Total Accumulated Depreciation</i> | <u>(63,925,325)</u> | <u>(4,754,231)</u> | <u>1,382,478</u> | <u>(67,297,078)</u> |
| <i>Total Capital Assets Being Depreciated, Net</i> | <u>42,530,481</u> | <u>4,008,337</u> | <u>(1,036,219)</u> | <u>45,502,599</u> |
| Total Government Activities Capital Assets, Net | <u><u>\$62,167,674</u></u> | <u><u>\$4,841,853</u></u> | <u><u>(\$6,241,108)</u></u> | <u><u>\$60,768,419</u></u> |

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 9: CAPITAL ASSETS (CONTINUED)

| | Balance 01/01/19 | Additions | Deletions | Balance 12/31/19 |
|--|----------------------------|---------------------------|---------------------------|----------------------------|
| Business-Type Activities | | | | |
| <i>Capital Assets Not Being Depreciated</i> | | | | |
| Land | \$2,673,107 | \$0 | \$0 | \$2,673,107 |
| Construction in Progress | 420,052 | 436,774 | (268,533) | 588,293 |
| <i>Total Capital Assets Not Being Depreciated</i> | <u>3,093,159</u> | <u>436,774</u> | <u>(268,533)</u> | <u>3,261,400</u> |
| <i>Capital Assets Being Depreciated</i> | | | | |
| Buildings | 26,555,957 | 387,278 | (272,417) | 26,670,818 |
| Improvements | 43,131,024 | 477,701 | 0 | 43,608,725 |
| Machinery and Equipment | 5,489,772 | 150,068 | (15,604) | 5,624,236 |
| <i>Total Capital Assets Being Depreciated</i> | <u>75,176,753</u> | <u>1,015,047</u> | <u>(288,021)</u> | <u>75,903,779</u> |
| <i>Less Accumulated Depreciation</i> | | | | |
| Buildings | (14,825,191) | (699,456) | 258,796 | (15,265,851) |
| Improvements | (21,157,250) | (970,509) | 0 | (22,127,759) |
| Machinery and Equipment | (3,886,045) | (192,135) | 14,823 | (4,063,357) |
| <i>Total Accumulated Depreciation</i> | <u>(39,868,486)</u> | <u>(1,862,100)</u> | <u>273,619</u> | <u>(41,456,967)</u> |
| <i>Total Capital Assets Being Depreciated, Net</i> | <u>35,308,267</u> | <u>(847,053)</u> | <u>(14,402)</u> | <u>34,446,812</u> |
| Total Business-Type Capital Assets, Net | <u><u>\$38,401,426</u></u> | <u><u>(\$410,279)</u></u> | <u><u>(\$282,935)</u></u> | <u><u>\$37,708,212</u></u> |
| Depreciation expense was charged to governmental functions as follows: | | | | |
| General Government | | | | \$327,069 |
| Security of Persons and Property | | | | 656,065 |
| Public Health and Welfare | | | | 8,908 |
| Community Environment | | | | 5,947 |
| Leisure Time Activities | | | | 342,888 |
| Transportation | | | | 2,899,982 |
| Basic Utility Service | | | | 513,372 |
| Total | | | | <u><u>\$4,754,231</u></u> |
| Depreciation expense was charged to business-type activities as follows: | | | | |
| Golf | | | | \$105,763 |
| Sewer | | | | 1,756,337 |
| Total | | | | <u><u>\$1,862,100</u></u> |

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 10: DEFINED BENEFIT PENSION PLANS

Net Pension Liability/Asset

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

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

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

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

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

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

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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The base amount of a member's pension benefit is locked in upon receipt of the initial benefit payment for calculation of the annual cost-of-living adjustment.

When a traditional plan benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

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

| | <u>STATE & LOCAL</u> |
|--|--------------------------|
| 2019 Statutory Maximum Contribution Rates | |
| EMPLOYER | 14% |
| EMPLOYEE | 10% |
| 2019 Actual Contribution Rates | |
| EMPLOYER: | |
| Pension | 14% |
| Post-employment Health Care Benefits | 0% |
| TOTAL EMPLOYER | <u>14%</u> |
| EMPLOYEE | <u>10%</u> |

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contributions were \$1,272,676 for 2019. Of this amount, \$33,523 is reported as salaries, wages and benefits payable.

CITY OF WILLOUGHBY, OHIO
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Plan Description – Ohio Police & Fire Pension Fund (OP&F)

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

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

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

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

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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

| | POLICE | FIRE |
|--|---------------|-------------|
| 2019 Statutory Maximum Contribution Rates | | |
| EMPLOYER: | 19.50 % | 24.00 % |
| EMPLOYEE: | 12.25 % | 12.25 % |
| 2019 Actual Contribution Rates | | |
| EMPLOYER: | | |
| Pension | 19.00 % | 23.50 % |
| Post-employment Health Care Benefits | 0.50 | 0.50 |
| Total Employer | 19.50 % | 24.00 % |
| Total Employee | 12.25 % | 12.25 % |

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$1,645,660 for 2019. Of this amount, \$46,260 is reported as salaries, wages and benefits payable.

In addition to current contributions, the City pays installments on a specific liability incurred when the State of Ohio established the statewide pension system Police and Fire in 1967. As of December 31, 2019, the specific liability of the City was \$83,475 payable in semi-annual payments through the year 2035.

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

The net pension liability/asset for OPERS was measured as of December 31, 2018, and the total pension liability/asset used to calculate the net pension liability/asset was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2018, and was determined by rolling forward the total pension liability as of January 1, 2018, to December 31, 2018. The City's proportion of the net pension liability/asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

| | OPERS Traditional Pension Plan | OPERS Combined Pension Plan | OP&F Police | OP&F Fire | Total |
|--------------------------------|---|--|----------------------------|--------------------------|--------------|
| Proportion of the Net | | | | | |
| Pension Liability/(Asset): | | | | | |
| Current Measurement Date | 0.064405% | 0.047230% | 0.1639130% | 0.1758830% | |
| Prior Measurement Date | 0.063703% | 0.054887% | 0.1632434% | 0.1797263% | |
| Change in Proportionate Share | 0.000702% | -0.007657% | 0.000670% | -0.003843% | |
| Proportionate Share of the Net | | | | | |
| Pension Liability/(Asset) | \$17,639,224 | (\$52,814) | \$13,379,632 | \$ 14,356,700 | \$45,322,742 |
| Pension Expense | \$ 3,802,544 | \$ 14,222 | \$ 1,771,505 | \$ 1,824,151 | \$ 7,412,422 |

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At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | OPERS | OP&F Police | OP&F Fire | Total |
|---|--------------------|--------------------|--------------------|---------------------|
| <u>Deferred Outflows of Resources</u> | | | | |
| Net Difference between projected and actual earnings on pension plan investments | \$2,405,514 | \$1,648,360 | \$1,768,734 | \$5,822,608 |
| Differences between expected and actual experience | 813 | 549,715 | 589,860 | 1,140,388 |
| Changes of assumptions | 1,547,326 | 354,713 | 380,615 | 2,282,654 |
| Changes in proportion and differences between City contributions and proportionate share of contributions | \$84,402 | \$230,160 | \$185,679 | \$500,241 |
| City contributions subsequent to the measurement date | <u>1,272,676</u> | <u>785,017</u> | <u>860,643</u> | <u>2,918,336</u> |
| Total Deferred Outflows of Resources | <u>\$5,310,731</u> | <u>\$3,567,965</u> | <u>\$3,785,531</u> | <u>\$12,664,227</u> |
| <u>Deferred Inflows of Resources</u> | | | | |
| Differences between expected and actual experience | \$253,181 | \$12,494 | \$13,405 | \$279,080 |
| Changes in proportion and differences between City contributions and proportionate share of contributions | <u>54,676</u> | <u>221,024</u> | <u>458,129</u> | <u>733,829</u> |
| Total Deferred Inflows of Resources | <u>\$307,857</u> | <u>\$233,518</u> | <u>\$471,534</u> | <u>\$1,012,909</u> |

\$2,918,336 was reported as deferred outflows of resources related to pension resulting from City's contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ending December 31, 2020.

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

| | OPERS | OP&F Police | OP&F Fire | Total |
|--------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Year Ending December 31: | | | | |
| 2020 | \$1,585,973 | \$782,624 | \$763,055 | \$3,131,652 |
| 2021 | 808,462 | 422,177 | 376,284 | 1,606,923 |
| 2022 | 221,420 | 491,042 | 465,941 | 1,178,403 |
| 2023 | 1,116,327 | 797,804 | 798,000 | 2,712,131 |
| 2024 | (1,800) | 55,783 | 50,074 | 104,057 |
| Thereafter | <u>(184)</u> | <u>0</u> | <u>0</u> | <u>(184)</u> |
| Total | <u>\$3,730,198</u> | <u>\$2,549,430</u> | <u>\$2,453,354</u> | <u>\$8,732,982</u> |

CITY OF WILLOUGHBY, OHIO
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Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the last actuarial evaluation, reflecting experience study results, are presented below:

| | |
|---|--|
| Wage Inflation | 3.25% |
| Future Salary Increases, including inflation COLA or Ad Hoc COLA | 3.25% -10.75% including wage inflation Pre 1/7/2013 retirees; 3%, simple Post 1/7/2013 retirees; 3%, simple through 2018, then 2.15% simple |
| Investment Rate of Return | 7.2% |
| Actuarial Cost Method | Individual Entry Age |

The total pension asset in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---|---|
| Wage Inflation | 3.25% |
| Future Salary Increases, including inflation COLA or Ad Hoc COLA | 3.25% -8.25% including wage inflation Pre 1/7/2013 retirees; 3%, simple Post 1/7/2013 retirees; 3%, simple through 2018, then 2.15% simple |
| Investment Rate of Return | 7.2% |
| Actuarial Cost Method | Individual Entry Age |

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of

CITY OF WILLOUGHBY, OHIO
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2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the previously described tables.

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

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

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the 401(h) Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money weighted rate of return expressing investment performance, net of investments expense and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was at a loss of 2.94 percent for 2018.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

| Asset Class | Target Allocation | Weighted Average Long-Term Expected Real Rate of Return (Arithmetic) |
|------------------------|------------------------------|---|
| Fixed Income | 23.00 % | 2.79 % |
| Domestic Equities | 19.00 | 6.21 |
| Real Estate | 10.00 | 4.90 |
| Private Equity | 10.00 | 10.81 |
| International Equities | 20.00 | 7.83 |
| Other investments | 18.00 | 5.50 |
| Total | 100.00 % | 5.95 % |

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Discount Rate The discount rate used to measure the total pension liability was 7.2 percent, post- experience study results. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the City’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.2 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

| City's proportionate share of the net pension liability/(asset) | 1% Decrease (6.20%) | Current Discount Rate (7.20%) | 1% Increase (8.20%) |
|--|------------------------|-------------------------------------|------------------------|
| Traditional Pension Plan | \$26,058,263 | \$17,639,224 | \$10,642,926 |
| Combined Plan | (\$17,475) | (\$52,814) | (\$78,402) |

Actuarial Assumptions – OP&F

OP&F’s total pension liability as of December 31, 2018 is based on the results of an actuarial valuation date of January 1, 2018, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

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Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2018, are presented below:

| | |
|----------------------------|--|
| Valuation Date | 1/1/2018 with actuarial liabilities rolled forward to December 31, 2018 |
| Actuarial Cost Method | Entry Age Normal |
| Investment Rate of Return | 8.00% |
| Projected Salary Increases | 3.75% - 10.5% |
| Payroll Growth | Inflation rate of 2.75% plus productivity increase rate of 0.5 percent |
| Cost of Living Adjustments | 3.00 percent simple, 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent |

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

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

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Mortality rates for active members were based on the RP2014 Total employee and Healthy Annuitant Mortality Tables rolled back to 2006, and projected with the Conduent Modified 2016 Improvement Scale.

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

The most recent experience study was completed January 1, 2017.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected

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geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2018 are summarized below:

| Asset Class | Target Allocation | 10 year Expected Real Rate of Return** | 30 year Expected Real Rate of Return** |
|-------------------------------|-------------------|--|--|
| Cash and Cash Equivalents | 0.00 % | 1.00 % | 0.80 % |
| Domestic Equity | 16.00 | 5.60 | 5.50 |
| Non-US Equity | 16.00 | 6.10 | 5.90 |
| Core Fixed Income * | 23.00 | 2.20 | 2.60 |
| U.S. Inflation Linked Bonds * | 17.00 | 1.30 | 2.30 |
| High Yield Fixed Income | 7.00 | 4.20 | 4.80 |
| Real Estate | 12.00 | 5.70 | 6.10 |
| Private Markets | 8.00 | 8.40 | 8.40 |
| Master Limited Partnerships | 8.00 | 6.70 | 6.40 |
| Private Credit | 5.00 | 8.30 | 7.50 |
| Real Assets | 8.00 | 7.00 | 7.00 |
| Total | <u>120.00 %</u> | | |

Note: Assumptions are geometric
* levered 2x
** numbers are net of expected inflation

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

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

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

| | 1% Decrease (7.00%) | Current Discount Rate (8.00%) | 1% Increase (9.00%) |
|---|------------------------|-------------------------------------|------------------------|
| City's proportionate share of the net pension liability | \$ 36,457,497 | \$ 27,736,332 | \$ 20,448,539 |

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NOTE 11: DEFINED OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLANS

Net OPEB Liability

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

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

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

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution

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plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

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

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

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. During 2019, healthcare is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0 percent during calendar year 2018. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents

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and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2019 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$11,488 for 2019.

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

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

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

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

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

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

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

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An Internal Revenue Code 401(h) account is maintained for Medicare Part B reimbursements.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2019, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

On January 1, 2019, OP&F changed its retiree health care model and the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

The City's contractually required contribution to OP&F was \$38,970 for 2019.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2018, and was determined by rolling forward the total OPEB liability as of January 1, 2018, to December 31, 2018. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

| | <u>OPERS</u> | <u>OP&F</u> | |
|---|-------------------|--------------------|----------------|
| Proportion of the Net OPEB Liability: | | | |
| Current Measurement Date | 0.063350% | 0.3397960% | |
| Prior Measurement Date | 0.062990% | 0.3429697% | |
| Change in Proportionate Share | <u>0.0003600%</u> | <u>-0.0031737%</u> | |
| Proportionate Share of the Net OPEB Liability | \$8,259,345 | \$3,094,368 | <u>Total</u> |
| OPEB Expense | \$757,472 | (\$15,197,668) | (\$14,440,196) |

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At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | OPERS | OP&F | Total |
|---|------------------|--------------------|--------------------|
| Deferred Outflows of Resources | | | |
| Differences between expected and actual experience | \$2,797 | \$0 | \$2,797 |
| Changes of assumptions | 266,290 | 1,603,970 | 1,870,260 |
| Net difference between projected and actual earnings on pension plan investments | 378,642 | 104,747 | 483,389 |
| Changes in proportion and differences between City contributions and proportionate share of contributions | 27,060 | 347,055 | 374,115 |
| City contributions subsequent to the measurement date | 11,488 | 38,970 | 50,458 |
| | <u>11,488</u> | <u>38,970</u> | <u>50,458</u> |
| Total Deferred Outflows of Resources | <u>\$686,277</u> | <u>\$2,094,742</u> | <u>\$2,781,019</u> |
| Deferred Inflows of Resources | | | |
| Differences between expected and actual experience | \$22,410 | \$82,905 | \$105,315 |
| Changes of assumptions | 0 | 856,668 | 856,668 |
| Changes in proportion and differences between City contributions and proportionate share of contributions | 15,900 | 140,895 | 156,795 |
| | <u>15,900</u> | <u>140,895</u> | <u>156,795</u> |
| Total Deferred Inflows of Resources | <u>\$38,310</u> | <u>\$1,080,468</u> | <u>\$1,118,778</u> |

\$50,458 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year Ending December 31: | OPERS | OP&F | Total |
|--------------------------|------------------|------------------|--------------------|
| 2020 | \$294,796 | \$173,536 | \$468,332 |
| 2021 | 88,163 | 173,536 | 261,699 |
| 2022 | 62,773 | 173,536 | 236,309 |
| 2023 | 190,747 | 205,219 | 395,966 |
| 2024 | 0 | 155,270 | 155,270 |
| Thereafter | 0 | 94,207 | 94,207 |
| | <u>0</u> | <u>94,207</u> | <u>94,207</u> |
| Total | <u>\$636,479</u> | <u>\$975,304</u> | <u>\$1,611,783</u> |

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Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

| | |
|---|--|
| Wage Inflation | 3.25 percent |
| Projected Salary Increases, including inflation | 3.25 to 10.75 percent including wage inflation |
| Single Discount Rate: | |
| Current measurement date | 3.96 percent |
| Prior Measurement date | 3.85 percent |
| Investment Rate of Return | 6.00 percent |
| Municipal Bond Rate | 3.71 percent |
| Health Care Cost Trend Rate | 10.0 percent, initial |
| | 3.25 percent, ultimate in 2029 |
| Actuarial Cost Method | Individual Entry Age |

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

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

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

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 5.6 percent for 2018.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

| Asset Class | Target Allocation | Weighted Average Long-Term Expected Real Rate of Return (Arithmetic) |
|------------------------------|------------------------------|---|
| Fixed Income | 34.00 % | 2.42 % |
| Domestic Equities | 21.00 | 6.21 |
| Real Estate Investment Trust | 6.00 | 5.98 |
| International Equities | 22.00 | 7.83 |
| Other investments | 17.00 | 5.57 |
| Total | <u>100.00 %</u> | <u>5.16 %</u> |

Discount Rate A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating

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as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.71 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.96 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.96 percent) or one-percentage-point higher (4.96 percent) than the current rate:

| | 1% Decrease (2.96%) | Current Discount Rate (3.96%) | 1% Increase (4.96%) |
|--|--------------------------------|--|--------------------------------|
| City's proportionate share of the net OPEB liability | \$10,566,780 | \$8,259,345 | \$6,424,324 |

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2019 is 10.00 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

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| | Current Health Care Cost Trend Rate | | |
|---|--|-------------------|--------------------|
| | <u>1% Decrease</u> | <u>Assumption</u> | <u>1% Increase</u> |
| City's proportionate share of the net OPEB liability | \$7,939,022 | \$8,259,345 | \$8,628,270 |

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2018, is based on the results of an actuarial valuation date of January 1, 2018, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented as follows:

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| | |
|----------------------------|--|
| Valuation Date | January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018 |
| Actuarial Cost Method | Entry Age Normal |
| Investment Rate of Return | 8.0 percent |
| Projected Salary Increases | 3.75 percent to 10.5 percent |
| Payroll Growth | Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent |
| Single discount rate: | |
| Current measurement date | 4.66 percent |
| Prior measurement date | 3.24 percent |
| Cost of Living Adjustments | 3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent |

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

| <u>Age</u> | <u>Police</u> | <u>Fire</u> |
|------------|---------------|-------------|
| 67 or less | 77 % | 68 % |
| 68-77 | 105 | 87 |
| 78 and up | 115 | 120 |

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

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

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

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The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2018, are summarized below:

| Asset Class | Target Allocation | 10 Year Expected Real Rate of Return | 30 Year Expected Real Rate of Return |
|--|------------------------------|---|---|
| Cash and Cash Equivalents | 0.00 % | 1.00 % | 0.80 % |
| Domestic Equity | 16.00 | 5.30 | 5.50 |
| Non-US Equity | 16.00 | 6.10 | 5.90 |
| Core Fixed Income * | 23.00 | 2.20 | 2.60 |
| U.S. Inflation Linked Bonds * | 17.00 | 1.30 | 2.30 |
| High Yield Fixed Income | 7.00 | 4.20 | 4.80 |
| Real Estate | 12.00 | 5.70 | 6.10 |
| Private Markets | 8.00 | 8.40 | 8.40 |
| Master Limited Partnerships | 8.00 | 6.70 | 6.40 |
| Private Credit | 5.00 | 8.30 | 7.50 |
| Real Assets | 8.00 | 7.00 | 7.00 |
| Total | 120.00 % | | |
| Note: Assumptions are geometric | | | |
| * levered 2x | | | |
| ** numbers are net of expected inflation | | | |

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

Discount Rate The total OPEB liability was calculated using the discount rate of 4.66 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 4.13 percent at December 31, 2018 and 3.16 percent at December 31, 2017, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 4.66 percent. The municipal bond rate was determined using the S&P Municipal Bond 20 Year High Grade Rate Index. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2025. The long-term expected rate of return on health care investments

CITY OF WILLOUGHBY, OHIO
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FOR THE YEAR ENDED DECEMBER 31, 2019

was applied to projected costs through 2025, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 4.66 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.66 percent), or one percentage point higher (5.66 percent) than the current rate.

| | 1% Decrease (3.66%) | Current Discount Rate (4.66%) | 1% Increase (5.66%) |
|--|--------------------------------|--|--------------------------------|
| City's proportionate share of the net OPEB liability | \$3,769,785 | \$3,094,368 | \$2,527,414 |

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate The total OPEB liability is based on a medical benefit that is a flat dollar amount; therefore, it is unaffected by a health care cost trend rate. An increase or decrease in the trend rate would have no effect on the total OPEB liability.

Changes between Measurement Date and Report Date

Beginning January 1, 2019 OP&F is changing its retiree health care model and the current self-insured health care plan will no longer be offered. In its place will be a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of changing from the current health care model to the stipend-based health care model, management expects that it will be able to provide stipends to eligible participants for the next 15 years.

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

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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 of service receive an additional amount of 20 percent for sick leave hours accumulated in excess of 960 hours for most City employees and 1,195.2 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 1,195.2 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 1,195.2 for firefighters.

C. Accumulated Unpaid Compensatory Time

Firefighters may accrue compensatory time to a maximum of 120 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. Service workers may accrue a maximum of 64 hours of compensatory time.

NOTE 13: CONTRACTUAL COMMITMENTS

At December 31, 2019, the City's significant contractual commitments consisted of:

| Project | Contract Amount | Amount Paid | Remaining on Contract |
|-----------------------------------|-----------------|-------------|-----------------------|
| ·Great Lakes Construction Co | \$5,480,790 | \$ 0 | \$5,480,790 |
| ·DB Bentley Excavating | 2,227,000 | 350,348 | 1,876,652 |
| ·Willoughby Eastlake City Schools | 6,244,855 | 6,061,958 | 182,897 |
| ·S.E.T. Inc. | <u>448,385</u> | <u>0</u> | <u>448,385</u> |
| Total | \$14,401,030 | \$6,412,306 | \$7,988,724 |

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.

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B. Enterprise Bonds

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.

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 |
|---|---------------------------|------------------|------------------|-----------------------------|
| <u>Governmental Activities:</u> | | | | |
| <u>General Obligation Bonds Voted</u> | | | | |
| Fire Station Refunding | 2010 | 2024 | 2.0%-4.0% | \$ 4,160,000 |
| <u>General Obligation Bonds Unvoted</u> | | | | |
| Municipal Building Improvement Refunding | 2012 | 2023 | 2.0%-4.0% | 4,600,000 |
| City Hall Improvement | 2012 | 2032 | 1.0%-2.625% | 3,200,000 |
| Airport Improvement | 2012 | 2032 | 1.0%-2.625% | 155,000 |
| Golf Course Improvement Refunding | 2012 | 2019 | 1.0%-2.0% | 835,000 |
| Golf Course Improvement Refunding | 2012 | 2022 | 1.0%-2.0% | 1,165,000 |
| <u>OPWC</u> | | | | |
| Karen Isle Watermains | 2001 | 2020 | Interest Free | 9,003 |
| Brown Avenue Watermains | 2001 | 2022 | Interest Free | 15,675 |
| <u>OWDA</u> | | | | |
| Two Town Ditch Stormsewer Culvert | 2018 | 2038 | 2.90% | 272,767 |
| E 364,E365& Harvard Stormsewer Replacement | 2019 | 2041 | 1.22% | 320,703 |
| <u>Bond Anticipation Notes</u> | | | | |
| Senior Center | 2019 | 2020 | 2.25% | 6,400,000 |
| Riverside Commons Improvements | 2019 | 2020 | 2.50% | 5,610,000 |
| <u>Other General Long - Term Liabilities</u> | | | | |
| Police Pension Liability | 1968 | 2035 | 4.25% | 148,460 |
| Landfill Postclosure Care | 1994 | 2024 | | 1,227,640 |

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Long-Term Obligations (cont)

| | Original Issue Date | Maturity Date | Interest Rate | Original Issue Amount |
|---|------------------------------------|--------------------------|--------------------------|--------------------------------------|
| <u>Enterprise Fund G.O. Debt Sewer Bonds</u> | | | | |
| Sewer 2012 | 2012 | 2032 | 1.0%-2.625% | \$ 1,600,000 |
| <u>OPWC</u> | | | | |
| 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 |
| Kirtland Road Sanitary Sewer | 2011 | 2031 | Interest Free | 150,000 |
| Madison Skiff Sanitary Sewer | 2012 | 2033 | Interest Free | 126,128 |
| Mooreland St Clair | 2015 | 2036 | Interest Free | 150,000 |
| WPCC Basin Rehab | 2017 | 2038 | Interest Free | 150,000 |
| <u>OWDA</u> | | | | |
| Downtown Sanitary Sewer | 2001 | 2020 | 3.91%-3.0% | 1,372,534 |
| Highland-Maple-Wood Sanitary Sewer | 2002 | 2022 | 3.99-3.53%-3.0% | 1,734,234 |
| Center-Wood Sanitary Sewer | 2003 | 2023 | 3.65%-3.0% | 974,020 |
| Van Gorder Sewer Lining | 2003 | 2023 | 4.78%-4.0% | 88,505 |
| Lakeshore Blvd | 2007 | 2027 | 3.34%-3.0 | 544,207 |
| River Road Sanitary Sewer | 2008 | 2029 | 3.3%-3.0 | 1,945,317 |
| Vine and Trunk Sanitary Sewer | 2010 | 2030 | 3.25%-3.0% | 327,067 |
| Kirtland Road Sanitary Sewer | 2011 | 2031 | 4.45%-4.0% | 559,572 |
| Madison Skiff Sanitary Sewer | 2012 | 2033 | 3.35% | 984,927 |
| Mooreland St Clair | 2015 | 2036 | 2.75% | 1,127,323 |
| WPCC Basin Rehab | 2016 | 2037 | 1.47% | 606,073 |
| WPCC Quentin Basin | 2016 | 2038 | 1.55% | 4,523,951 |
| WPCC Capacity Enhancement | 2019 | 2042 | 1.17% | 381,572 |
| <u>Golf Bonds</u> | | | | |
| Golf Course Improvement #2 | 2012 | 2032 | 1.0%-2.625% | 1,710,000 |

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

Changes in long-term obligations of the City during 2019 were as follows:

| | Balance 1/1/2019 | Increases | Decreases | Balance 12/31/2019 | Amounts Due Within One Year |
|--|----------------------|----------------------|----------------------|-----------------------|-----------------------------------|
| <u>Governmental Activities:</u> | | | | | |
| <u>General Obligation Bonds Voted</u> | | | | | |
| Fire Station Refunding | \$ 2,010,000 | \$ 0 | \$ 305,000 | \$ 1,705,000 | \$ 315,000 |
| Unamortized Premium | 17,514 | 0 | 2,919 | 14,595 | 0 |
| <i>Subtotal - General Obligation Bonds Voted</i> | <u>2,027,514</u> | <u>0</u> | <u>307,919</u> | <u>1,719,595</u> | <u>315,000</u> |
| <u>General Obligation Bonds Unvoted</u> | | | | | |
| Municipal Building Improvement Refunding | 2,120,000 | 0 | 440,000 | 1,680,000 | 445,000 |
| Unamortized Premium | 101,265 | 0 | 20,253 | 81,012 | 0 |
| City Hall Improvement | 2,345,000 | 0 | 150,000 | 2,195,000 | 150,000 |
| Airport Improvement | 125,000 | 0 | 5,000 | 120,000 | 5,000 |
| Golf Course Improvement Refunding | 130,000 | 0 | 130,000 | 0 | 0 |
| Golf Course Improvement Refunding | 760,000 | 0 | 65,000 | 695,000 | 225,000 |
| Unamortized Premium | 81,125 | 0 | 5,900 | 75,225 | 0 |
| <i>Subtotal - General Obligation Bonds Unvoted</i> | <u>5,662,390</u> | <u>0</u> | <u>816,153</u> | <u>4,846,237</u> | <u>825,000</u> |
| <u>OPWC</u> | | | | | |
| Karen Isle Watermains | 901 | 0 | 450 | 451 | 451 |
| Brown Avenue Watermains | 3,134 | 0 | 784 | 2,350 | 784 |
| <i>Subtotal - OPWC</i> | <u>4,035</u> | <u>0</u> | <u>1,234</u> | <u>2,801</u> | <u>1,235</u> |
| <u>OWDA</u> | | | | | |
| Two Town Ditch Stormsewer Culvert | 272,767 | 0 | 12,686 | 260,081 | 25,927 |
| E 364,E365& Harvard Stormsewer Replacement | 0 | 320,703 | 0 | 320,703 | 0 |
| <i>Subtotal - OWDA</i> | <u>272,767</u> | <u>320,703</u> | <u>12,686</u> | <u>580,784</u> | <u>25,927</u> |
| <u>Bond Anticipation Notes</u> | | | | | |
| Senior Center | 0 | 6,400,000 | 0 | 6,400,000 | 0 |
| Riverside Commons Improvements | 5,615,000 | 5,610,000 | 5,615,000 | 5,610,000 | 0 |
| <i>Subtotal - Bond Anticipation Notes</i> | <u>5,615,000</u> | <u>12,010,000</u> | <u>5,615,000</u> | <u>12,010,000</u> | <u>0</u> |
| Total Governmental Activities | | | | | |
| General Obligation Bonds, Loans, Notes | <u>13,581,706</u> | <u>12,330,703</u> | <u>6,752,992</u> | <u>19,159,417</u> | <u>1,167,162</u> |
| <u>Other General Long Term Liabilities</u> | | | | | |
| Police Pension Liability | 87,230 | 0 | 3,755 | 83,475 | 3,917 |
| Landfill Postclosure Care | 394,421 | 0 | 60,149 | 334,272 | 62,308 |
| Compensated Absences | 5,744,331 | 1,454,661 | 1,225,837 | 5,973,155 | 1,585,141 |
| <i>Subtotal -Other General Long-Term Liabilities</i> | <u>6,225,982</u> | <u>1,454,661</u> | <u>1,289,741</u> | <u>6,390,902</u> | <u>1,651,366</u> |
| <u>Net Pension Liability</u> | | | | | |
| OPERS | 7,757,803 | 6,882,537 | 947,641 | 13,692,699 | 0 |
| OP&F | 21,049,600 | 8,312,983 | 1,626,251 | 27,736,332 | 0 |
| <i>Subtotal -Net Pension Liability</i> | <u>28,807,403</u> | <u>15,195,520</u> | <u>2,573,892</u> | <u>41,429,031</u> | <u>0</u> |
| <u>Net OPEB Liability</u> | | | | | |
| OPERS | 5,309,842 | 1,113,120 | 11,528 | 6,411,434 | 0 |
| OP&F | 19,432,183 | 0 | 16,337,815 | 3,094,368 | 0 |
| <i>Subtotal -Net OPEB Liability</i> | <u>24,742,025</u> | <u>1,113,120</u> | <u>16,349,343</u> | <u>9,505,802</u> | <u>0</u> |
| Subtotal Governmental Activities | <u>\$ 73,357,116</u> | <u>\$ 30,094,004</u> | <u>\$ 26,965,968</u> | <u>\$ 76,485,152</u> | <u>\$ 2,818,528</u> |

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

| | Balance 1/1/2019 | Increases | Decreases | Balance 12/31/2019 | Amounts Due Within One Year |
|--|----------------------|----------------------|----------------------|-----------------------|-----------------------------------|
| Business-Type Activities: | | | | | |
| <u>Enterprise Fund General Obligation</u> | | | | | |
| <u>Debt - Sewer Bonds</u> | | | | | |
| Sewer 2012 | \$ 1,185,000 | \$ 0 | \$ 75,000 | \$ 1,110,000 | \$ 75,000 |
| <u>OPWC</u> | | | | | |
| Vine Street Area Sanitary Sewer | 41,537 | 0 | 10,384 | 31,153 | 10,384 |
| Center-Wood Sanitary Sewer | 23,552 | 0 | 3,925 | 19,627 | 3,925 |
| Lakeshore Blvd | 57,551 | 0 | 5,756 | 51,795 | 5,755 |
| River Road Sanitary Sewer | 33,104 | 0 | 2,878 | 30,226 | 2,879 |
| Kirtland Road Sanitary Sewer | 101,250 | 0 | 7,500 | 93,750 | 7,500 |
| Madison Skiff Sanitary Sewer | 97,751 | 0 | 6,306 | 91,445 | 6,306 |
| Mooreland St. Clair | 127,500 | 0 | 7,500 | 120,000 | 7,500 |
| WPCC Basin Rehab | 142,500 | 0 | 7,500 | 135,000 | 7,500 |
| WPCC Basin Control | 48,750 | 0 | 2,500 | 46,250 | 2,500 |
| <u>OWDA</u> | | | | | |
| Downtown Sanitary Sewer | 189,752 | 0 | 93,039 | 96,713 | 96,713 |
| Highland-Maple-Wood Sanitary Sewer | 464,184 | 0 | 109,290 | 354,894 | 113,676 |
| Center-Wood Sanitary Sewer | 312,958 | 0 | 58,147 | 254,811 | 60,289 |
| Van Gorder Sewer Lining | 30,461 | 0 | 5,531 | 24,930 | 5,798 |
| Lakeshore Blvd | 275,671 | 0 | 28,550 | 247,121 | 29,512 |
| River Road Sanitary Sewer | 1,224,435 | 0 | 94,005 | 1,130,430 | 97,132 |
| Vine and Trunk Sanitary Sewer | 220,800 | 0 | 15,315 | 205,485 | 15,817 |
| Kirtland Road Sanitary Sewer | 428,271 | 0 | 23,746 | 404,525 | 24,814 |
| Madison Skiff Sanitary Sewer | 813,404 | 0 | 42,535 | 770,869 | 43,973 |
| Mooreland St. Clair | 1,023,329 | 0 | 46,239 | 977,090 | 47,519 |
| WPCC Basin Rehab | 585,566 | 0 | 91,650 | 493,916 | 93,002 |
| WPCC Quentin Basin | 4,206,612 | 0 | 194,565 | 4,012,047 | 197,591 |
| WPCC Capacity Enhancement | 0 | 381,572 | 0 | 381,572 | 0 |
| Subtotal - Sewer Bonds and Loans | 11,633,938 | 381,572 | 931,861 | 11,083,649 | 955,085 |
| <u>Golf Bonds</u> | | | | | |
| Golf Course Improvement #2 | 1,265,000 | 0 | 80,000 | 1,185,000 | 80,000 |
| Subtotal - Golf Bonds | 1,265,000 | 0 | 80,000 | 1,185,000 | 80,000 |
| Total Bonds and Loans Payable | 12,898,938 | 381,572 | 1,011,861 | 12,268,649 | 1,035,085 |
| <u>Other Liabilities</u> | | | | | |
| Compensated Absences | 832,581 | 272,280 | 234,852 | 870,009 | 241,017 |
| <u>Net Pension Liability- OPERS</u> | | | | | |
| Sewer | 1,868,302 | 1,657,512 | 228,219 | 3,297,595 | 0 |
| Golf | 367,661 | 326,180 | 44,911 | 648,930 | 0 |
| Subtotal -Net Pension Liability-OPERS | 2,235,963 | 1,983,692 | 273,130 | 3,946,525 | 0 |
| <u>Net OPEB Liability- OPERS</u> | | | | | |
| Sewer | 1,278,762 | 268,072 | 2,776 | 1,544,058 | 0 |
| Golf | 251,646 | 52,753 | 546 | 303,853 | 0 |
| Subtotal -Net OPEB Liability-OPERS | 1,530,408 | 320,825 | 3,322 | 1,847,911 | 0 |
| Subtotal Business-Type Activities | 17,497,890 | 2,958,369 | 1,523,165 | 18,933,094 | 1,276,102 |
| Total Long-Term Liabilities | \$ 90,855,006 | \$ 33,052,373 | \$ 28,489,133 | \$ 95,418,246 | \$ 4,094,630 |

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General Obligation Bonds & Notes – 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 un-voted 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.

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

| Year Ending December 31 | General Obligation Bonds | | | |
|----------------------------|--------------------------------|-------------------|---------------------------------|-------------------|
| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | |
| | Principal | Interest | Principal | Interest |
| 2020 | \$ 1,140,000 | \$ 131,931 | \$ 155,000 | \$ 50,707 |
| 2021 | 1,180,000 | 124,106 | 155,000 | 47,607 |
| 2022 | 1,210,000 | 98,956 | 165,000 | 44,507 |
| 2023 | 830,000 | 70,669 | 165,000 | 41,206 |
| 2024 | 540,000 | 49,644 | 165,000 | 37,907 |
| 2025-2029 | 925,000 | 138,682 | 900,000 | 136,271 |
| 2030-2032 | 570,000 | 31,019 | 590,000 | 27,875 |
| Total | \$ 6,395,000 | \$ 645,007 | \$ 2,295,000 | \$ 386,080 |

The Senior Center Bond Anticipation Notes issued in June 2018 for \$6,400,000, were part of short term notes payable in 2018. Notes were re-issued for the same amount in June 2019 and are now included in long-term obligations.

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, 2019 was \$68,142,761.

CITY OF WILLOUGHBY, OHIO
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FOR THE YEAR ENDED DECEMBER 31, 2019

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 Liability | | O.W.D.A. & O.P.W.C. | | O.W.D.A. & O.P.W.C. | |
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2020 | \$ 3,917 | \$ 3,506 | \$ 27,162 | \$ 19,201 | \$ 880,085 | \$ 228,449 |
| 2021 | 4,085 | 3,338 | 77,468 | 28,444 | 838,544 | 208,199 |
| 2022 | 4,260 | 3,163 | 78,248 | 27,664 | 894,354 | 189,048 |
| 2023 | 4,443 | 2,980 | 78,267 | 27,862 | 739,136 | 147,889 |
| 2024 | 4,634 | 2,789 | 79,092 | 26,036 | 771,261 | 133,981 |
| 2025-2029 | 26,332 | 10,783 | 243,348 | 80,396 | 2,966,127 | 477,127 |
| 2030-2034 | 32,493 | 4,622 | 0 | 0 | 2,034,767 | 197,027 |
| 2035-2038 | 3,311 | 70 | 0 | 0 | 849,375 | 38,874 |
| Total | \$ 83,475 | \$ 31,251 | \$ 583,585 | \$ 209,603 | \$ 9,973,649 | \$ 1,620,594 |

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 | Oakhill Village | \$5,955,000 | \$5,955,000 | 2002A |
| Mortgage Revenue Bonds | Oakhill Village | \$3,395,000 | \$1,010,000 | 2002B |

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

NOTE 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.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

The following general obligation notes were payable at December 31, 2019:

| Notes | Maturity Date | Balance December 31, 2018 | Issued | Retired | Balance December 31, 2019 |
|------------------------------------|---------------|---------------------------|----------|----------|---------------------------|
| Capital Project Note Payable: 2.5% | May 22, 2020 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 |

On May 22, 2019, the City reduced the balance of its Capital Project Note by \$5,000 by refinancing \$5,615,000 of the \$5,620,000 outstanding balance. Again on May 21, 2020, the City reduced the balance of this note by an additional \$5,000 by refinancing \$5,610,000 of the \$5,615,000 outstanding balance through May 21, 2021. As such, \$5,000 of this note is considered a short-term liability while the remaining balance of \$5,610,000 is reported as a long-term liability. (See Note 16)

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 \$334,272 reported as Landfill Postclosure Care at December 31, 2019 represents estimated cost of maintenance and monitoring through 2024. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

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

NOTE 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.

A. Commercial Insurance

The City has contracted with a commercial insurance company to provide property and

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

liability insurance with the following claim limits and deductibles.

| Coverage | Company | Claim Limit | Deductible |
|-------------------------------------|----------------------------------|--------------|-------------|
| General Liability | US Specialty Insurance Company | 1,000,000 | \$ 0 |
| Public Officials Liability | US Specialty Insurance Company | 1,000,000 | 25,000 |
| Law Enforcement Liability | US Specialty Insurance Company | 1,000,000 | 10,000 |
| Commercial Property | US Specialty Insurance Company | 82,687,785 | 25,000 |
| Equipment Breakdown | Cincinnati Insurance | 82,687,785 | 25,000 |
| Automobile Liability | US Specialty Insurance Company | 1,000,000 | 0 |
| Automobile Comprehensive | US Specialty Insurance Company | Per Schedule | 1,000/2,000 |
| Automobile Collision | US Specialty Insurance Company | Per Schedule | 1,000/2,000 |
| Excess General Liability (Umbrella) | US Specialty Insurance Company | 10,000,000 | 0 |
| Fire Errors and Omissions | US Specialty Insurance Company | 1,000,000 | 0 |
| Ambulance Malpractice | US Specialty Insurance Company | 1,000,000 | 0 |
| Blanket Bond | Travelers Insurance Company | 1,000,000 | 5,000 |
| Bond-Finance Director | Liberty Mutual Insurance Company | 40,000 | 0 |
| Cyber Liability | Travelers Insurance Company | 2,000,000 | 10,000 |

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.

B. Workers' Compensation Retrospective Rating Plan

The City established a formal self-insurance program for liabilities arising from the City's participation in the State's Workers' Compensation Retrospective Rating Plan which began in 2014. This exposure is accounted for in the Workers' Compensation Retro Rating fund, which is responsible for collecting interfund premiums from other City funds and departments, paying claim settlements, paying third-party administration fees and purchasing other specified insurance policies.

The City had chosen to pre-fund a portion of the future liabilities utilizing a rebate from the State Bureau of Worker's Compensation in 2013.

The Retrospective Rating Plan is an alternative rating plan offered by the Ohio Bureau of Workers' Compensation. In a Retrospective Rating Plan, the City initially pays a fraction of the premium it would pay as an experience rated or base rated employer. As costs for the claims are incurred, the City must reimburse the State Insurance Fund for these claims.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

The maximum claim limit for any individual injury is \$200,000. The minimum annual premium is 43% of the experience rated premium threshold of \$498,568 plus administrative and Disabled Workers Relief Fund (DWRP) costs. The maximum annual premium is 200%.

An amount is accrued to establish a reserve for 2014 claims expenditures expected over the next 10 years.

In 2015 and 2016, the City opted to be experience rated for workers' compensation. For 2017 through 2019, the City participated in the Group Retrospective Rating Program. The City reserves the right to go back to retrospective billing or other programs the Bureau may offer in the future.

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 over 200 communities who have been authorized by ballot to purchase energy on behalf of their citizens. The intent of NOPEC is to provide energy at the lowest possible rates while at the same time ensuring stability in prices by entering into long-term contracts with suppliers to provide energy to the citizens of its member communities.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the ten-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 2019. Financial information can be obtained by contacting NOPEC, 31320 Solon Road, Suite 33, Solon, Ohio 44139.

NOTE 22: WILLOUGHBY-EASTLAKE JOINT SEWER TREATMENT FACILITY

In 1955 the City entered into an agreement with the City of Eastlake for the purpose of financing and constructing a joint treatment facility. The agreement has been amended 14 times since. The joint sewer treatment facility includes a sewer plant, outfalls and joint sewers. The sewer plant and improvements were constructed by the City of Willoughby. The outflows were constructed and financed by the City of Eastlake and conveyed to the City of Willoughby upon completion. The joint sewers were constructed by the City of Willoughby and financed jointly by both cities. The City of Willoughby holds legal title to the sewer plant and improvements made to the facility, outflows and joint sewers. Each city

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

is responsible for all sewer lines constructed within their corporate limits with connection to the joint sewer facility.

The City of Willoughby bills the City of Eastlake on a monthly basis for services provided, maintenance and construction improvements of the joint sewer facilities. The billing is based upon flow measured by meters and includes a contribution for future capital improvements to the joint sewer treatment facility. The agreement has been amended for each City to contribute an amount equal to fifty percent of all costs associated with the capital improvements projects. Although the joint sewer treatment facility is managed by the Willoughby-Eastlake Joint Sewer Advisory Committee appointed by the cities of Willoughby and Eastlake, ultimately the joint sewer treatment facility is part of the City of Willoughby's reporting entity. The City of Eastlake paid \$1,394,943 to the City of Willoughby for the joint sewer treatment facility in 2019 which was accounted for in the City's sewer enterprise fund.

NOTE 23: SUBSEQUENT EVENTS

During May 2020, the City retired \$5,615,000 in general obligation bond anticipation notes and issued \$5,610,000 in new notes. The new notes have a maturity of May 21, 2021 and an interest rate of 2.0%.

On June 4, 2020 the City sold \$6,665,000 Senior Center General Obligation Bonds. The proceeds were used to retire the Bond Anticipation Notes of \$6,400,000 due on June 19, 2020 and for payment of interest and other issuance costs.

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City of Willoughby. The City's investment portfolio and the investments of the pension and other employee benefit plans in which the City participates have incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the City's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

Required Supplementary Information

CITY OF WILLOUGHBY, OHIO
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Last Six Years

Ohio Public Employees Retirement System

| Traditional Plan | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|--------------|-------------|--------------|--------------|-------------|-------------|
| City's Proportion of the Net Pension Liability | 0.064405% | 0.063703% | 0.064463% | 0.066764% | 0.068419% | 0.068419% |
| City's Proportionate Share of the Net Pension Liability | \$17,639,224 | \$9,993,766 | \$14,638,449 | \$11,564,366 | \$8,252,096 | \$8,065,709 |
| City's Covered Payroll | \$8,702,436 | \$8,416,085 | \$8,332,017 | \$8,309,408 | \$8,415,950 | \$8,277,877 |
| City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 202.69% | 118.75% | 175.69% | 139.17% | 98.05% | 97.44% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 74.70% | 84.66% | 77.25% | 81.08% | 86.45% | 86.36% |
| Combined Plan | 2019 | 2018 | 2017 | 2016 | 2014 | 2014 |
| City's Proportion of the Net Pension (Asset) | 0.047230% | 0.548870% | 0.052203% | 0.046720% | 0.025052% | 0.025052% |
| City's Proportionate Share of the Net Pension (Asset) | (\$52,814) | (\$74,719) | (\$29,055) | (\$22,732) | (\$9,646) | (\$2,629) |
| City's Covered Payroll | \$202,000 | \$224,785 | \$203,200 | \$170,033 | \$92,267 | \$66,838 |
| City's Proportionate Share of the Net Pension (Asset) as a Percentage of its Covered Payroll | (26.15%) | 33.24% | 14.30% | 13.37% | 10.45% | 3.93% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 126.64% | 137.28% | 116.55% | 116.90% | 114.83% | 104.33% |

Ohio Police & Fire Pension Fund

| Police | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|--------------|--------------|--------------|--------------|-------------|-------------|
| City's Proportion of the Net Pension Liability | 0.1639130% | 0.1632434% | 0.158165% | 0.1661573% | 0.1662427% | 0.1662427% |
| City's Proportionate Share of the Net Pension Liability | \$13,379,632 | \$10,018,985 | \$10,018,029 | \$10,689,018 | \$8,824,343 | \$8,096,541 |
| City's Covered Payroll | \$4,136,374 | \$3,964,063 | \$3,796,205 | \$3,765,511 | \$3,666,305 | \$5,245,880 |
| City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 323.46% | 252.75% | 263.90% | 283.87% | 240.69% | 154.34% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 63.07% | 70.91% | 68.36% | 66.77% | 71.71% | 73.00% |
| Fire | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| City's Proportion of the Net Pension Liability | 0.175883% | 0.179726% | 0.174998% | 0.1834738% | 0.1859341% | 0.1859341% |
| City's Proportionate Share of the Net Pension Liability | \$14,356,700 | \$11,030,615 | \$11,084,183 | \$11,802,999 | \$9,869,601 | \$9,055,574 |
| City's Covered Payroll | \$3,607,498 | \$3,546,068 | \$3,412,426 | \$3,361,085 | \$3,331,877 | \$4,563,722 |
| City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 397.97% | 311.07% | 324.82% | 351.17% | 296.22% | 198.43% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 63.07% | 70.91% | 68.36% | 66.77% | 71.71% | 73.00% |

(1) Information prior to 2014 is not available.

Amounts presented as of the City's measurement date which is the prior year end.

CITY OF WILLOUGHBY, OHIO
Required Supplementary Information
Schedule of City Contributions

Ohio Public Employees Retirement System
Last Seven Years

| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Contractually Required Contributions | | | | | | | |
| Traditional Plan | \$1,248,992 | \$1,218,341 | \$1,094,091 | \$999,842 | \$997,129 | \$1,009,914 | 1,076,124 |
| Combined Plan | \$23,684 | \$28,280 | \$29,222 | \$24,384 | \$20,404 | \$11,072 | 8,689 |
| Total Required Contributions | \$1,272,676 | \$1,246,621 | \$1,123,313 | \$1,024,226 | \$1,017,533 | \$1,020,986 | \$1,084,813 |
| Contributions in Relation to the Contractually Required Contribution | (\$1,272,676) | (\$1,246,621) | (\$1,123,313) | (\$1,024,226) | (\$1,017,533) | (\$1,020,986) | (\$1,084,813) |
| Contribution Deficiency / (Excess) | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| City's Covered Payroll | | | | | | | |
| Traditional Plan | \$8,921,731 | \$8,702,436 | \$8,416,085 | \$8,332,017 | \$8,309,408 | \$8,415,950 | \$8,277,877 |
| Combined Plan | \$169,171 | \$202,000 | \$224,785 | \$203,200 | \$170,033 | \$92,267 | \$66,838 |
| Contributions as a Percentage of Covered Payroll | | | | | | | |
| Traditional Plan | 14.00% | 14.00% | 13.00% | 12.00% | 12.00% | 12.00% | 13.00% |
| Combined Plan | 14.00% | 14.00% | 13.00% | 12.00% | 12.00% | 12.00% | 13.00% |

[1] – Information prior to 2013 is not available

Ohio Police and Fire Pension Fund
Last Ten Years

| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Contractually Required Contributions | | | | | | | | | | |
| Police | \$785,017 | \$785,911 | \$753,172 | \$721,279 | \$715,447 | \$696,598 | \$825,177 | \$685,085 | \$687,087 | \$714,847 |
| Fire | \$860,643 | \$847,762 | \$833,326 | \$801,920 | \$789,855 | \$782,991 | \$923,241 | \$753,553 | \$758,125 | \$751,647 |
| Total Required Contributions | \$1,645,660 | \$1,633,673 | \$1,586,498 | \$1,523,199 | \$1,505,302 | \$1,479,589 | \$1,748,418 | \$1,438,638 | \$1,445,212 | \$1,466,494 |
| Contributions in Relation to the Contractually Required Contribution | (\$1,645,660) | (\$1,633,673) | (\$1,586,498) | (\$1,523,199) | (\$1,505,302) | (\$1,479,589) | (\$1,748,418) | (\$1,438,638) | (\$1,445,212) | (\$1,466,494) |
| Contribution Deficiency / (Excess) | <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> |
| City's Covered Payroll | | | | | | | | | | |
| Police | \$4,131,668 | \$4,136,374 | \$3,964,063 | \$3,796,205 | \$3,765,511 | \$3,666,305 | \$5,245,880 | \$5,373,216 | \$5,388,918 | \$5,606,643 |
| Fire | \$3,662,311 | \$3,607,498 | \$3,546,068 | \$3,412,426 | \$3,361,085 | \$3,331,877 | \$4,563,722 | \$4,368,423 | \$4,394,928 | \$4,357,374 |
| Contributions as a Percentage of Covered Payroll | | | | | | | | | | |
| Police | 19.00% | 19.00% | 19.00% | 19.00% | 19.00% | 19.00% | [1] | 12.75% | 12.75% | 12.75% |
| Fire | 23.50% | 23.50% | 23.50% | 23.50% | 23.50% | 23.50% | [1] | 17.25% | 17.25% | 17.25% |

[1] – The portion of the City's contributions to fund pension obligations from January 1, 2013 thru May 31, 2013, for both police officers and firefighters was 14.81 percent and 19.31 percent, respectively. The portion of the City's contributions to fund pension obligations from June 1, 2013 thru December 31, 2013 for both police officers and firefighters was 16.65 percent and 21.15 percent, respectively.

CITY OF WILLOUGHBY, OHIO
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net OPEB Liability
Last Three Years (1)

Ohio Public Employees Retirement System

| | 2019 | 2018 | 2017 |
|---|--------------|--------------|--------------|
| City's Proportion of the Net OPEB Liability | 0.063350% | 0.062990% | 0.063420% |
| City's Proportionate Share of the Net OPEB Liability | \$ 8,259,345 | \$ 6,840,250 | \$ 6,405,637 |
| City's Covered Payroll | \$ 9,192,100 | \$ 8,922,036 | \$ 8,764,254 |
| City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll | 89.85% | 76.67% | 73.09% |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 46.33% | 54.14% | 54.04% |

Ohio Police and Fire Pension Fund

| | 2019 | 2018 | 2017 |
|---|--------------|--------------|--------------|
| City's Proportion of the Net OPEB Liability | 0.339796% | 0.342970% | 0.333160% |
| City's Proportionate Share of the Net OPEB Liability | \$ 3,094,368 | \$19,432,183 | \$15,814,356 |
| City's Covered Payroll | \$ 7,743,872 | \$ 7,510,131 | \$ 7,208,631 |
| City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll | 39.96% | 258.75% | 219.38% |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 46.57% | 14.13% | 15.96% |

(1) Information prior to 2017 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

Amounts presented as of the City's measurement date, which is the prior calendar year end.

See accompanying notes to the required supplementary information

CITY OF WILLOUGHBY, OHIO
Required Supplementary Information
Schedule of the City's Contributions - OPEB

Ohio Public Employees Retirement System
Last Five Years (1)

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|-----------------|-----------------|-----------------|------------------|------------------|
| Contractually Required Contribution | \$ 11,488 | \$ 11,507 | \$ 97,553 | \$ 179,831 | \$ 169,589 |
| Contributions in Relation to the Contractually Required Contribution | <u>(11,488)</u> | <u>(11,507)</u> | <u>(97,553)</u> | <u>(179,831)</u> | <u>(169,589)</u> |
| Contribution Deficiency (Excess) | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| City Covered Payroll | \$ 9,377,746 | \$ 9,192,100 | \$ 8,922,036 | \$ 8,764,254 | \$ 8,668,748 |
| Contributions as a Percentage of Covered Payroll | 0.12% | 0.13% | 1.09% | 2.05% | 1.96% |

(1) Information prior to 2015 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

See accompanying notes to the required supplementary information

Ohio Police & Fire Pension Fund
Last Ten Years

| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|------------------|
| Contractually Required Contribution | \$ 38,970 | \$ 38,719 | \$ 37,551 | \$ 36,277 | \$ 35,902 | \$ 35,244 | \$ 241,720 | \$ 448,441 | \$ 465,234 | \$ 457,855 |
| Contributions in Relation to the Contractually Required Contribution | <u>(38,970)</u> | <u>(38,719)</u> | <u>(37,551)</u> | <u>(36,277)</u> | <u>(35,902)</u> | <u>(35,244)</u> | <u>(241,720)</u> | <u>(448,441)</u> | <u>(465,234)</u> | <u>(457,855)</u> |
| Contribution Deficiency (Excess) | <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> |
| City Covered Payroll | \$ 7,793,979 | \$ 7,743,872 | \$ 7,510,131 | \$ 7,208,631 | \$ 7,126,596 | \$ 6,998,182 | \$ 9,809,602 | \$ 9,741,639 | \$ 9,783,846 | \$ 9,964,017 |
| Contributions as a Percentage of Covered Payroll | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 3.62% | 6.75% | 6.75% | 6.75% |

See accompanying notes to the required supplementary information

CITY OF WILLOUGHBY, OHIO
Required Supplementary Information
Changes in Assumptions

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Net Pension Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014-2019.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016 and 2018. For 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 8.00% to 7.50%, (b) the expected long-term average wage inflation rate was reduced from 3.75% to 3.25%, (c) the expected long-term average price inflation rate was reduced from 3.00% to 2.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality rates were updated to the RP-2014 Health Annuitant Mortality Table, adjusted for mortality improvement back to the observant period base year of 2006 and then established the base year as 2015 (f) mortality rates used in evaluating disability allowances were updated to the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and a base year of 2015 for males and 2010 for females (g) Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables. For 2019, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 7.50% to 7.20%.

Net OPEB Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2018-2019.

Changes in assumptions: For 2018, the single discount rate changed from 4.23 percent to 3.85 percent. For 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the expected investment return was reduced from 6.50% to 6.00% (b) In January 2020, the Board adopted changes to health care coverage for Medicare and pre-Medicare retirees. It will include discontinuing the PPO plan for pre-Medicare retirees and replacing it with a monthly allowance to help participants pay for a health care plan of their choosing. The base allowance for Medicare eligible retirees will be reduced. The specific effect of these changes on the net OPEB liability and OPEB expense are unknown at this time.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Net Pension Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014-2019.

CITY OF WILLOUGHBY, OHIO
Required Supplementary Information
Changes in Assumptions

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2017. For 2018, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the investment rate of return was reduced from 8.25 percent to 8.00 percent (b) the projected salary increases was reduced from 4.25% to 3.75% (c) the payroll increases was reduced from 3.75% to 3.25% (d) the inflation assumptions was reduced from 3.25% to 2.75% (e) the cost of living adjustments was reduced from 2.60% to 2.20% (f) rates of withdrawal, disability and service retirement were updated to reflect recent experience (g) mortality rates were updated to the RP-2014 Total Employee and Health Annuitant Mortality Table, adjusted for mortality improvement back to the observant period base year of 2006 and then established the base year as 2016 (h) mortality rates used in evaluating disability allowances were updated to the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and a base year of 2016. For 2019, there have been no OP&F pension plan amendments adopted or changes in assumptions between the measurement date and the report date that would have impacted the actuarial valuation of the pension plan as of the measurement date.

Net OPEB Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2018. For 2019, see below regarding changes to stipend based model.

Changes in assumptions: For 2018, the single discount rate changed from 3.79 percent to 3.24 percent. For 2019, the changes of assumptions were: (a) beginning January 1, 2019 OP&F changed its retiree health care model and the current self-insured health care plan is no longer offered. In its place will be a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of changing from the current health care model to the stipend based health care model, management expects that it will be able to provide stipends to eligible participants for the next 15 years (b) beginning in 2020 the Board approved a change to the Deferred Retirement Option Plan. The minimum interest rate accruing will be 2.5%

*Individual Fund Schedules of Revenues, Expenditures/Expenses
and Changes in Fund Balance/Equity ~ 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, 2019

| | <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 | \$ 17,895,000 | \$ 18,895,000 | \$ 19,206,814 | \$ 311,814 |
| Property and Other Local Taxes | 1,666,450 | 1,666,450 | 1,775,555 | 109,105 |
| Intergovernmental | 1,197,500 | 1,197,500 | 1,344,086 | 146,586 |
| Charges for Services | 1,251,500 | 1,251,500 | 1,460,128 | 208,628 |
| Fines and Forfeitures | 2,030,500 | 2,030,500 | 1,962,544 | (67,956) |
| Licenses and Permits | 183,200 | 183,200 | 304,436 | 121,236 |
| Interest | 360,000 | 360,000 | 343,717 | (16,283) |
| Miscellaneous | 112,500 | 112,500 | 112,500 | 0 |
| Total Revenues | <u>24,696,650</u> | <u>25,696,650</u> | <u>26,509,780</u> | <u>813,130</u> |
| EXPENDITURES: | | | | |
| Government: | | | | |
| Legislative -Council | | | | |
| Personal Services | 132,596 | 132,596 | 131,131 | 1,465 |
| Services and Supplies | 29,700 | 29,700 | 25,235 | 4,465 |
| Total Legislative -Council | <u>162,296</u> | <u>162,296</u> | <u>156,366</u> | <u>5,930</u> |
| Judicial -Municipal Court | | | | |
| Personal Services | 2,251,277 | 2,251,277 | 1,713,798 | 537,479 |
| Services and Supplies | 134,000 | 134,000 | 103,270 | 30,730 |
| Other | 10,000 | 10,000 | 1,933 | 8,067 |
| Total Judicial-Municipal Court | <u>2,395,277</u> | <u>2,395,277</u> | <u>1,819,001</u> | <u>576,276</u> |
| Executive-Mayor | | | | |
| Personal Services | 18,309,734 | 18,309,734 | 17,650,908 | 658,826 |
| Services and Supplies | 5,400,073 | 5,400,073 | 4,767,274 | 632,799 |
| Other | 75,000 | 75,000 | 44,387 | 30,613 |
| Total Executive-Mayor | <u>23,784,807</u> | <u>23,784,807</u> | <u>22,462,569</u> | <u>1,322,238</u> |
| Total Expenditures | <u>26,342,380</u> | <u>26,342,380</u> | <u>24,437,936</u> | <u>1,904,444</u> |
| Excess of Revenues Over (Under) Expenditures | (1,645,730) | (645,730) | 2,071,844 | 2,717,574 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers Out | (2,735,000) | (3,150,000) | (3,000,000) | 150,000 |
| Other | 250,000 | 250,000 | 732,899 | 482,899 |
| Total Other Financing Sources (Uses) | <u>(2,485,000)</u> | <u>(2,900,000)</u> | <u>(2,267,101)</u> | <u>632,899</u> |
| NET CHANGE IN FUND BALANCE | (4,130,730) | (3,545,730) | (195,257) | 3,350,473 |
| FUND BALANCE BEGINNING OF YEAR | 4,902,547 | 4,902,547 | 4,902,547 | 0 |
| Prior Year Encumbrances Appropriated | 81,738 | 81,738 | 81,738 | 0 |
| FUND BALANCE END OF YEAR | <u>\$ 853,555</u> | <u>\$ 1,438,555</u> | <u>\$ 4,789,028</u> | <u>\$ 3,350,473</u> |

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

| | <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 | \$112,000 | \$112,000 | \$116,569 | \$4,569 |
| Intergovernmental | 4,433,163 | 4,433,163 | 596,650 | (3,836,513) |
| Interest Income | 100,000 | 100,000 | 122,280 | 22,280 |
| Other | <u>89,450</u> | <u>91,714</u> | <u>116,503</u> | <u>24,789</u> |
| Total Revenues | <u>4,734,613</u> | <u>4,736,877</u> | <u>952,002</u> | <u>(3,784,875)</u> |
| EXPENDITURES: | | | | |
| Executive-Mayor | | | | |
| Capital Outlay | 4,604,133 | 4,606,397 | 3,407,364 | 1,199,033 |
| Debt Service | | | | |
| Principal Retirement | 12,025,000 | 12,025,000 | 12,020,000 | 5,000 |
| Interest | <u>85,000</u> | <u>85,000</u> | <u>85,000</u> | <u>0</u> |
| Total Expenditures | <u>16,714,133</u> | <u>16,716,397</u> | <u>15,512,364</u> | <u>1,204,033</u> |
| Excess of Revenues Over (Under) Expenditures | (11,979,520) | (11,979,520) | (14,560,362) | (2,580,842) |
| OTHER FINANCING SOURCES (USES): | | | | |
| Debt Proceeds | 0 | 0 | 65,305 | 65,305 |
| Notes Issued | <u>12,020,000</u> | <u>12,020,000</u> | <u>12,015,000</u> | <u>(5,000)</u> |
| Total Other Financing Sources (Uses) | <u>12,020,000</u> | <u>12,020,000</u> | <u>12,080,305</u> | <u>60,305</u> |
| NET CHANGE IN FUND BALANCE | 40,480 | 40,480 | (2,480,057) | (2,520,537) |
| FUND BALANCE BEGINNING OF YEAR | 1,182,575 | 1,182,575 | 1,182,575 | 0 |
| Prior Year Encumbrances Appropriated | <u>132,357</u> | <u>132,357</u> | <u>132,357</u> | <u>0</u> |
| FUND BALANCE END OF YEAR | <u>\$1,355,412</u> | <u>\$1,355,412</u> | <u>(\$1,165,125)</u> | <u>(\$2,520,537)</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, 2019

| | <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: | | | | |
| Property and Other Local Taxes | \$1,020,700 | \$1,020,700 | \$1,054,597 | \$33,897 |
| Intergovernmental | 162,629 | 162,629 | 136,262 | (26,367) |
| Interest Income | <u>55,000</u> | <u>55,000</u> | <u>71,041</u> | <u>16,041</u> |
| Total Revenues | <u>1,238,329</u> | <u>1,238,329</u> | <u>1,261,900</u> | <u>23,571</u> |
| EXPENDITURES: | | | | |
| Executive-Mayor | | | | |
| Personal Services | 13,000 | 13,000 | 13,000 | 0 |
| Services and Supplies | 12,000 | 12,000 | 11,672 | 328 |
| Debt Service | | | | |
| Principal Retirement | 1,129,291 | 1,129,291 | 1,103,920 | 25,371 |
| Interest | <u>409,864</u> | <u>409,864</u> | <u>397,071</u> | <u>12,793</u> |
| Total Expenditures | <u>1,564,155</u> | <u>1,564,155</u> | <u>1,525,663</u> | <u>38,492</u> |
| Excess of Revenues Over (Under) Expenditures | (325,826) | (325,826) | (263,763) | 62,063 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Sale of Note | 260,000 | 260,000 | 0 | (260,000) |
| Transfer In | <u>150,000</u> | <u>265,000</u> | <u>265,000</u> | <u>0</u> |
| Total Other Financing Sources (Uses) | <u>410,000</u> | <u>525,000</u> | <u>265,000</u> | <u>(260,000)</u> |
| NET CHANGE IN FUND BALANCE | 84,174 | 199,174 | 1,237 | (197,937) |
| FUND BALANCE BEGINNING OF YEAR | <u>2,425</u> | <u>2,425</u> | <u>2,425</u> | <u>0</u> |
| FUND BALANCE END OF YEAR | <u>\$86,599</u> | <u>\$201,599</u> | <u>\$3,662</u> | <u>(\$197,937)</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, 2019

| | <u>BUDGETED AMOUNTS</u> | | | VARIANCE WITH FINAL BUDGET |
|---|-------------------------|------------------|-----------------|--------------------------------|
| | <u>ORIGINAL</u> | <u>FINAL</u> | <u>ACTUAL</u> | <u>POSITIVE (NEGATIVE)</u> |
| REVENUES: | | | | |
| Charges for Services | \$980,750 | \$980,750 | \$801,432 | (\$179,318) |
| Other | <u>0</u> | <u>0</u> | <u>711</u> | <u>711</u> |
| Total Revenues | <u>980,750</u> | <u>980,750</u> | <u>802,143</u> | <u>(178,607)</u> |
| EXPENSES: | | | | |
| Executive-Mayor | | | | |
| Leisure Time Activities | | | | |
| Personal Services | 515,086 | 515,086 | 511,811 | 3,275 |
| Services and Supplies | 330,848 | 330,848 | 305,473 | 25,375 |
| Capital Outlay | 25,000 | 25,000 | 20,124 | 4,876 |
| Debt Service | | | | |
| Principal Retirement | 80,000 | 80,000 | 80,000 | 0 |
| Interest | <u>27,788</u> | <u>27,788</u> | <u>27,606</u> | <u>182</u> |
| Total Expenses | <u>978,722</u> | <u>978,722</u> | <u>945,014</u> | <u>33,708</u> |
| Excess of Revenues Over (Under) Expenses | 2,028 | 2,028 | (142,871) | (144,899) |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfer In | 0 | 150,000 | 150,000 | 0 |
| Other | <u>0</u> | <u>0</u> | <u>9,864</u> | <u>9,864</u> |
| Total Other Financing Sources (Uses) | <u>0</u> | <u>150,000</u> | <u>159,864</u> | <u>9,864</u> |
| NET CHANGE IN FUND EQUITY | 2,028 | 152,028 | 16,993 | (135,035) |
| FUND EQUITY BEGINNING OF YEAR | <u>18,284</u> | <u>18,284</u> | <u>18,284</u> | <u>0</u> |
| FUND EQUITY END OF YEAR | <u>\$20,312</u> | <u>\$170,312</u> | <u>\$35,277</u> | <u>(\$135,035)</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, 2019

| | <u>BUDGETED AMOUNTS</u> | | | VARIANCE WITH |
|---|-------------------------|--------------------|--------------------|--|
| | <u>ORIGINAL</u> | <u>FINAL</u> | <u>ACTUAL</u> | FINAL BUDGET POSITIVE (NEGATIVE) |
| REVENUES: | | | | |
| Charges for Services | 5,579,592 | 5,579,592 | 5,628,997 | 49,405 |
| Interest Income | 0 | 0 | 43,082 | 43,082 |
| Other | <u>450,000</u> | <u>450,000</u> | <u>505,724</u> | <u>55,724</u> |
| Total Revenues | <u>6,029,592</u> | <u>6,029,592</u> | <u>6,177,803</u> | <u>148,211</u> |
| EXPENSES: | | | | |
| Executive-Mayor | | | | |
| Basic Utility Service | | | | |
| Personal Services | 2,492,363 | 2,492,363 | 2,336,426 | 155,937 |
| Services and Supplies | 1,279,400 | 1,279,400 | 1,209,266 | 70,134 |
| Other | 450,000 | 450,000 | 450,000 | 0 |
| Capital Outlay | 6,474,200 | 6,474,200 | 969,663 | 5,504,537 |
| Debt Service | | | | |
| Principal Retirement | 931,861 | 931,861 | 931,861 | 0 |
| Interest | <u>274,808</u> | <u>274,808</u> | <u>274,707</u> | <u>101</u> |
| Total Expenses | <u>11,902,632</u> | <u>11,902,632</u> | <u>6,171,923</u> | <u>5,730,709</u> |
| Excess of Revenues Over (Under) Expenses | (5,873,040) | (5,873,040) | 5,880 | 5,878,920 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Sale of Debt | <u>5,227,571</u> | <u>5,227,571</u> | <u>24,871</u> | <u>(5,202,700)</u> |
| Total Other Financing Sources (Uses) | <u>5,227,571</u> | <u>5,227,571</u> | <u>24,871</u> | <u>(5,202,700)</u> |
| NET CHANGE IN FUND EQUITY | (645,469) | (645,469) | 30,751 | 676,220 |
| FUND EQUITY BEGINNING OF YEAR | 3,642,805 | 3,642,805 | 3,642,805 | 0 |
| Prior Year Encumbrances Appropriated | <u>101,964</u> | <u>101,964</u> | <u>101,964</u> | <u>0</u> |
| FUND EQUITY END OF YEAR | <u>\$3,099,300</u> | <u>\$3,099,300</u> | <u>\$3,775,520</u> | <u>\$676,220</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.

Municipal Probation Services Fund - the Municipal Court has established this fund for use by the department of probation as outlined by the Ohio Revised Code. This fund contains all monies paid to the treasurer of the municipal corporation under section 2951.021 of the revised code.

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.

Street Lighting Fund – to account for the 1.0 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.

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, 2019

| | NONMAJOR SPECIAL REVENUE FUNDS | CEMETERY CARE PERMANENT FUND | TOTAL NONMAJOR GOVERNMENTAL FUNDS |
|---|---|---------------------------------------|--|
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | |
| Assets: | | | |
| Equity in City Treasury Cash and Investments | \$3,786,141 | \$352,132 | \$4,138,273 |
| Inventory - Supplies | 104,988 | 0 | 104,988 |
| Accounts Receivable | 13,887 | 240 | 14,127 |
| Intergovernmental Receivable | 735,271 | 0 | 735,271 |
| Taxes Receivable | 1,536,142 | 0 | 1,536,142 |
| Special Assessments Receivable | <u>731,877</u> | <u>0</u> | <u>731,877</u> |
| Total Assets | <u>6,908,306</u> | <u>352,372</u> | <u>7,260,678</u> |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | |
| | <u>\$6,908,306</u> | <u>\$352,372</u> | <u>\$7,260,678</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts Payable | \$151,606 | \$0 | \$151,606 |
| Salaries, Wages & Benefits Payable | 86,703 | 0 | 86,703 |
| Intergovernmental Payable | <u>29,469</u> | <u>0</u> | <u>29,469</u> |
| Total Liabilities | <u>267,778</u> | <u>0</u> | <u>267,778</u> |
| Deferred Inflows of Resources: | | | |
| Property Taxes | 1,442,102 | 0 | 1,442,102 |
| Unavailable Revenue- Grants and Entitlements | 494,790 | 0 | 494,790 |
| Unavailable Revenue-Special Assessments | 731,877 | 0 | 731,877 |
| Unavailable Revenue- Delinquent Property Taxes | <u>94,040</u> | <u>0</u> | <u>94,040</u> |
| Total Deferred Inflows of Resources | <u>2,762,809</u> | <u>0</u> | <u>2,762,809</u> |
| Fund Balances: | | | |
| Nonspendable | 104,988 | 352,372 | 457,360 |
| Restricted | <u>3,772,731</u> | <u>0</u> | <u>3,772,731</u> |
| Total Fund Balances | <u>3,877,719</u> | <u>352,372</u> | <u>4,230,091</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | |
| | <u>\$6,908,306</u> | <u>\$352,372</u> | <u>\$7,260,678</u> |

CITY OF WILLOUGHBY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

| | NONMAJOR SPECIAL REVENUE FUNDS | CEMETERY CARE PERMANENT FUND | TOTAL NONMAJOR GOVERNMENTAL FUNDS |
|---|---|---------------------------------------|--|
| REVENUES: | | | |
| Property and Other Local Taxes | \$1,543,725 | \$0 | \$1,543,725 |
| Intergovernmental | 1,573,173 | 0 | 1,573,173 |
| Charges for Services | 417,482 | 14,110 | 431,592 |
| Special Assessments | 711,586 | 0 | 711,586 |
| Fines and Forfeitures | 678,264 | 0 | 678,264 |
| Miscellaneous | <u>10,354</u> | <u>0</u> | <u>10,354</u> |
| Total Revenues | <u>4,934,584</u> | <u>14,110</u> | <u>4,948,694</u> |
| EXPENDITURES: | | | |
| Current: | | | |
| General Government | 340,586 | 0 | 340,586 |
| Security of Persons and Property | 2,334,054 | 0 | 2,334,054 |
| Community Environment | 80,690 | 0 | 80,690 |
| Leisure Time Activities | 1,118,055 | 0 | 1,118,055 |
| Transportation | 1,731,993 | 0 | 1,731,993 |
| Capital Outlay | <u>952,107</u> | <u>0</u> | <u>952,107</u> |
| Total Expenditures | <u>6,557,485</u> | <u>0</u> | <u>6,557,485</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (1,622,901) | 14,110 | (1,608,791) |
| OTHER FINANCING SOURCES (USES): | | | |
| Transfers In | 2,735,000 | 0 | 2,735,000 |
| Transfers Out | <u>(150,000)</u> | <u>0</u> | <u>(150,000)</u> |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>2,585,000</u> | <u>0</u> | <u>2,585,000</u> |
| NET CHANGE IN FUND BALANCES | 962,099 | 14,110 | 976,209 |
| FUND BALANCES BEGINNING OF YEAR | 2,911,275 | 338,262 | 3,249,537 |
| CHANGE IN INVENTORY | <u>4,345</u> | <u>0</u> | <u>4,345</u> |
| FUND BALANCES END OF YEAR | <u>\$3,877,719</u> | <u>\$352,372</u> | <u>\$4,230,091</u> |

CITY OF WILLOUGHBY, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2019

| | FIRE PENSION | POLICE PENSION | LAW ENFORCEMENT | RECREATION | STREET CONSTRUCTION MAINTENANCE AND REPAIR | STATE HIGHWAY | ROAD & BRIDGE | CORPORATE MAINTENANCE | ENFORCEMENT & EDUCATION |
|--|------------------|-------------------|--------------------|------------------|---|------------------|--------------------|--------------------------|----------------------------|
| ASSETS AND DEFERRED | | | | | | | | | |
| OUTFLOWS OF RESOURCES | | | | | | | | | |
| Assets: | | | | | | | | | |
| Equity in City Treasury Cash and Investments | \$62,607 | \$82,909 | \$52,054 | \$125,513 | \$568,832 | \$105,039 | \$1,251,717 | \$136,658 | \$34,485 |
| Inventory - Supplies | 0 | 0 | 0 | 0 | 104,988 | 0 | 0 | 0 | 0 |
| Accounts Receivable | 0 | 0 | 0 | 1,385 | 9,884 | 0 | 0 | 2,618 | 0 |
| Intergovernmental Receivable | 9,000 | 9,000 | 0 | 67,500 | 502,643 | 40,364 | 56,000 | 0 | 25 |
| Taxes Receivable | 180,538 | 180,538 | 0 | 75,988 | 0 | 0 | 1,099,078 | 0 | 0 |
| Special Assessments Receivable | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 14,575 | 0 |
| Total Assets | <u>252,145</u> | <u>272,447</u> | <u>52,054</u> | <u>270,386</u> | <u>1,186,347</u> | <u>145,403</u> | <u>2,406,795</u> | <u>153,851</u> | <u>34,510</u> |
| TOTAL ASSETS AND DEFERRED | | | | | | | | | |
| OUTFLOWS OF RESOURCES | <u>\$252,145</u> | <u>\$272,447</u> | <u>\$52,054</u> | <u>\$270,386</u> | <u>\$1,186,347</u> | <u>\$145,403</u> | <u>\$2,406,795</u> | <u>\$153,851</u> | <u>\$34,510</u> |
| LIABILITIES, DEFERRED INFLOWS OF | | | | | | | | | |
| RESOURCES AND FUND BALANCES | | | | | | | | | |
| Liabilities: | | | | | | | | | |
| Accounts Payable | \$0 | \$0 | \$0 | \$4,722 | \$22,378 | \$0 | \$70,817 | \$0 | \$0 |
| Salaries, Wages & Benefits Payable | 24,765 | 21,495 | 0 | 16,691 | 22,108 | 0 | 0 | 0 | 0 |
| Intergovernmental Payable | 0 | 0 | 0 | 0 | 0 | 29,469 | 0 | 0 | 0 |
| Total Liabilities | <u>24,765</u> | <u>21,495</u> | <u>0</u> | <u>21,413</u> | <u>44,486</u> | <u>29,469</u> | <u>70,817</u> | <u>0</u> | <u>0</u> |
| Deferred Inflows of Resources: | | | | | | | | | |
| Property Taxes | 169,485 | 169,485 | 0 | 71,479 | 0 | 0 | 1,031,653 | 0 | 0 |
| Unavailable Revenue- Grants and Entitlements | 9,000 | 9,000 | 0 | 2,500 | 386,918 | 31,372 | 56,000 | 0 | 0 |
| Unavailable Revenue-Special Assessments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 14,575 | 0 |
| Unavailable Revenue- Delinquent Property Taxes | <u>11,053</u> | <u>11,053</u> | <u>0</u> | <u>4,509</u> | <u>0</u> | <u>0</u> | <u>67,425</u> | <u>0</u> | <u>0</u> |
| Total Deferred Inflows of Resources | <u>189,538</u> | <u>189,538</u> | <u>0</u> | <u>78,488</u> | <u>386,918</u> | <u>31,372</u> | <u>1,155,078</u> | <u>14,575</u> | <u>0</u> |
| Fund Balances: | | | | | | | | | |
| Nonspendable | 0 | 0 | 0 | 0 | 104,988 | 0 | 0 | 0 | 0 |
| Restricted | <u>37,842</u> | <u>61,414</u> | <u>52,054</u> | <u>170,485</u> | <u>649,955</u> | <u>84,562</u> | <u>1,180,900</u> | <u>139,276</u> | <u>34,510</u> |
| Total Fund Balances | <u>37,842</u> | <u>61,414</u> | <u>52,054</u> | <u>170,485</u> | <u>754,943</u> | <u>84,562</u> | <u>1,180,900</u> | <u>139,276</u> | <u>34,510</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS | | | | | | | | | |
| OF RESOURCES AND FUND BALANCES | <u>\$252,145</u> | <u>\$272,447</u> | <u>\$52,054</u> | <u>\$270,386</u> | <u>\$1,186,347</u> | <u>\$145,403</u> | <u>\$2,406,795</u> | <u>\$153,851</u> | <u>\$34,510</u> |



| <u>INDIGENT DRIVERS TREATMENT</u> | <u>COURT COMPUTER</u> | <u>GENERAL SPECIAL PROJECTS</u> | <u>SPECIAL PROJECTS DUI</u> | <u>MUNICIPAL PROBATION SERVICES</u> | <u>URBAN FOREST MANAGEMENT</u> | <u>VICTIMS ASSISTANCE</u> | <u>POLICE CONTINUING PROFESSIONAL TRAINING</u> | <u>STREET LIGHTING</u> | <u>TOTAL 2019</u> |
|---|---------------------------|---|-------------------------------------|---|--|-------------------------------|--|----------------------------|-----------------------|
| \$385,881 | \$400,079 | \$125,122 | \$47,390 | \$110,037 | \$57,186 | \$17,319 | \$23,547 | \$199,766 | \$3,786,141 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 104,988 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 13,887 |
| 1,594 | 15,472 | 17,473 | 1,971 | 10,065 | 0 | 4,164 | 0 | 0 | 735,271 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,536,142 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | <u>717,302</u> | <u>731,877</u> |
| <u>387,475</u> | <u>415,551</u> | <u>142,595</u> | <u>49,361</u> | <u>120,102</u> | <u>57,186</u> | <u>21,483</u> | <u>23,547</u> | <u>917,068</u> | <u>6,908,306</u> |
| <u>\$387,475</u> | <u>\$415,551</u> | <u>\$142,595</u> | <u>\$49,361</u> | <u>\$120,102</u> | <u>\$57,186</u> | <u>\$21,483</u> | <u>\$23,547</u> | <u>\$917,068</u> | <u>\$6,908,306</u> |
| \$0 | \$1,804 | \$172 | \$6,830 | \$98 | \$0 | \$0 | \$675 | \$44,110 | \$151,606 |
| 0 | 0 | 0 | 0 | 0 | 0 | 1,644 | 0 | 0 | 86,703 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 29,469 |
| 0 | <u>1,804</u> | <u>172</u> | <u>6,830</u> | <u>98</u> | 0 | <u>1,644</u> | <u>675</u> | <u>44,110</u> | <u>267,778</u> |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,442,102 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 494,790 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 717,302 | 731,877 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 94,040 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | <u>717,302</u> | <u>2,762,809</u> |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 104,988 |
| <u>387,475</u> | <u>413,747</u> | <u>142,423</u> | <u>42,531</u> | <u>120,004</u> | <u>57,186</u> | <u>19,839</u> | <u>22,872</u> | <u>155,656</u> | <u>3,772,731</u> |
| <u>387,475</u> | <u>413,747</u> | <u>142,423</u> | <u>42,531</u> | <u>120,004</u> | <u>57,186</u> | <u>19,839</u> | <u>22,872</u> | <u>155,656</u> | <u>3,877,719</u> |
| <u>\$387,475</u> | <u>\$415,551</u> | <u>\$142,595</u> | <u>\$49,361</u> | <u>\$120,102</u> | <u>\$57,186</u> | <u>\$21,483</u> | <u>\$23,547</u> | <u>\$917,068</u> | <u>\$6,908,306</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, 2019

| | <u>FIRE</u> | <u>POLICE</u> | <u>LAW</u> | <u>RECREATION</u> | <u>STREET</u> <u>CONSTRUCTION</u> <u>MAINTENANCE</u> <u>AND REPAIR</u> | <u>STATE</u> <u>HIGHWAY</u> | <u>ROAD &</u> <u>BRIDGE</u> | <u>CORPORATE</u> <u>MAINTENANCE</u> | <u>ENFORCEMENT</u> <u>& EDUCATION</u> |
|---|-----------------|-----------------|--------------------|-------------------|---|--------------------------------|------------------------------------|--|--|
| | <u>PENSION</u> | <u>PENSION</u> | <u>ENFORCEMENT</u> | | | | | | |
| REVENUES: | | | | | | | | | |
| Property and Other Local Taxes | \$174,795 | \$174,795 | \$0 | \$72,956 | \$58,806 | \$0 | \$1,062,373 | \$0 | \$0 |
| Intergovernmental | 18,845 | 18,845 | 0 | 134,982 | 1,137,489 | 92,228 | 113,138 | 0 | 0 |
| Charges for Services | 0 | 0 | 0 | 399,416 | 2,466 | 0 | 0 | 0 | 0 |
| Special Assessments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 63,417 | 0 |
| Fines and Forfeitures | 0 | 0 | 48,425 | 0 | 0 | 0 | 0 | 0 | 1,664 |
| Miscellaneous | <u>0</u> | <u>0</u> | <u>929</u> | <u>4,500</u> | <u>4,925</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Total Revenues | <u>193,640</u> | <u>193,640</u> | <u>49,354</u> | <u>611,854</u> | <u>1,203,686</u> | <u>92,228</u> | <u>1,175,511</u> | <u>63,417</u> | <u>1,664</u> |
| EXPENDITURES: | | | | | | | | | |
| Current: | | | | | | | | | |
| General Government | 1,920 | 1,920 | 0 | 0 | 0 | 0 | 11,575 | 692 | 0 |
| Security of Persons and Property | 880,095 | 813,341 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Community Environment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 62,084 | 0 |
| Leisure Time Activities | 0 | 0 | 0 | 1,118,055 | 0 | 0 | 0 | 0 | 0 |
| Transportation | 0 | 0 | 0 | 0 | 1,619,320 | 112,673 | 0 | 0 | 0 |
| Capital Outlay | <u>0</u> | <u>0</u> | <u>0</u> | <u>11,320</u> | <u>0</u> | <u>0</u> | <u>867,794</u> | <u>0</u> | <u>0</u> |
| Total Expenditures | <u>882,015</u> | <u>815,261</u> | <u>0</u> | <u>1,129,375</u> | <u>1,619,320</u> | <u>112,673</u> | <u>879,369</u> | <u>62,776</u> | <u>0</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (688,375) | (621,621) | 49,354 | (517,521) | (415,634) | (20,445) | 296,142 | 641 | 1,664 |
| OTHER FINANCING SOURCES (USES): | | | | | | | | | |
| Transfers In | 690,000 | 650,000 | 0 | 550,000 | 730,000 | 105,000 | 0 | 0 | 0 |
| Transfers Out | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>690,000</u> | <u>650,000</u> | <u>0</u> | <u>550,000</u> | <u>730,000</u> | <u>105,000</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| NET CHANGE IN FUND BALANCES | 1,625 | 28,379 | 49,354 | 32,479 | 314,366 | 84,555 | 296,142 | 641 | 1,664 |
| FUND BALANCES BEGINNING OF YEAR | 36,217 | 33,035 | 2,700 | 138,006 | 436,232 | 7 | 884,758 | 138,635 | 32,846 |
| CHANGE IN INVENTORY | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>4,345</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| FUND BALANCES END OF YEAR | <u>\$37,842</u> | <u>\$61,414</u> | <u>\$52,054</u> | <u>\$170,485</u> | <u>\$754,943</u> | <u>\$84,562</u> | <u>\$1,180,900</u> | <u>\$139,276</u> | <u>\$34,510</u> |



| <u>INDIGENT DRIVERS TREATMENT</u> | <u>COURT COMPUTER</u> | <u>GENERAL SPECIAL PROJECTS</u> | <u>SPECIAL PROJECTS DUI</u> | <u>MUNICIPAL PROBATION SERVICES</u> | <u>URBAN FOREST MANAGEMENT</u> | <u>VICTIMS ASSISTANCE</u> | <u>POLICE CONTINUING PROFESSIONAL TRAINING</u> | <u>STREET LIGHTING</u> | <u>TOTAL 2019</u> |
|---|---------------------------|---|-------------------------------------|---|--|-------------------------------|--|----------------------------|-----------------------|
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,543,725 |
| 0 | 0 | 0 | 0 | 0 | 0 | 57,646 | 0 | 0 | 1,573,173 |
| 0 | 0 | 0 | 0 | 0 | 15,600 | 0 | 0 | 0 | 417,482 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 648,169 | 711,586 |
| 34,032 | 205,040 | 228,836 | 23,694 | 136,573 | 0 | 0 | 0 | 0 | 678,264 |
| <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>10,354</u> |
| <u>34,032</u> | <u>205,040</u> | <u>228,836</u> | <u>23,694</u> | <u>136,573</u> | <u>15,600</u> | <u>57,646</u> | <u>0</u> | <u>648,169</u> | <u>4,934,584</u> |
| 15,969 | 168,114 | 8,840 | 41,982 | 69,266 | 0 | 0 | 0 | 20,308 | 340,586 |
| 0 | 0 | 0 | 0 | 0 | 0 | 72,120 | 13,257 | 555,241 | 2,334,054 |
| 0 | 0 | 0 | 0 | 0 | 18,606 | 0 | 0 | 0 | 80,690 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,118,055 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,731,993 |
| 0 | 72,993 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 952,107 |
| <u>15,969</u> | <u>241,107</u> | <u>8,840</u> | <u>41,982</u> | <u>69,266</u> | <u>18,606</u> | <u>72,120</u> | <u>13,257</u> | <u>575,549</u> | <u>6,557,485</u> |
| 18,063 | (36,067) | 219,996 | (18,288) | 67,307 | (3,006) | (14,474) | (13,257) | 72,620 | (1,622,901) |
| 0 | 0 | 0 | 0 | 0 | 0 | 10,000 | 0 | 0 | 2,735,000 |
| <u>0</u> | <u>0</u> | <u>(150,000)</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>(150,000)</u> |
| <u>0</u> | <u>0</u> | <u>(150,000)</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>10,000</u> | <u>0</u> | <u>0</u> | <u>2,585,000</u> |
| 18,063 | (36,067) | 69,996 | (18,288) | 67,307 | (3,006) | (4,474) | (13,257) | 72,620 | 962,099 |
| 369,412 | 449,814 | 72,427 | 60,819 | 52,697 | 60,192 | 24,313 | 36,129 | 83,036 | 2,911,275 |
| <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>4,345</u> |
| <u>\$387,475</u> | <u>\$413,747</u> | <u>\$142,423</u> | <u>\$42,531</u> | <u>\$120,004</u> | <u>\$57,186</u> | <u>\$19,839</u> | <u>\$22,872</u> | <u>\$155,656</u> | <u>\$3,877,719</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, 2019

| | <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 | \$160,100 | \$160,100 | \$174,795 | \$14,695 |
| Intergovernmental | <u>17,000</u> | <u>17,000</u> | <u>18,845</u> | <u>1,845</u> |
| Total Revenues | <u>177,100</u> | <u>177,100</u> | <u>193,640</u> | <u>16,540</u> |
| EXPENDITURES: | | | | |
| Executive-Mayor | | | | |
| Security of Persons and Property | | | | |
| Personal Services | 907,448 | 907,448 | 875,580 | 31,868 |
| Services and Supplies | <u>3,000</u> | <u>3,000</u> | <u>1,920</u> | <u>1,080</u> |
| Total Expenditures | <u>910,448</u> | <u>910,448</u> | <u>877,500</u> | <u>32,948</u> |
| Excess of Revenues Over (Under) Expenditures | (733,348) | (733,348) | (683,860) | 49,488 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers In | <u>690,000</u> | <u>690,000</u> | <u>690,000</u> | <u>0</u> |
| Total Other Financing Sources (Uses) | <u>690,000</u> | <u>690,000</u> | <u>690,000</u> | <u>0</u> |
| NET CHANGE IN FUND BALANCE | (43,348) | (43,348) | 6,140 | 49,488 |
| FUND BALANCE BEGINNING OF YEAR | <u>56,468</u> | <u>56,468</u> | <u>56,468</u> | <u>0</u> |
| FUND BALANCE END OF YEAR | <u>\$13,120</u> | <u>\$13,120</u> | <u>\$62,608</u> | <u>\$49,488</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, 2019

| | <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 | \$160,100 | \$160,100 | \$174,795 | \$14,695 |
| Intergovernmental | <u>17,000</u> | <u>17,000</u> | <u>18,845</u> | <u>1,845</u> |
| Total Revenues | <u>177,100</u> | <u>177,100</u> | <u>193,640</u> | <u>16,540</u> |
| EXPENDITURES: | | | | |
| Executive-Mayor | | | | |
| Security of Persons and Property | | | | |
| Personal Services | 863,454 | 863,454 | 810,062 | 53,392 |
| Services and Supplies | <u>3,000</u> | <u>3,000</u> | <u>1,920</u> | <u>1,080</u> |
| Total Expenditures | <u>866,454</u> | <u>866,454</u> | <u>811,982</u> | <u>54,472</u> |
| Excess of Revenues Over (Under) Expenditures | (689,354) | (689,354) | (618,342) | 71,012 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers In | <u>650,000</u> | <u>650,000</u> | <u>650,000</u> | <u>0</u> |
| Total Other Financing Sources (Uses) | <u>650,000</u> | <u>650,000</u> | <u>650,000</u> | <u>0</u> |
| NET CHANGE IN FUND BALANCE | (39,354) | (39,354) | 31,658 | 71,012 |
| FUND BALANCE BEGINNING OF YEAR | <u>51,250</u> | <u>51,250</u> | <u>51,250</u> | <u>0</u> |
| FUND BALANCE END OF YEAR | <u>\$11,896</u> | <u>\$11,896</u> | <u>\$82,908</u> | <u>\$71,012</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, 2019

| | <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 | \$0 | \$0 | \$48,425 | \$48,425 |
| Other | <u>0</u> | <u>0</u> | <u>929</u> | <u>929</u> |
| Total Revenues | <u>0</u> | <u>0</u> | <u>49,354</u> | <u>49,354</u> |
| EXPENDITURES: | | | | |
| Executive-Mayor | | | | |
| Security of Persons and Property | | | | |
| Capital Outlay | <u>2,700</u> | <u>2,700</u> | <u>0</u> | <u>2,700</u> |
| Total Expenditures | <u>2,700</u> | <u>2,700</u> | <u>0</u> | <u>2,700</u> |
| NET CHANGE IN FUND BALANCE | (2,700) | (2,700) | 49,354 | 52,054 |
| FUND BALANCE BEGINNING OF YEAR | <u>2,700</u> | <u>2,700</u> | <u>2,700</u> | <u>0</u> |
| FUND BALANCE END OF YEAR | <u>\$0</u> | <u>\$0</u> | <u>\$52,054</u> | <u>\$52,054</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, 2019

| | <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 | \$70,050 | \$70,050 | \$72,956 | \$2,906 |
| Intergovernmental | 130,000 | 130,000 | 138,681 | 8,681 |
| Charges for Services | 360,000 | 360,000 | 398,203 | 38,203 |
| Other | <u>0</u> | <u>0</u> | <u>4,500</u> | <u>4,500</u> |
| Total Revenues | <u>560,050</u> | <u>560,050</u> | <u>614,340</u> | <u>54,290</u> |
| EXPENDITURES: | | | | |
| Executive-Mayor | | | | |
| Leisure Time Activities | | | | |
| Personal Services | 832,177 | 832,177 | 787,202 | 44,975 |
| Services and Supplies | <u>341,710</u> | <u>341,710</u> | <u>341,020</u> | <u>690</u> |
| Total Expenditures | <u>1,173,887</u> | <u>1,173,887</u> | <u>1,128,222</u> | <u>45,665</u> |
| Excess of Revenues Over (Under) Expenditures | (613,837) | (613,837) | (513,882) | 99,955 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers In | <u>550,000</u> | <u>550,000</u> | <u>550,000</u> | <u>0</u> |
| Total Other Financing Sources (Uses) | <u>550,000</u> | <u>550,000</u> | <u>550,000</u> | <u>0</u> |
| NET CHANGE IN FUND BALANCE | (63,837) | (63,837) | 36,118 | 99,955 |
| FUND BALANCE BEGINNING OF YEAR | 71,943 | 71,943 | 71,943 | 0 |
| Prior Year Encumbrances Appropriated | <u>322</u> | <u>322</u> | <u>322</u> | <u>0</u> |
| FUND BALANCE END OF YEAR | <u>\$8,428</u> | <u>\$8,428</u> | <u>\$108,383</u> | <u>\$99,955</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, 2019

| | <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 | \$57,000 | \$57,000 | \$58,284 | \$1,284 |
| Intergovernmental | 930,000 | 930,000 | 1,098,790 | 168,790 |
| Charges for Services | 500 | 500 | 2,801 | 2,301 |
| Total Revenues | <u>987,500</u> | <u>987,500</u> | <u>1,159,875</u> | <u>172,375</u> |
| EXPENDITURES: | | | | |
| Executive-Mayor | | | | |
| Transportation | | | | |
| Personal Services | 1,187,273 | 1,187,273 | 1,131,884 | 55,389 |
| Services and Supplies | <u>657,525</u> | <u>657,525</u> | <u>534,188</u> | <u>123,337</u> |
| Total Expenditures | <u>1,844,798</u> | <u>1,844,798</u> | <u>1,666,072</u> | <u>178,726</u> |
| Excess of Revenues Over (Under) Expenditures | (857,298) | (857,298) | (506,197) | 351,101 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers In | 730,000 | 730,000 | 730,000 | 0 |
| Other | 1,000 | 1,000 | 4,925 | 3,925 |
| Total Other Financing Sources (Uses) | <u>731,000</u> | <u>731,000</u> | <u>734,925</u> | <u>3,925</u> |
| NET CHANGE IN FUND BALANCE | (126,298) | (126,298) | 228,728 | 355,026 |
| FUND BALANCE BEGINNING OF YEAR | 132,286 | 132,286 | 132,286 | 0 |
| Prior Year Encumbrances Appropriated | <u>18,064</u> | <u>18,064</u> | <u>18,064</u> | <u>0</u> |
| FUND BALANCE END OF YEAR | <u>\$24,052</u> | <u>\$24,052</u> | <u>\$379,078</u> | <u>\$355,026</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, 2019

| | <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>\$75,500</u> | <u>\$75,500</u> | <u>\$89,091</u> | <u>\$13,591</u> |
| Total Revenues | <u>75,500</u> | <u>75,500</u> | <u>89,091</u> | <u>13,591</u> |
| EXPENDITURES: | | | | |
| Executive-Mayor Transportation | | | | |
| Services and Supplies | <u>186,000</u> | <u>186,000</u> | <u>110,000</u> | <u>76,000</u> |
| Total Expenditures | <u>186,000</u> | <u>186,000</u> | <u>110,000</u> | <u>76,000</u> |
| Excess of Revenues Over (Under) Expenditures | (110,500) | (110,500) | (20,909) | 89,591 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers In | <u>105,000</u> | <u>105,000</u> | <u>105,000</u> | <u>0</u> |
| Total Other Financing Sources (Uses) | <u>105,000</u> | <u>105,000</u> | <u>105,000</u> | <u>0</u> |
| NET CHANGE IN FUND BALANCE | (5,500) | (5,500) | 84,091 | 89,591 |
| FUND BALANCE BEGINNING OF YEAR | <u>10,789</u> | <u>10,789</u> | <u>10,789</u> | <u>0</u> |
| FUND BALANCE END OF YEAR | <u>\$5,289</u> | <u>\$5,289</u> | <u>\$94,880</u> | <u>\$89,591</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, 2019

| | <u>BUDGETED AMOUNTS</u> | | <u>ACTUAL</u> | <u>VARIANCE WITH</u> |
|--------------------------------|-------------------------|------------------|--------------------|----------------------|
| | <u>ORIGINAL</u> | <u>FINAL</u> | | <u>FINAL BUDGET</u> |
| | | | | <u>POSITIVE</u> |
| | | | | <u>(NEGATIVE)</u> |
| REVENUES: | | | | |
| Property and Other Local Taxes | \$1,030,700 | \$1,030,700 | \$1,062,373 | \$31,673 |
| Intergovernmental | <u>110,000</u> | <u>110,000</u> | <u>113,138</u> | <u>3,138</u> |
| Total Revenues | <u>1,140,700</u> | <u>1,140,700</u> | <u>1,175,511</u> | <u>34,811</u> |
| EXPENDITURES: | | | | |
| Executive-Mayor | | | | |
| Transportation | | | | |
| Services and Supplies | 20,000 | 20,000 | 11,575 | 8,425 |
| Capital Outlay | <u>1,400,000</u> | <u>1,400,000</u> | <u>1,005,880</u> | <u>394,120</u> |
| Total Expenditures | <u>1,420,000</u> | <u>1,420,000</u> | <u>1,017,455</u> | <u>402,545</u> |
| NET CHANGE IN FUND BALANCE | (279,300) | (279,300) | 158,056 | 437,356 |
| FUND BALANCE BEGINNING OF YEAR | <u>863,819</u> | <u>863,819</u> | <u>863,819</u> | <u>0</u> |
| FUND BALANCE END OF YEAR | <u>\$584,519</u> | <u>\$584,519</u> | <u>\$1,021,875</u> | <u>\$437,356</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, 2019

| | <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>\$67,500</u> | <u>\$67,500</u> | <u>\$60,874</u> | <u>(\$6,626)</u> |
| Total Revenues | <u>67,500</u> | <u>67,500</u> | <u>60,874</u> | <u>(6,626)</u> |
| EXPENDITURES: | | | | |
| Executive-Mayor | | | | |
| Community Environment | | | | |
| Services and Supplies | <u>123,000</u> | <u>123,000</u> | <u>51,123</u> | <u>71,877</u> |
| Total Expenditures | <u>123,000</u> | <u>123,000</u> | <u>51,123</u> | <u>71,877</u> |
| NET CHANGE IN FUND BALANCE | <u>(55,500)</u> | <u>(55,500)</u> | <u>9,751</u> | <u>65,251</u> |
| FUND BALANCE BEGINNING OF YEAR | <u>94,805</u> | <u>94,805</u> | <u>94,805</u> | <u>0</u> |
| Prior Year Encumbrances Appropriated | <u>1,612</u> | <u>1,612</u> | <u>1,612</u> | <u>0</u> |
| FUND BALANCE END OF YEAR | <u>\$40,917</u> | <u>\$40,917</u> | <u>\$106,168</u> | <u>\$65,251</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, 2019

| | <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>\$1,689</u> | <u>(\$311)</u> |
| Total Revenues | <u>2,000</u> | <u>2,000</u> | <u>1,689</u> | <u>(311)</u> |
| EXPENDITURES: | | | | |
| Executive-Mayor | | | | |
| Security of Persons and Property | | | | |
| Capital Outlay | <u>26,000</u> | <u>26,000</u> | <u>0</u> | <u>26,000</u> |
| Total Expenditures | <u>26,000</u> | <u>26,000</u> | <u>0</u> | <u>26,000</u> |
| NET CHANGE IN FUND BALANCE | (24,000) | (24,000) | 1,689 | 25,689 |
| FUND BALANCE BEGINNING OF YEAR | <u>32,796</u> | <u>32,796</u> | <u>32,796</u> | <u>0</u> |
| FUND BALANCE END OF YEAR | <u>\$8,796</u> | <u>\$8,796</u> | <u>\$34,485</u> | <u>\$25,689</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, 2019

| | <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>\$25,000</u> | <u>\$25,000</u> | <u>\$33,923</u> | <u>\$8,923</u> |
| Total Revenues | <u>25,000</u> | <u>25,000</u> | <u>33,923</u> | <u>8,923</u> |
| EXPENDITURES: | | | | |
| Judicial -Municipal Court | | | | |
| General Government | | | | |
| Services and Supplies | <u>300,000</u> | <u>300,000</u> | <u>980</u> | <u>299,020</u> |
| Total Expenditures | <u>300,000</u> | <u>300,000</u> | <u>980</u> | <u>299,020</u> |
| NET CHANGE IN FUND BALANCE | (275,000) | (275,000) | 32,943 | 307,943 |
| FUND BALANCE BEGINNING OF YEAR | <u>320,726</u> | <u>320,726</u> | <u>320,726</u> | <u>0</u> |
| FUND BALANCE END OF YEAR | <u>\$45,726</u> | <u>\$45,726</u> | <u>\$353,669</u> | <u>\$307,943</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, 2019

| | <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>\$160,000</u> | <u>\$160,000</u> | <u>\$205,040</u> | <u>\$45,040</u> |
| Total Revenues | <u>160,000</u> | <u>160,000</u> | <u>205,040</u> | <u>45,040</u> |
| EXPENDITURES: | | | | |
| Judicial -Municipal Court | | | | |
| General Government | | | | |
| Services and Supplies | <u>250,000</u> | <u>250,000</u> | <u>238,469</u> | <u>11,531</u> |
| Capital Outlay | <u>150,000</u> | <u>150,000</u> | <u>12,209</u> | <u>137,791</u> |
| Total Expenditures | <u>400,000</u> | <u>400,000</u> | <u>250,678</u> | <u>149,322</u> |
| NET CHANGE IN FUND BALANCE | <u>(240,000)</u> | <u>(240,000)</u> | <u>(45,638)</u> | <u>194,362</u> |
| FUND BALANCE BEGINNING OF YEAR | <u>402,357</u> | <u>402,357</u> | <u>402,357</u> | <u>0</u> |
| FUND BALANCE END OF YEAR | <u>\$162,357</u> | <u>\$162,357</u> | <u>\$356,719</u> | <u>\$194,362</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, 2019

| | <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 | \$145,000 | \$145,000 | \$229,480 | \$84,480 |
| Total Revenues | <u>145,000</u> | <u>145,000</u> | <u>229,480</u> | <u>84,480</u> |
| EXPENDITURES: | | | | |
| Judicial -Municipal Court | | | | |
| General Government | | | | |
| Services and Supplies | <u>15,000</u> | <u>15,000</u> | <u>8,668</u> | <u>6,332</u> |
| Total Expenditures | <u>15,000</u> | <u>15,000</u> | <u>8,668</u> | <u>6,332</u> |
| Excess of Revenues Over (Under) Expenditures | 130,000 | 130,000 | 220,812 | 90,812 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers Out | <u>(150,000)</u> | <u>(150,000)</u> | <u>(150,000)</u> | <u>0</u> |
| Total Other Financing Sources (Uses) | <u>(150,000)</u> | <u>(150,000)</u> | <u>(150,000)</u> | <u>0</u> |
| NET CHANGE IN FUND BALANCE | (20,000) | (20,000) | 70,812 | 90,812 |
| FUND BALANCE BEGINNING OF YEAR | <u>52,833</u> | <u>52,833</u> | <u>52,833</u> | <u>0</u> |
| FUND BALANCE END OF YEAR | <u>\$32,833</u> | <u>\$32,833</u> | <u>\$123,645</u> | <u>\$90,812</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, 2019

| | <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>\$22,000</u> | <u>\$22,000</u> | <u>\$23,656</u> | <u>\$1,656</u> |
| Total Revenues | <u>22,000</u> | <u>22,000</u> | <u>23,656</u> | <u>1,656</u> |
| EXPENDITURES: | | | | |
| Judicial -Municipal Court | | | | |
| General Government | | | | |
| Services and Supplies | <u>50,000</u> | <u>50,000</u> | <u>26,600</u> | <u>23,400</u> |
| Total Expenditures | <u>50,000</u> | <u>50,000</u> | <u>26,600</u> | <u>23,400</u> |
| NET CHANGE IN FUND BALANCE | (28,000) | (28,000) | (2,944) | 25,056 |
| FUND BALANCE BEGINNING OF YEAR | <u>33,936</u> | <u>33,936</u> | <u>33,936</u> | <u>0</u> |
| FUND BALANCE END OF YEAR | <u>\$5,936</u> | <u>\$5,936</u> | <u>\$30,992</u> | <u>\$25,056</u> |

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL
MUNICIPAL PROBATION SERVICES FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

| | <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>\$110,000</u> | <u>\$110,000</u> | <u>\$135,997</u> | <u>\$25,997</u> |
| Total Revenues | <u>110,000</u> | <u>110,000</u> | <u>135,997</u> | <u>25,997</u> |
| EXPENDITURES: | | | | |
| Judicial -Municipal Court | | | | |
| General Government | | | | |
| Personal Services | 0 | 61,500 | 61,500 | 0 |
| Services and Supplies | <u>120,000</u> | <u>58,500</u> | <u>11,767</u> | <u>46,733</u> |
| Total Expenditures | <u>120,000</u> | <u>120,000</u> | <u>73,267</u> | <u>46,733</u> |
| NET CHANGE IN FUND BALANCE | (10,000) | (10,000) | 62,730 | 72,730 |
| FUND BALANCE BEGINNING OF YEAR | <u>43,258</u> | <u>43,258</u> | <u>43,258</u> | 0 |
| FUND BALANCE END OF YEAR | <u>\$33,258</u> | <u>\$33,258</u> | <u>\$105,988</u> | <u>\$72,730</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, 2019

| | <u>BUDGETED AMOUNTS</u> | | | VARIANCE WITH |
|--------------------------------|-------------------------|-----------------|-----------------|--|
| | <u>ORIGINAL</u> | <u>FINAL</u> | <u>ACTUAL</u> | FINAL BUDGET POSITIVE (NEGATIVE) |
| REVENUES: | | | | |
| Charges for Services | <u>\$3,000</u> | <u>\$3,000</u> | <u>\$15,600</u> | <u>\$12,600</u> |
| Total Revenues | <u>3,000</u> | <u>3,000</u> | <u>15,600</u> | <u>12,600</u> |
| EXPENDITURES: | | | | |
| Executive-Mayor | | | | |
| Community Environment | | | | |
| Services and Supplies | <u>25,000</u> | <u>25,000</u> | <u>21,355</u> | <u>3,645</u> |
| Total Expenditures | <u>25,000</u> | <u>25,000</u> | <u>21,355</u> | <u>3,645</u> |
| NET CHANGE IN FUND BALANCE | (22,000) | (22,000) | (5,755) | 16,245 |
| FUND BALANCE BEGINNING OF YEAR | <u>55,860</u> | <u>55,860</u> | <u>55,860</u> | <u>0</u> |
| FUND BALANCE END OF YEAR | <u>\$33,860</u> | <u>\$33,860</u> | <u>\$50,105</u> | <u>\$16,245</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, 2019

| | <u>BUDGETED AMOUNTS</u> | | | VARIANCE WITH |
|---|-------------------------|-----------------|-----------------|---|
| | <u>ORIGINAL</u> | <u>FINAL</u> | <u>ACTUAL</u> | FINAL BUDGET POSITIVE <u>(NEGATIVE)</u> |
| REVENUES: | | | | |
| Intergovernmental | <u>\$58,400</u> | <u>\$58,400</u> | <u>\$58,229</u> | <u>(\$171)</u> |
| Total Revenues | <u>58,400</u> | <u>58,400</u> | <u>58,229</u> | <u>(171)</u> |
| EXPENDITURES: | | | | |
| Executive-Mayor | | | | |
| Security of Persons and Property | | | | |
| Personal Services | 69,802 | 69,802 | 69,260 | 542 |
| Services and Supplies | <u>2,417</u> | <u>2,417</u> | <u>2,167</u> | <u>250</u> |
| Total Expenditures | <u>72,219</u> | <u>72,219</u> | <u>71,427</u> | <u>792</u> |
| Excess of Revenues Over (Under) Expenditures | (13,819) | (13,819) | (13,198) | 621 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers In | <u>10,000</u> | <u>10,000</u> | <u>10,000</u> | <u>0</u> |
| Total Other Financing Sources (Uses) | <u>10,000</u> | <u>10,000</u> | <u>10,000</u> | <u>0</u> |
| NET CHANGE IN FUND BALANCE | (3,819) | (3,819) | (3,198) | 621 |
| FUND BALANCE BEGINNING OF YEAR | <u>20,518</u> | <u>20,518</u> | <u>20,518</u> | <u>0</u> |
| FUND BALANCE END OF YEAR | <u>\$16,699</u> | <u>\$16,699</u> | <u>\$17,320</u> | <u>\$621</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, 2019

| | <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>\$1,000</u> | <u>\$1,000</u> | <u>\$0</u> | <u>(\$1,000)</u> |
| Total Revenues | <u>1,000</u> | <u>1,000</u> | <u>0</u> | <u>(1,000)</u> |
| EXPENDITURES: | | | | |
| Executive-Mayor | | | | |
| Security of Persons and Property | | | | |
| Services and Supplies | <u>19,000</u> | <u>19,000</u> | <u>15,059</u> | <u>3,941</u> |
| Total Expenditures | <u>19,000</u> | <u>19,000</u> | <u>15,059</u> | <u>3,941</u> |
| NET CHANGE IN FUND BALANCE | (18,000) | (18,000) | (15,059) | 2,941 |
| FUND BALANCE BEGINNING OF YEAR | <u>34,586</u> | <u>34,586</u> | <u>34,586</u> | <u>0</u> |
| FUND BALANCE END OF YEAR | <u>\$16,586</u> | <u>\$16,586</u> | <u>\$19,527</u> | <u>\$2,941</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, 2019

| | <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>\$609,791</u> | <u>\$609,791</u> | <u>\$648,169</u> | <u>\$38,378</u> |
| Total Revenues | <u>609,791</u> | <u>609,791</u> | <u>648,169</u> | <u>38,378</u> |
| EXPENDITURES: | | | | |
| Executive-Mayor | | | | |
| Security of Persons and Property | | | | |
| Services and Supplies | <u>622,000</u> | <u>622,000</u> | <u>579,699</u> | <u>42,301</u> |
| Total Expenditures | <u>622,000</u> | <u>622,000</u> | <u>579,699</u> | <u>42,301</u> |
| NET CHANGE IN FUND BALANCE | (12,209) | (12,209) | 68,470 | 80,679 |
| FUND BALANCE BEGINNING OF YEAR | <u>130,480</u> | <u>130,480</u> | <u>130,480</u> | <u>0</u> |
| FUND BALANCE END OF YEAR | <u>\$118,271</u> | <u>\$118,271</u> | <u>\$198,950</u> | <u>\$80,679</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, 2019

| | <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>\$0</u> | <u>\$0</u> | <u>\$13,870</u> | <u>\$13,870</u> |
| Total Revenues | <u>0</u> | <u>0</u> | <u>13,870</u> | <u>13,870</u> |
| FUND BALANCE BEGINNING OF YEAR | <u>338,262</u> | <u>338,262</u> | <u>338,262</u> | <u>0</u> |
| FUND BALANCE END OF YEAR | <u>\$338,262</u> | <u>\$338,262</u> | <u>\$352,132</u> | <u>\$13,870</u> |

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN FUND EQUITY - BUDGET (Non-GAAP Basis) AND ACTUAL
WORKERS' COMPENSATION RETRO RATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

| | <u>BUDGETED AMOUNTS</u> | | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|-------------------------------|-------------------------|------------------|------------------|---|
| | <u>ORIGINAL</u> | <u>FINAL</u> | <u>ACTUAL</u> | <u>(NEGATIVE)</u> |
| REVENUES: | | | | |
| Charges for Services | \$0 | \$0 | \$0 | \$0 |
| Total Revenues | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| EXPENSES: | | | | |
| Claims | 10,000 | 10,000 | 0 | 10,000 |
| Contract Services | <u>20,000</u> | <u>20,000</u> | <u>7,992</u> | <u>12,008</u> |
| Total Expenses | <u>30,000</u> | <u>30,000</u> | <u>7,992</u> | <u>22,008</u> |
| NET CHANGE IN FUND EQUITY | (30,000) | (30,000) | (7,992) | 22,008 |
| FUND EQUITY BEGINNING OF YEAR | <u>378,932</u> | <u>378,932</u> | <u>378,932</u> | <u>0</u> |
| FUND EQUITY END OF YEAR | <u>\$348,932</u> | <u>\$348,932</u> | <u>\$370,940</u> | <u>\$22,008</u> |

Combining Statements – Fiduciary Funds

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. The City has only agency funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

AGENCY FUNDS

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 CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

| | <u>BALANCE</u> <u>1/1/2019</u> | <u>ADDITIONS</u> | <u>DEDUCTIONS</u> | <u>BALANCE</u> <u>12/31/2019</u> |
|--|-----------------------------------|--------------------|--------------------|-------------------------------------|
| DEPOSITS & INSPECTIONS | | | | |
| ASSETS | | | | |
| Equity in City Treasury Cash and Investments | \$2,066,188 | \$811,399 | \$789,473 | \$2,088,114 |
| TOTAL ASSETS | <u>\$2,066,188</u> | <u>\$811,399</u> | <u>\$789,473</u> | <u>\$2,088,114</u> |
| LIABILITIES | | | | |
| Accounts Payable | \$2,066,058 | \$807,265 | \$785,581 | \$2,087,742 |
| Intergovernmental Payable | <u>130</u> | <u>4,134</u> | <u>3,892</u> | <u>372</u> |
| TOTAL LIABILITIES | <u>\$2,066,188</u> | <u>\$811,399</u> | <u>\$789,473</u> | <u>\$2,088,114</u> |
| MUNICIPAL COURT | | | | |
| ASSETS | | | | |
| Equity in City Treasury Cash and Investments | \$382,902 | \$5,338,073 | \$5,380,146 | \$340,829 |
| Accounts Receivable | <u>372,130</u> | <u>334,232</u> | <u>372,130</u> | <u>334,232</u> |
| TOTAL ASSETS | <u>\$755,032</u> | <u>\$5,672,305</u> | <u>\$5,752,276</u> | <u>\$675,061</u> |
| LIABILITIES | | | | |
| Accounts Payable | \$74,426 | \$1,615,215 | \$1,617,818 | \$71,823 |
| Deposits Held and Due to Others | 195,684 | 2,546,611 | 2,542,022 | 200,273 |
| Intergovernmental Payable | <u>484,922</u> | <u>1,510,479</u> | <u>1,592,436</u> | <u>402,965</u> |
| TOTAL LIABILITIES | <u>\$755,032</u> | <u>\$5,672,305</u> | <u>\$5,752,276</u> | <u>\$675,061</u> |
| TOTALS - ALL AGENCY FUNDS | | | | |
| ASSETS | | | | |
| Equity in City Treasury Cash and Investments | \$2,449,090 | \$6,149,472 | \$6,169,619 | \$2,428,943 |
| Accounts Receivable | <u>372,130</u> | <u>334,232</u> | <u>372,130</u> | <u>334,232</u> |
| TOTAL ASSETS | <u>\$2,821,220</u> | <u>\$6,483,704</u> | <u>\$6,541,749</u> | <u>\$2,763,175</u> |
| LIABILITIES | | | | |
| Accounts Payable | \$2,140,484 | \$2,422,480 | \$2,403,399 | \$2,159,565 |
| Deposits Held and Due to Others | 195,684 | 2,546,611 | 2,542,022 | 200,273 |
| Intergovernmental Payable | <u>485,052</u> | <u>1,514,613</u> | <u>1,596,328</u> | <u>403,337</u> |
| TOTAL LIABILITIES | <u>\$2,821,220</u> | <u>\$6,483,704</u> | <u>\$6,541,749</u> | <u>\$2,763,175</u> |



The City of Willoughby™



Statistical Information

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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. | S2-S7 |
| <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. | S8-S12 |
| <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. | S13-S17 |
| <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. | S18-S19 |
| <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. | S20-S22 |

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| GOVERNMENTAL ACTIVITIES | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 48,774,106 | \$ 47,342,597 | \$ 44,429,348 | \$ 43,410,155 | \$ 43,002,813 | \$ 41,766,961 | \$ 42,414,005 | \$ 39,878,972 | \$ 42,218,153 | \$ 41,631,891 |
| Restricted For: | | | | | | | | | | |
| Capital Projects | 3,307,452 | 3,694,234 | 3,795,721 | 4,517,468 | 4,551,447 | 4,641,758 | 3,975,206 | 8,444,025 | 5,373,603 | 2,113,989 |
| Debt Service | 4,244,518 | 4,383,732 | 5,020,933 | 4,742,562 | 1,627,384 | 1,469,369 | 1,429,996 | 1,234,186 | 1,127,774 | 1,142,831 |
| Street Construction Maintenance and Repair | 1,736,308 | 1,885,412 | 1,811,957 | 1,528,946 | 1,281,108 | 1,340,773 | 1,239,018 | 1,142,318 | 1,763,066 | 2,279,659 |
| Security of Persons | 1,126,261 | 1,221,784 | 1,093,389 | 1,002,049 | 905,693 | 866,983 | 860,345 | 905,501 | 678,980 | 1,057,677 |
| Municipal Court | 669,598 | 671,589 | 730,153 | 832,528 | 867,856 | 858,165 | 810,947 | 787,252 | 1,005,169 | 1,106,180 |
| Other Purposes | 104,333 | 84,501 | 161,107 | 211,471 | 286,996 | 224,974 | 201,139 | 150,780 | 169,557 | 177,013 |
| Permanent Fund Purpose | 237,632 | 249,392 | 262,752 | 272,412 | 285,172 | 296,612 | 308,592 | 323,872 | 338,262 | 352,372 |
| Unrestricted (Deficit) | <u>6,869,305</u> | <u>7,662,510</u> | <u>8,602,908</u> | <u>9,307,605</u> | <u>(13,082,117)</u> | <u>(14,365,660)</u> | <u>(15,406,677)</u> | <u>(39,137,558)</u> | <u>(44,017,035)</u> | <u>(31,850,688)</u> |
| Total Governmental Activities Net Position | <u>67,069,513</u> | <u>67,195,751</u> | <u>65,908,268</u> | <u>65,825,196</u> | <u>39,726,352</u> | <u>37,099,935</u> | <u>35,832,571</u> | <u>13,729,348</u> | <u>8,657,529</u> | <u>18,010,924</u> |
| BUSINESS-TYPE ACTIVITIES: | | | | | | | | | | |
| Net Investment in Capital Assets | 32,076,339 | 32,503,232 | 33,796,268 | 33,308,740 | 25,339,422 | 25,317,880 | 26,403,085 | 26,048,001 | 25,519,061 | 25,451,992 |
| Restricted For: | | | | | | | | | | |
| Equipment Replacement | 299,521 | 292,434 | 336,365 | 344,404 | 288,260 | 602,344 | 364,687 | 585,667 | 790,308 | 656,174 |
| Unrestricted (Deficit) | <u>(2,921,515)</u> | <u>(3,678,640)</u> | <u>(3,287,335)</u> | <u>(3,302,658)</u> | <u>(670,235)</u> | <u>(481,444)</u> | <u>(804,820)</u> | <u>(2,033,919)</u> | <u>(1,251,030)</u> | <u>(1,822,428)</u> |
| Total Business-type Activities Net Position | <u>29,454,345</u> | <u>29,117,026</u> | <u>30,845,298</u> | <u>30,350,486</u> | <u>24,957,447</u> | <u>25,438,780</u> | <u>25,962,952</u> | <u>24,599,749</u> | <u>25,058,339</u> | <u>24,285,738</u> |
| PRIMARY GOVERNMENT | | | | | | | | | | |
| Net Investment in Capital Assets | 80,850,445 | 79,845,829 | 78,225,616 | 76,718,895 | 68,342,235 | 67,084,841 | 68,817,090 | 65,926,973 | 67,737,214 | 67,083,883 |
| Restricted For: | | | | | | | | | | |
| Capital Projects | 3,307,452 | 3,694,234 | 3,795,721 | 4,517,468 | 4,551,447 | 4,641,758 | 3,975,206 | 8,444,025 | 5,373,603 | 2,113,989 |
| Debt Service | 4,244,518 | 4,383,732 | 5,020,933 | 4,742,562 | 1,627,384 | 1,469,369 | 1,429,996 | 1,234,186 | 1,127,774 | 1,142,831 |
| Equipment Replacement | 299,521 | 292,434 | 336,365 | 344,404 | 288,260 | 602,344 | 364,687 | 585,667 | 790,308 | 656,174 |
| Street Construction Maintenance and Repair | 1,736,308 | 1,885,412 | 1,811,957 | 1,528,946 | 1,281,108 | 1,340,773 | 1,239,018 | 1,142,318 | 1,763,066 | 2,279,659 |
| Security of Persons | 1,126,261 | 1,221,784 | 1,093,389 | 1,002,049 | 905,693 | 866,983 | 860,345 | 905,501 | 678,980 | 1,057,677 |
| Municipal Court | 669,598 | 671,589 | 730,153 | 832,528 | 867,856 | 858,165 | 810,947 | 787,252 | 1,005,169 | 1,106,180 |
| Other Purposes | 104,333 | 84,501 | 161,107 | 211,471 | 286,996 | 224,974 | 201,139 | 150,780 | 169,557 | 177,013 |
| Permanent Fund Purpose | 237,632 | 249,392 | 262,752 | 272,412 | 285,172 | 296,612 | 308,592 | 323,872 | 338,262 | 352,372 |
| Unrestricted (Deficit) | <u>3,947,790</u> | <u>3,983,870</u> | <u>5,315,573</u> | <u>6,004,947</u> | <u>(13,752,352)</u> | <u>(14,847,104)</u> | <u>(16,211,497)</u> | <u>(41,171,477)</u> | <u>(45,268,065)</u> | <u>(33,673,116)</u> |
| Total Primary Government Net Position | <u>\$ 96,523,858</u> | <u>\$ 96,312,777</u> | <u>\$ 96,753,566</u> | <u>\$ 96,175,682</u> | <u>\$ 64,683,799</u> | <u>\$ 62,538,715</u> | <u>\$ 61,795,523</u> | <u>\$ 38,329,097</u> | <u>\$ 33,715,868</u> | <u>\$ 42,296,662</u> |

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

(continued on following page)

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| PROGRAM REVENUES | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| General Government | \$ 2,543,003 | \$ 2,351,564 | \$ 2,446,009 | \$ 2,867,693 | \$ 2,937,530 | \$ 2,402,903 | \$ 2,335,620 | \$ 2,347,217 | \$ 2,685,067 | \$ 2,618,104 |
| Security of Persons and Property | 1,706,581 | 1,619,538 | 1,566,154 | 1,608,153 | 1,615,817 | 1,513,233 | 1,694,934 | 1,610,882 | 1,657,602 | 1,809,928 |
| Public Health and Welfare | 73,428 | 82,620 | 88,306 | 71,609 | 79,135 | 80,953 | 82,768 | 95,195 | 95,355 | 92,315 |
| Community Environment | 280,372 | 292,869 | 331,712 | 376,518 | 344,207 | 314,546 | 309,840 | 312,957 | 364,262 | 440,462 |
| Leisure Time Activities | 503,131 | 537,580 | 561,386 | 540,582 | 582,348 | 614,868 | 696,126 | 637,174 | 722,853 | 706,069 |
| Transportation | 1,795 | 1,211 | 1,485 | 343 | 1,000 | 979 | 500 | 900 | 2,251 | 2,466 |
| Basic Utility Services | 0 | 50 | 45 | 0 | 0 | 0 | 75 | 9 | 4 | 0 |
| Operating Grants, Contributions and Interest | 112,956 | 593,812 | 64,819 | 77,602 | 89,383 | 96,446 | 196,618 | 162,052 | 208,667 | 196,917 |
| Capital Grants and Contributions | 8,963,623 | 119,678 | 442,498 | 337,390 | 1,164,364 | 336,200 | 2,149,507 | 4,507,839 | 849,776 | 550,505 |
| Total Governmental Activities Program Revenues | <u>14,184,889</u> | <u>5,598,922</u> | <u>5,502,414</u> | <u>5,879,890</u> | <u>6,813,784</u> | <u>5,360,128</u> | <u>7,465,988</u> | <u>9,674,225</u> | <u>6,585,837</u> | <u>6,416,766</u> |
| Business-type Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| Golf Course | 700,250 | 772,561 | 925,495 | 849,164 | 894,787 | 923,212 | 903,021 | 865,255 | 798,371 | 801,432 |
| Sewer | 4,227,428 | 4,668,672 | 4,890,932 | 4,770,815 | 4,866,152 | 5,574,296 | 5,449,502 | 5,513,633 | 5,860,235 | 5,285,831 |
| Airport | 175,369 | 176,878 | 176,887 | 180,116 | 122,105 | 0 | 0 | 0 | 0 | 0 |
| Capital Grants and Contributions | 966,346 | 470,256 | 272,009 | 82,940 | 390,690 | 309,023 | 625,078 | 492,090 | 307,158 | 273,332 |
| Total Business-type Activities Program Revenues | <u>6,069,393</u> | <u>6,088,367</u> | <u>6,265,323</u> | <u>5,883,035</u> | <u>6,273,734</u> | <u>6,806,531</u> | <u>6,977,601</u> | <u>6,870,978</u> | <u>6,965,764</u> | <u>6,360,595</u> |
| Total Primary Government Program Revenues | <u>20,254,282</u> | <u>11,687,289</u> | <u>11,767,737</u> | <u>11,762,925</u> | <u>13,087,518</u> | <u>12,166,659</u> | <u>14,443,589</u> | <u>16,545,203</u> | <u>13,551,601</u> | <u>12,777,361</u> |
| EXPENSES | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| General Government | 7,349,232 | 7,422,339 | 6,799,745 | 7,134,225 | 7,458,826 | 7,437,293 | 7,502,423 | 7,615,451 | 8,821,326 | 10,186,960 |
| Security of Persons and Property | 14,401,962 | 14,533,487 | 14,516,764 | 14,830,891 | 14,840,214 | 15,543,902 | 16,929,668 | 17,114,368 | 18,748,837 | 3,974,889 |
| Public Health and Welfare | 503,663 | 445,762 | 400,280 | 406,384 | 400,411 | 410,397 | 472,575 | 450,245 | 497,933 | 554,134 |
| Community Environment | 945,027 | 892,978 | 843,269 | 897,265 | 1,065,716 | 886,979 | 960,453 | 1,138,817 | 1,111,839 | 1,316,403 |
| Leisure Time Activities | 2,265,276 | 2,129,458 | 2,005,597 | 2,061,913 | 2,179,241 | 2,246,715 | 2,303,814 | 2,469,539 | 2,518,170 | 2,862,610 |
| Transportation | 3,331,613 | 3,875,203 | 3,529,728 | 4,180,207 | 4,213,609 | 4,552,886 | 4,568,262 | 5,075,949 | 4,603,627 | 4,945,741 |
| Basic Utility Services | 1,666,146 | 1,747,166 | 1,121,995 | 547,308 | 458,768 | 539,358 | 685,382 | 575,820 | 626,253 | 581,467 |
| Interest and Fiscal Charges | 522,732 | 491,465 | 626,291 | 441,687 | 391,880 | 356,904 | 288,750 | 388,916 | 446,419 | 377,763 |
| Total Governmental Activities Expenses | <u>30,985,651</u> | <u>31,537,858</u> | <u>29,843,669</u> | <u>30,499,880</u> | <u>31,008,665</u> | <u>31,974,434</u> | <u>33,711,327</u> | <u>34,829,105</u> | <u>37,374,404</u> | <u>24,799,967</u> |
| Business-type Activities: | | | | | | | | | | |
| Golf Course | 998,249 | 997,471 | 965,662 | 888,341 | 916,507 | 951,386 | 990,974 | 1,069,914 | 1,017,504 | 1,084,040 |
| Sewer | 5,324,757 | 5,245,572 | 5,026,112 | 5,276,637 | 5,327,839 | 5,401,340 | 5,493,683 | 5,757,642 | 5,625,699 | 6,283,417 |
| Airport | 469,108 | 265,534 | 274,298 | 225,491 | 205,311 | 0 | 0 | 0 | 0 | 0 |
| Total Business-type Activities Expenses | <u>6,792,114</u> | <u>6,508,577</u> | <u>6,266,072</u> | <u>6,390,469</u> | <u>6,449,657</u> | <u>6,352,726</u> | <u>6,484,657</u> | <u>6,827,556</u> | <u>6,643,203</u> | <u>7,367,457</u> |
| Total Primary Government Expenses | <u>37,777,765</u> | <u>38,046,435</u> | <u>36,109,741</u> | <u>36,890,349</u> | <u>37,458,322</u> | <u>38,327,160</u> | <u>40,195,984</u> | <u>41,656,661</u> | <u>44,017,607</u> | <u>32,167,424</u> |
| NET (EXPENSE)/REVENUE | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Governmental Activities | (16,800,762) | (25,938,936) | (24,341,255) | (24,619,990) | (24,194,881) | (26,614,306) | (26,245,339) | (25,154,880) | (30,788,567) | (18,383,201) |
| Business-Type Activities: | | | | | | | | | | |
| Business-type Activities | (722,721) | (420,210) | (749) | (507,434) | (175,923) | 453,805 | 492,944 | 43,422 | 322,561 | (1,006,862) |
| Total Primary Government | <u>\$ (17,523,483)</u> | <u>\$ (26,359,146)</u> | <u>\$ (24,342,004)</u> | <u>\$ (25,127,424)</u> | <u>\$ (24,370,804)</u> | <u>\$ (26,160,501)</u> | <u>\$ (25,752,395)</u> | <u>\$ (25,111,458)</u> | <u>\$ (30,466,006)</u> | <u>\$ (19,390,063)</u> |

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

(continued)

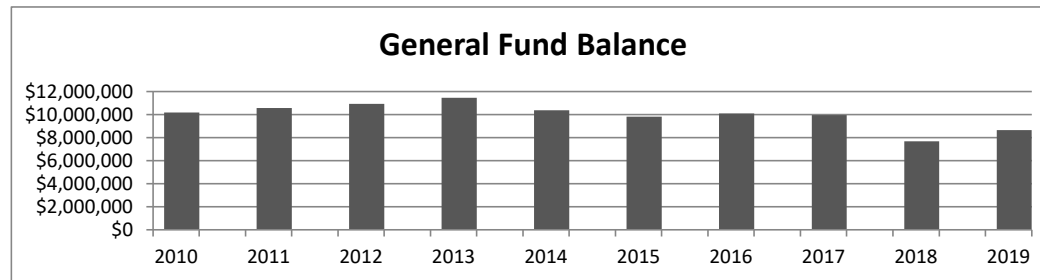
| | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|---|---------------------|---------------------|-------------------|---------------------|-----------------------|-----------------------|---------------------|-----------------------|-----------------------|---------------------|
| GENERAL REVENUES AND OTHER CHANGES IN NET POSITION | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Property Taxes | \$ 3,598,753 | \$ 3,719,056 | \$ 3,480,738 | \$ 3,214,958 | \$ 3,327,083 | \$ 3,350,028 | \$ 3,397,560 | \$ 3,376,083 | \$ 3,487,016 | \$ 3,703,708 |
| Income Taxes | 14,209,122 | 15,419,498 | 16,859,759 | 17,200,573 | 16,853,951 | 17,007,870 | 17,483,183 | 16,591,378 | 18,399,404 | 19,733,618 |
| Other Taxes | 779,056 | 857,741 | 860,379 | 853,949 | 834,896 | 892,082 | 836,780 | 895,671 | 902,640 | 875,187 |
| Unrestricted Grants, Entitlements and Contributions | 4,795,991 | 5,936,611 | 3,427,327 | 3,079,431 | 2,547,469 | 2,640,770 | 2,754,687 | 2,513,138 | 2,524,103 | 2,893,444 |
| Gain on Sale of Capital Assets | 23,434 | 0 | 0 | 10,587 | 0 | 211,820 | 0 | 0 | 0 | 0 |
| Investment Earnings | 236,115 | 194,153 | 124,318 | 166,562 | 142,037 | 329,411 | 287,566 | 310,307 | 463,076 | 645,496 |
| Miscellaneous | 31,463 | 13,115 | 15,938 | 10,858 | 2,367 | 5,625 | 218,199 | 38,625 | 40,509 | 35,143 |
| Transfers | (145,000) | (75,000) | (1,714,687) | 0 | (4,472,462) | 0 | 0 | 0 | (100,000) | (150,000) |
| Total Governmental Activities | <u>23,528,934</u> | <u>26,065,174</u> | <u>23,053,772</u> | <u>24,536,918</u> | <u>19,235,341</u> | <u>24,437,606</u> | <u>24,977,975</u> | <u>23,725,202</u> | <u>25,716,748</u> | <u>27,736,596</u> |
| Business-type Activities: | | | | | | | | | | |
| Gain on Sale of Capital Assets | 7,022 | 0 | 0 | 1,144 | 2,170 | 0 | 0 | 0 | 0 | 0 |
| Investment Earnings | 1,378 | 2,537 | 2,799 | 322 | 91 | 3,988 | 9,347 | 4,719 | 36,029 | 75,147 |
| Miscellaneous | 1,823 | 5,354 | 11,535 | 11,156 | 6,954 | 23,540 | 21,881 | 0 | 0 | 9,114 |
| Special Item | 0 | 0 | 0 | 0 | (8,123,476) | 0 | 0 | 0 | 0 | 0 |
| Transfers | 145,000 | 75,000 | 1,714,687 | 0 | 4,472,462 | 0 | 0 | 0 | 100,000 | 150,000 |
| Total Business-type Activities | <u>155,223</u> | <u>82,891</u> | <u>1,729,021</u> | <u>12,622</u> | <u>(3,641,799)</u> | <u>27,528</u> | <u>31,228</u> | <u>4,719</u> | <u>136,029</u> | <u>234,261</u> |
| Total Primary Government | <u>23,684,157</u> | <u>26,148,065</u> | <u>24,782,793</u> | <u>24,549,540</u> | <u>15,593,542</u> | <u>24,465,134</u> | <u>25,009,203</u> | <u>23,729,921</u> | <u>25,852,777</u> | <u>27,970,857</u> |
| CHANGE IN NET POSITION | | | | | | | | | | |
| Governmental Activities | 6,728,172 | 126,238 | (1,287,483) | (83,072) | (4,959,540) | (2,176,700) | (1,267,364) | (1,429,678) | (5,071,819) | 9,353,395 |
| Business-type Activities | (567,498) | (337,319) | 1,728,272 | (494,812) | (3,817,722) | 481,333 | 524,172 | 48,141 | 458,590 | (772,601) |
| Total Primary Government | <u>\$ 6,160,674</u> | <u>\$ (211,081)</u> | <u>\$ 440,789</u> | <u>\$ (577,884)</u> | <u>\$ (8,777,262)</u> | <u>\$ (1,695,367)</u> | <u>\$ (743,192)</u> | <u>\$ (1,381,537)</u> | <u>\$ (4,613,229)</u> | <u>\$ 8,580,794</u> |

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

| Year | Municipal Income Taxes | Property and Other Local Taxes | Total |
|-------------|-----------------------------------|---|--------------|
| 2010 | \$14,209,122 | \$4,377,809 | \$18,586,931 |
| 2011 | \$15,419,498 | \$4,576,797 | \$19,996,295 |
| 2012 | \$16,859,759 | \$4,341,117 | \$21,200,876 |
| 2013 | \$17,200,573 | \$4,068,907 | \$21,269,480 |
| 2014 | \$16,853,951 | \$4,161,979 | \$21,015,930 |
| 2015 | \$17,007,870 | \$4,242,110 | \$21,249,980 |
| 2016 | \$17,483,183 | \$4,234,340 | \$21,717,523 |
| 2017 | \$16,591,378 | \$4,271,754 | \$20,863,132 |
| 2018 | \$18,399,404 | \$4,389,656 | \$22,789,060 |
| 2019 | \$19,733,618 | \$4,578,895 | \$24,312,513 |

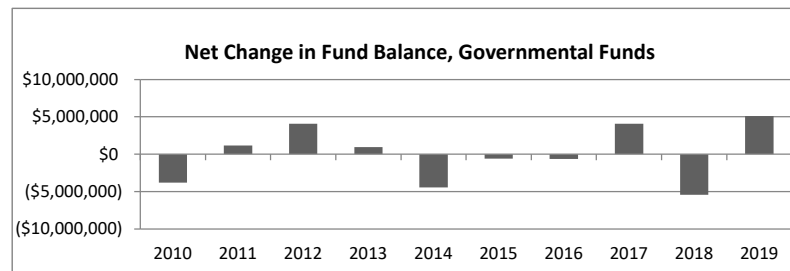
CITY OF WILLOUGHBY, OHIO
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS
(Modified Accrual Basis of Accounting)

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND | | | | | | | | | | |
| Nonspendable | \$ 1,483,214 | \$ 1,470,320 | \$ 1,480,683 | \$ 1,472,475 | \$ 136,415 | \$ 135,888 | \$ 129,890 | \$ 233,077 | \$ 243,208 | \$ 223,265 |
| Assigned | 1,675,905 | 2,018,544 | 2,082,503 | 1,994,144 | 1,930,782 | 1,839,296 | 1,526,179 | 1,388,680 | 1,217,145 | 1,037,811 |
| Unassigned | <u>7,034,921</u> | <u>7,081,821</u> | <u>7,362,945</u> | <u>7,992,549</u> | <u>8,306,407</u> | <u>7,837,054</u> | <u>8,447,098</u> | <u>8,343,658</u> | <u>6,223,001</u> | <u>7,388,510</u> |
| Total General Fund | <u>10,194,040</u> | <u>10,570,685</u> | <u>10,926,131</u> | <u>11,459,168</u> | <u>10,373,604</u> | <u>9,812,238</u> | <u>10,103,167</u> | <u>9,965,415</u> | <u>7,683,354</u> | <u>8,649,586</u> |
| CAPITAL PROJECTS FUND | | | | | | | | | | |
| Restricted | 11,644 | 15,079 | 8,225 | 8,420 | 21,675 | 9,191 | 365,143 | 8,965 | 8,594 | 9,638 |
| Committed | 352,891 | 342,214 | 400,168 | 486,407 | 491,502 | 1,083,833 | 824,232 | 6,842,900 | 3,912,001 | 3,121,899 |
| Unassigned(Deficit) | <u>(5,947,617)</u> | <u>(5,335,101)</u> | <u>(2,215,480)</u> | <u>(1,566,991)</u> | <u>(1,632,996)</u> | <u>(2,115,543)</u> | <u>(2,835,657)</u> | <u>(4,050,375)</u> | <u>(4,783,130)</u> | <u>(861,026)</u> |
| Total Capital Projects Fund | <u>(5,583,082)</u> | <u>(4,977,808)</u> | <u>(1,807,087)</u> | <u>(1,072,164)</u> | <u>(1,119,819)</u> | <u>(1,022,519)</u> | <u>(1,646,282)</u> | <u>2,801,490</u> | <u>(862,535)</u> | <u>2,270,511</u> |
| GENERAL BOND RETIREMENT FUND | | | | | | | | | | |
| Restricted | <u>3,768,169</u> | <u>3,877,475</u> | <u>4,563,414</u> | <u>4,292,735</u> | <u>1,196,008</u> | <u>1,045,106</u> | <u>1,139,973</u> | <u>1,060,018</u> | <u>1,046,328</u> | <u>1,042,565</u> |
| Total General Bond Retirement Fund | <u>3,768,169</u> | <u>3,877,475</u> | <u>4,563,414</u> | <u>4,292,735</u> | <u>1,196,008</u> | <u>1,045,106</u> | <u>1,139,973</u> | <u>1,060,018</u> | <u>1,046,328</u> | <u>1,042,565</u> |
| ALL OTHER GOVERNMENTAL FUNDS | | | | | | | | | | |
| Nonspendable | 340,440 | 361,719 | 461,962 | 343,076 | 372,692 | 411,052 | 480,199 | 353,971 | 438,905 | 457,360 |
| Restricted | <u>3,223,620</u> | <u>3,273,396</u> | <u>3,124,478</u> | <u>3,064,926</u> | <u>2,830,772</u> | <u>2,865,715</u> | <u>2,448,183</u> | <u>2,278,505</u> | <u>2,810,632</u> | <u>3,772,731</u> |
| Total All Other Governmental Funds | <u>3,564,060</u> | <u>3,635,115</u> | <u>3,586,440</u> | <u>3,408,002</u> | <u>3,203,464</u> | <u>3,276,767</u> | <u>2,928,382</u> | <u>2,632,476</u> | <u>3,249,537</u> | <u>4,230,091</u> |
| Total Governmental Funds | <u>\$ 11,943,187</u> | <u>\$ 13,105,467</u> | <u>\$ 17,268,898</u> | <u>\$ 18,087,741</u> | <u>\$ 13,653,257</u> | <u>\$ 13,111,592</u> | <u>\$ 12,525,240</u> | <u>\$ 16,459,399</u> | <u>\$ 11,116,684</u> | <u>\$ 16,192,753</u> |



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

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|-----------------------|---------------------|---------------------|-------------------|-----------------------|---------------------|---------------------|---------------------|-----------------------|---------------------|
| REVENUES: | | | | | | | | | | |
| Municipal Income Taxes | \$ 14,635,589 | \$ 15,125,338 | \$ 16,115,830 | \$ 17,014,038 | \$ 16,999,234 | \$ 17,066,704 | \$ 17,181,979 | \$ 17,180,978 | \$ 17,959,082 | \$ 19,167,062 |
| Property and Other Local Taxes | 4,353,307 | 4,449,742 | 4,483,935 | 4,139,550 | 4,203,716 | 4,262,112 | 4,228,487 | 4,266,474 | 4,523,932 | 4,399,781 |
| Intergovernmental | 5,205,655 | 6,402,454 | 3,911,392 | 3,763,916 | 3,085,595 | 2,922,979 | 4,314,002 | 3,513,217 | 3,373,578 | 3,445,872 |
| Charges for Services | 1,594,327 | 1,665,892 | 1,685,770 | 1,687,575 | 1,716,354 | 1,709,529 | 1,836,471 | 1,730,880 | 1,950,811 | 2,025,497 |
| Special Assessments | 656,448 | 644,076 | 651,217 | 654,416 | 588,781 | 626,054 | 598,222 | 629,909 | 735,300 | 711,586 |
| Fines and Forfeitures | 2,601,731 | 2,398,512 | 2,461,843 | 2,612,863 | 2,641,781 | 2,435,825 | 2,430,897 | 2,378,768 | 2,666,376 | 2,610,410 |
| Licenses & Permits | 230,587 | 235,241 | 249,476 | 252,721 | 227,991 | 276,323 | 215,787 | 207,073 | 235,497 | 305,007 |
| Interest Income | 236,115 | 194,153 | 124,318 | 166,562 | 142,037 | 211,820 | 287,566 | 310,307 | 463,076 | 645,496 |
| Miscellaneous | 31,463 | 259,277 | 23,005 | 2,669 | 2,367 | 5,625 | 218,199 | 38,625 | 105,951 | 126,857 |
| Total Revenues | 29,545,222 | 31,374,685 | 29,706,786 | 30,294,310 | 29,607,856 | 29,516,971 | 31,311,610 | 30,256,231 | 32,013,603 | 33,437,568 |
| EXPENDITURES: | | | | | | | | | | |
| General Government | 7,122,688 | 7,088,810 | 6,445,748 | 6,782,463 | 6,732,698 | 6,865,789 | 6,824,872 | 6,784,024 | 8,211,149 | 6,992,697 |
| Security of Persons and Property | 13,529,358 | 13,810,804 | 14,120,745 | 14,189,824 | 14,278,036 | 14,666,021 | 15,050,954 | 15,117,698 | 15,733,227 | 15,916,551 |
| Public Health and Welfare | 484,620 | 478,626 | 390,500 | 392,920 | 387,280 | 397,013 | 473,152 | 452,561 | 466,016 | 496,041 |
| Community Environment | 924,697 | 904,169 | 820,394 | 879,567 | 1,094,601 | 901,068 | 943,207 | 1,040,727 | 1,018,334 | 1,100,098 |
| Leisure Time Activities | 1,900,596 | 1,766,657 | 1,806,323 | 1,764,362 | 1,871,385 | 1,903,359 | 1,921,982 | 1,976,147 | 2,053,276 | 2,087,132 |
| Transportation | 1,739,192 | 1,478,892 | 1,236,377 | 1,432,221 | 1,564,053 | 1,727,753 | 1,729,324 | 1,847,926 | 1,631,927 | 1,766,450 |
| Basic Utility Services | 1,249,364 | 1,283,005 | 718,336 | 137,709 | 48,438 | 80,343 | 196,657 | 73,251 | 116,085 | 68,095 |
| Capital Outlay | 4,838,874 | 1,902,397 | 2,637,979 | 2,324,908 | 2,215,365 | 2,375,170 | 3,378,882 | 2,982,131 | 6,873,002 | 4,978,756 |
| Debt Service: | | | | | | | | | | |
| Principal | 867,169 | 928,404 | 582,784 | 1,041,234 | 1,111,234 | 1,126,234 | 1,141,234 | 1,196,234 | 1,066,234 | 1,108,920 |
| Interest | 625,591 | 494,331 | 303,736 | 453,434 | 420,640 | 372,184 | 288,915 | 331,691 | 437,075 | 397,071 |
| Bond Issuance Costs | 111,425 | 0 | 229,294 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Expenditures | 33,393,574 | 30,136,095 | 29,292,216 | 29,398,642 | 29,723,730 | 30,414,934 | 31,949,179 | 31,802,390 | 37,606,325 | 34,911,811 |
| Excess of Revenues Over (Under) Expenditures | (3,848,352) | 1,238,590 | 414,570 | 895,668 | (115,874) | (897,963) | (637,569) | (1,546,159) | (5,592,722) | (1,474,243) |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | |
| Transfers In | 2,309,060 | 3,525,000 | 3,005,923 | 3,750,000 | 3,141,746 | 3,494,507 | 2,562,487 | 2,710,000 | 3,712,181 | 3,000,000 |
| Transfers Out | (2,454,060) | (3,600,000) | (4,720,610) | (3,750,000) | (7,464,208) | (3,494,507) | (2,562,487) | (2,710,000) | (3,812,181) | (3,150,000) |
| General Obligation Refunding Bonds Issued | 5,235,000 | 0 | 9,510,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| General Obligation Refunding Bonds Premium | 41,600 | 0 | 354,353 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Bond Anticipation Notes Issued | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5,620,000 | 5,615,000 | 12,010,000 |
| Bond Anticipation Notes Repaid | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (5,620,000) | (5,615,000) |
| Proceeds of Other Debt- StormWater | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 272,767 | 320,703 |
| Payment to Refunded Bond Escrow Agent | (5,135,556) | 0 | (4,594,158) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sale of Capital Assets | 41,000 | 390 | 96,260 | 59,020 | 0 | 329,411 | 0 | 0 | 0 | 0 |
| Total Other Financing Sources (Uses) | 37,044 | (74,610) | 3,651,768 | 59,020 | (4,322,462) | 329,411 | 0 | 5,620,000 | 167,767 | 6,565,703 |
| Net Change in Fund Balances | \$ (3,811,308) | \$ 1,163,980 | \$ 4,066,338 | \$ 954,688 | \$ (4,438,336) | \$ (568,552) | \$ (637,569) | \$ 4,073,841 | \$ (5,424,955) | \$ 5,091,460 |
| Debt Service as a Percentage of Noncapital Expenditures | 5.23% | 5.04% | 3.33% | 5.52% | 5.57% | 5.34% | 5.01% | 5.30% | 4.89% | 5.03% |



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

| Year | Municipal Income Taxes | Property & Other Local Taxes | Total |
|-------------|-----------------------------------|---|--------------|
| 2010 | \$14,635,589 | \$4,353,307 | \$18,988,896 |
| 2011 | \$15,125,338 | \$4,449,742 | \$19,575,080 |
| 2012 | \$16,115,830 | \$4,483,935 | \$20,599,765 |
| 2013 | \$17,014,038 | \$4,139,550 | \$21,153,588 |
| 2014 | \$16,999,234 | \$4,203,716 | \$21,202,950 |
| 2015 | \$17,066,704 | \$4,262,112 | \$21,328,816 |
| 2016 | \$17,181,979 | \$4,228,427 | \$21,410,406 |
| 2017 | \$17,180,978 | \$4,266,474 | \$21,447,452 |
| 2018 | \$17,959,082 | \$4,523,932 | \$22,483,014 |
| 2019 | \$19,167,062 | \$4,399,781 | \$23,566,843 |

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 |
|-----------------|----------------------------|-----------------------------|----------------------------|-----------------------------|-------------------|-----------------|
| 2010 | \$14,319,919 | \$11,285,595 | \$1,522,976 | \$1,331,516 | \$179,832 | 2.00% |
| 2011 | \$15,002,181 | \$11,546,649 | \$1,920,198 | \$1,330,095 | \$205,239 | 2.00% |
| 2012 | \$15,867,629 | \$12,058,152 | \$2,311,907 | \$1,321,524 | \$176,046 | 2.00% |
| 2013 | \$17,295,394 | \$12,425,332 | \$3,245,672 | \$1,438,824 | \$185,566 | 2.00% |
| 2014 | \$16,962,780 | \$12,581,948 | \$2,742,728 | \$1,429,657 | \$208,447 | 2.00% |
| 2015 | \$16,874,109 | \$12,620,567 | \$2,600,829 | \$1,408,597 | \$244,116 | 2.00% |
| 2016 | \$17,199,752 | \$12,730,500 | \$2,692,623 | \$1,479,920 | \$296,709 | 2.00% |
| 2017 | \$16,953,021 | \$12,933,423 | \$2,402,411 | \$1,388,858 | \$228,330 | 2.00% |
| 2018 | \$17,944,467 | \$13,629,927 | \$2,598,150 | \$1,400,969 | \$315,421 | 2.00% |
| 2019 | \$19,206,814 | \$14,125,208 | \$2,815,310 | \$1,704,573 | \$561,723 | 2.00% |

Source: Regional Income Tax Agency & State Net Profit

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

| 2019 | | 2010 | |
|-------------|----------------------------------|-------------|-----------------------------------|
| Rank | Name | Rank | Name |
| 1 | Lake Health | 1 | Lake Health (Lake West) |
| 2 | Willoughby-Eastlake City Schools | 2 | Willoughby-Eastlake City Schools |
| 3 | City of Willoughby | 3 | City of Willoughby |
| 4 | Ohio Living | 4 | Ohio Presbyterian-Breckenridge |
| 5 | HHC Ohio Inc | 5 | Horizon Mental Health Management |
| 6 | PrimeHealth Inc | 6 | Marous Brothers Construction |
| 7 | Marous Brothers Construction | 7 | Momentive Performance/GE Lighting |
| 8 | Bescast | 8 | Fluid Line Products |
| 9 | Bevcorp | 9 | Heartland Employment Services |
| 10 | Signature Health Inc | 10 | Bescast |

| Classification | 2019 | 2010 |
|--------------------------|--------------|--------------|
| Government | \$ 1,007,489 | \$ 924,563 |
| Commercial, Mfg, & Other | \$ 5,949,278 | \$ 4,521,587 |
| | \$ 6,956,767 | \$ 5,446,150 |

Source: Regional Income Tax Agency

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

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

| Tax Year/ Collection Year | Assessed Value | | | | Total Taxable Assessed Value | Total Direct Tax Rate | Total Estimated Actual Taxable Value | Assessed Value as a Percentage of Actual Value |
|---------------------------------|----------------|---|----------------------------------|--------------------------------------|---------------------------------|--------------------------|--|--|
| | Real Property | Other Real Estate & Public Utility Property | Tangible Personal Property | Less: Tax Exempt Real Property | | | | |
| 2009/2010 | \$434,590,450 | \$236,954,880 | \$653,933 | \$44,340,540 | \$627,858,723 | 8.58 | \$1,745,553,694 | 35.97% |
| 2010/2011 | \$439,810,910 | \$258,856,460 | \$0 | \$45,615,920 | \$653,051,450 | 8.55 | \$1,800,437,623 | 36.27% |
| 2011/2012 | \$443,433,660 | \$257,373,260 | \$0 | \$45,615,920 | \$655,191,000 | 8.53 | \$1,805,144,796 | 36.30% |
| 2012/2013 | \$413,212,990 | \$215,650,450 | \$0 | \$58,743,170 | \$570,120,270 | 8.53 | \$1,603,118,813 | 35.56% |
| 2013/2014 | \$413,637,780 | \$213,727,490 | \$0 | \$54,654,120 | \$572,711,150 | 8.51 | \$1,608,149,828 | 35.61% |
| 2014/2015 | \$415,877,300 | \$216,045,970 | \$0 | \$55,035,870 | \$576,887,400 | 8.49 | \$1,618,067,240 | 35.65% |
| 2015/2016 | \$426,980,486 | \$212,729,990 | \$0 | \$55,427,656 | \$584,282,820 | 8.49 | \$1,638,026,496 | 35.67% |
| 2016/2017 | \$434,148,970 | \$212,089,740 | \$0 | \$58,504,220 | \$587,734,490 | 8.54 | \$1,646,291,902 | 35.70% |
| 2017/2018 | \$438,881,430 | \$215,854,930 | \$0 | \$59,334,240 | \$595,402,120 | 8.54 | \$1,666,919,029 | 35.72% |
| 2018/2019 | \$483,614,830 | \$233,294,900 | \$0 | \$67,931,050 | \$648,978,680 | 8.46 | \$1,818,278,400 | 35.69% |

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 - 0%

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 | |
| 2009/2010 | 3.79 | 1.69 | 0.30 | 0.30 | 0.50 | 2.00 | 8.58 | 15.80 | 55.11 (1) | 79.49 |
| 2010/2011 | 3.80 | 1.65 | 0.30 | 0.30 | 0.50 | 2.00 | 8.55 | 15.80 | 54.85 (1) | 79.20 |
| 2011/2012 | 3.80 | 1.63 | 0.30 | 0.30 | 0.50 | 2.00 | 8.53 | 15.80 | 55.32 (1) | 79.65 |
| 2012/2013 | 3.80 | 1.63 | 0.30 | 0.30 | 0.50 | 2.00 | 8.53 | 15.30 | 62.82 (1) | 86.65 |
| 2013/2014 | 3.55 | 1.86 | 0.30 | 0.30 | 0.50 | 2.00 | 8.51 | 15.30 | 63.54 (1) | 87.35 |
| 2014/2015 | 3.55 | 1.84 | 0.30 | 0.30 | 0.50 | 2.00 | 8.49 | 15.30 | 63.47 (1) | 87.26 |
| 2015/2016 | 3.55 | 1.84 | 0.30 | 0.30 | 0.50 | 2.00 | 8.49 | 15.70 | 66.57 (1) | 90.76 |
| 2016/2017 | 3.55 | 1.89 | 0.30 | 0.30 | 0.50 | 2.00 | 8.54 | 15.70 | 66.78 (1) | 91.02 |
| 2017/2018 | 3.55 | 1.89 | 0.30 | 0.30 | 0.50 | 2.00 | 8.54 | 16.00 | 66.63 (1) | 91.17 |
| 2018/2019 | 3.55 | 1.81 | 0.30 | 0.30 | 0.50 | 2.00 | 8.46 | 16.78 | 64.42 (1) | 89.66 |

(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 |
|--|-------------------------|--------------------------------|---|-----------------------------------|------------------------------|--|
| 2009/2010 | \$3,551,848 | \$3,428,928 | 96.5% | \$102,650 | \$3,531,578 | 99.4% |
| 2010/2011 | \$3,697,109 | \$3,476,472 | 94.0% | \$98,730 | \$3,575,202 | 96.7% |
| 2011/2012 | \$3,985,820 | \$3,872,582 | 97.2% | \$86,218 | \$3,958,800 | 99.3% |
| 2012/2013 | \$3,640,773 | \$3,544,071 | 97.3% | \$100,345 | \$3,644,416 | 100.0% |
| 2013/2014 | \$3,655,638 | \$3,528,586 | 96.5% | \$160,859 | \$3,689,445 | 100.0% |
| 2014/2015 | \$3,660,054 | \$3,556,600 | 97.2% | \$129,168 | \$3,685,768 | 100.0% |
| 2015/2016 | \$3,706,170 | \$3,611,831 | 97.5% | \$89,614 | \$3,701,445 | 99.9% |
| 2016/2017 | \$3,762,661 | \$3,647,745 | 96.9% | \$74,231 | \$3,721,976 | 98.9% |
| 2017/2018 | \$3,807,983 | \$3,718,482 | 97.6% | \$113,708 | \$3,832,190 | 100.0% |
| 2018/2019 | \$3,950,229 | \$3,830,197 | 97.0% | \$90,259 | \$3,920,456 | 99.2% |

Source: Lake County Auditor's Office

Note: The County does not provide 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 | Bond Anticipation Notes | OWDA & OPWC | Enterprise Bonds w/G.O. Commitment | OWDA & OPWC | | | | |
| 2010 | \$10,308,102 | \$200,000 | \$0 | \$14,523 | \$2,356,898 | \$6,502,612 | \$19,382,135 | \$673,584,732 | 2.88% | \$870 |
| 2011 | \$9,449,500 | \$170,000 | \$0 | \$12,673 | \$2,148,450 | \$6,702,774 | \$18,483,397 | \$673,584,732 | 2.74% | \$830 |
| 2012 | \$14,249,338 | \$140,000 | \$0 | \$11,439 | \$3,755,000 | \$7,269,426 | \$25,425,203 | \$673,584,732 | 3.77% | \$1,142 |
| 2013 | \$13,215,265 | \$105,000 | \$0 | \$10,205 | \$3,510,000 | \$6,792,946 | \$23,633,416 | \$673,584,732 | 3.51% | \$1,061 |
| 2014 | \$12,261,192 | \$70,000 | \$0 | \$8,971 | \$3,110,000 | \$6,235,444 | \$21,685,607 | \$673,584,732 | 3.22% | \$974 |
| 2015 | \$11,142,120 | \$35,000 | \$0 | \$7,737 | \$2,855,000 | \$7,040,768 | \$21,080,625 | \$673,584,732 | 3.13% | \$947 |
| 2016 | \$10,008,048 | \$0 | \$0 | \$6,503 | \$2,595,000 | \$6,921,585 | \$19,531,136 | \$673,584,732 | 2.90% | \$877 |
| 2017 | \$8,783,976 | \$0 | \$5,620,000 | \$5,269 | \$2,595,000 | \$10,647,250 | \$27,651,495 | \$673,584,732 | 4.11% | \$1,242 |
| 2018 | \$7,689,904 | \$0 | \$5,615,000 | \$276,802 | \$2,450,000 | \$10,448,938 | \$26,480,644 | \$673,584,732 | 3.93% | \$1,189 |
| 2019 | \$6,565,832 | \$0 | \$12,010,000 | \$583,585 | \$2,295,000 | \$9,973,649 | \$31,428,066 | \$673,584,732 | 4.67% | \$1,411 |

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 S18 for personal income and population data.

CITY OF WILLOUGHBY, OHIO
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN 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>Population</u> | <u>Percent of Estimated Actual Taxable Value of Property (2)</u> | <u>Per Capita (3)</u> |
|-------------|--|--|--------------|-------------------|--|-----------------------|
| 2010 | \$10,308,102 | \$3,860,372 | \$6,447,730 | 22,268 | 0.37% | \$290 |
| 2011 | \$9,449,500 | \$4,008,473 | \$5,441,027 | 22,268 | 0.30% | \$244 |
| 2012 | \$14,249,338 | \$4,656,671 | \$9,592,667 | 22,268 | 0.53% | \$431 |
| 2013 | \$13,215,265 | \$4,386,078 | \$8,829,187 | 22,268 | 0.55% | \$396 |
| 2014 | \$12,261,192 | \$1,278,144 | \$10,983,048 | 22,268 | 0.68% | \$493 |
| 2015 | \$11,142,120 | \$1,123,871 | \$10,018,249 | 22,268 | 0.62% | \$450 |
| 2016 | \$10,008,048 | \$1,235,985 | \$8,772,063 | 22,268 | 0.54% | \$394 |
| 2017 | \$8,783,976 | \$1,152,005 | \$7,631,971 | 22,268 | 0.46% | \$343 |
| 2018 | \$7,689,904 | \$1,127,774 | \$6,562,130 | 22,268 | 0.39% | \$295 |
| 2019 | \$6,565,832 | \$1,142,831 | \$5,423,001 | 22,268 | 0.30% | \$244 |

Note: Details regarding the City's outstanding debt can be found in the notes to the basic 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 S10 for property value data.
- (3) Population data can be found in the schedule of Demographic and Economic Statistics on page S18.

CITY OF WILLOUGHBY, OHIO
DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT
DECEMBER 31, 2019
(UNAUDITED)

| <u>Jurisdiction</u> | <u>Assessed Valuation (1)</u> | <u>General Obligation Debt Outstanding (1)</u> | <u>Percent Overlapping (2)</u> | <u>Amount Applicable to City of Willoughby</u> |
|--|-----------------------------------|--|------------------------------------|--|
| Direct: | | | | |
| City of Willoughby | \$ 648,978,680 | | | |
| General Obligation Bonds | | \$ 6,565,832 | 100.00% | \$ 6,565,832 |
| Ohio Water Development Loan | | \$ 2,801 | 100.00% | \$ 2,801 |
| Ohio Public Works Commission Loan | | <u>\$ 580,784</u> | 100.00% | <u>\$ 580,784</u> |
| Total Direct Debt | | <u>\$ 7,149,417</u> | | <u>\$ 7,149,417</u> |
| Overlapping: | | | | |
| Willoughby-Eastlake City Schools | \$ 1,696,238,720 | \$ 112,020,000 | 37.29% | \$ 41,772,258 |
| Kirtland Local School District | \$ 352,802,640 | \$ 10,299,992 | 4.65% | \$ 478,950 |
| Auburn Joint Vocational S.D. | \$ 2,433,179,340 | \$ 4,815,000 | 0.35% | \$ 16,853 |
| Lake County | \$ 6,328,977,530 | <u>\$ 7,395,000</u> | 10.25% | <u>\$ 757,988</u> |
| Total Overlapping | | <u>\$ 134,529,992</u> | | <u>\$ 43,026,049</u> |
| Total Direct and Overlapping Debt | | <u>\$ 141,679,409</u> | | <u>\$ 50,175,466</u> |

Sources: (1) Lake County Auditor's Office - general obligation debt .
(2) 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 2019 collection year.

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

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Overall Debt Limitation - 10.5% of Assessed Valuation | \$ 65,925,166 | \$ 68,570,402 | \$ 68,795,055 | \$ 59,862,628 | \$ 60,134,671 | \$ 60,573,177 | \$ 61,349,696 | \$ 61,712,121 | \$ 62,517,223 | \$ 68,142,761 |
| Gross Indebtedness | \$ 31,682,135 | \$ 30,575,447 | \$ 30,675,865 | \$ 28,913,151 | \$ 27,069,415 | \$ 26,493,505 | \$ 24,953,088 | \$ 33,202,519 | \$ 32,685,740 | \$ 31,262,234 |
| Less: | | | | | | | | | | |
| OWDA | (6,096,887) | (6,261,465) | (6,664,417) | (6,222,611) | (5,708,705) | (6,410,778) | (6,345,844) | (9,970,757) | (10,048,210) | (9,935,187) |
| OPWC | (420,248) | (453,982) | (616,448) | (580,540) | (535,710) | (637,727) | (582,244) | (681,762) | (677,530) | (622,047) |
| Special Assessment Bond & BAN | (12,500,000) | (12,300,000) | (5,765,000) | (5,730,000) | (5,770,000) | (5,735,000) | (5,680,000) | (11,400,000) | (12,020,000) | (12,015,000) |
| Airport Debt | | | (155,000) | (150,000) | (145,000) | (140,000) | (135,000) | (130,000) | (125,000) | (120,000) |
| Sewer Debt | (136,898) | (68,450) | (1,600,000) | (1,535,000) | (1,465,000) | (1,395,000) | (1,325,000) | (1,255,000) | (1,185,000) | (1,110,000) |
| Golf Debt | (2,220,000) | (2,080,000) | (2,000,000) | (1,825,000) | (1,645,000) | (1,460,000) | (1,270,000) | (1,340,000) | (1,265,000) | (1,185,000) |
| | <u>(21,374,033)</u> | <u>(21,163,897)</u> | <u>(16,800,865)</u> | <u>(16,043,151)</u> | <u>(15,269,415)</u> | <u>(15,778,505)</u> | <u>(15,338,088)</u> | <u>(24,777,519)</u> | <u>(25,320,740)</u> | <u>(24,987,234)</u> |
| Net Debt Within 10.5% Limitations | 10,308,102 | 9,411,550 | 13,875,000 | 12,870,000 | 11,800,000 | 10,715,000 | 9,615,000 | 8,425,000 | 7,365,000 | 6,275,000 |
| Legal Debt Margin Within 10.5% Limitation* | <u>\$ 55,617,064</u> | <u>\$ 59,158,852</u> | <u>\$ 54,920,055</u> | <u>\$ 46,992,628</u> | <u>\$ 48,334,671</u> | <u>\$ 49,858,177</u> | <u>\$ 51,734,696</u> | <u>\$ 53,287,121</u> | <u>\$ 55,152,223</u> | <u>\$ 61,867,761</u> |
| Total Net Debt Applicable to the 10.5% Limit as a Percentage of the Debt Limit | 15.64% | 13.73% | 20.17% | 21.50% | 19.62% | 17.69% | 15.67% | 13.65% | 11.78% | 9.21% |
| Unvoted Debt Limitation - 5.5% of Assessed Valuation | \$ 34,532,230 | \$ 35,917,830 | \$ 36,035,505 | \$ 31,356,615 | \$ 31,499,113 | \$ 31,728,807 | \$ 32,135,555 | \$ 32,325,397 | \$ 32,747,117 | \$ 35,693,827 |
| Net Debt Within 10.5% Limitations | 10,308,102 | 9,411,550 | 13,875,000 | 12,870,000 | 11,800,000 | 10,715,000 | 9,615,000 | 8,425,000 | 7,365,000 | 6,275,000 |
| Less Debt Outside Limitations (Voted) | <u>(4,160,000)</u> | <u>(3,930,000)</u> | <u>(3,670,000)</u> | <u>(3,410,000)</u> | <u>(3,140,000)</u> | <u>(2,870,000)</u> | <u>(2,590,000)</u> | <u>(2,305,000)</u> | <u>(2,010,000)</u> | <u>(1,705,000)</u> |
| Debt Within 5.5% Limitations | <u>6,148,102</u> | <u>5,481,550</u> | <u>10,205,000</u> | <u>9,460,000</u> | <u>8,660,000</u> | <u>7,845,000</u> | <u>7,025,000</u> | <u>6,120,000</u> | <u>5,355,000</u> | <u>4,570,000</u> |
| Legal Debt Margin Within 5.5% Limitation* | <u>\$ 28,384,128</u> | <u>\$ 30,436,280</u> | <u>\$ 25,830,505</u> | <u>\$ 21,896,615</u> | <u>\$ 22,839,113</u> | <u>\$ 23,883,807</u> | <u>\$ 25,110,555</u> | <u>\$ 26,205,397</u> | <u>\$ 27,392,117</u> | <u>\$ 31,123,827</u> |
| Total Debt Applicable to the 5.5% Limit as a Percentage of the Debt Limit | 17.80% | 15.26% | 28.32% | 30.17% | 27.49% | 24.73% | 21.86% | 18.93% | 16.35% | 12.80% |

LEGAL DEBT MARGIN CALCULATION FOR 2019

| | |
|--|----------------------|
| Assessed Valuation | \$ 648,978,680 |
| Overall Debt Limitation - (10.5% of Assessed Valuation) | \$ 68,142,761 |
| Gross Indebtedness | 31,262,234 |
| Less : | |
| OWDA/OPWC | (10,557,234) |
| BAN | (12,015,000) |
| Airport Debt | (120,000) |
| Sewer Debt | (1,110,000) |
| Recreation- Golf Debt | (1,185,000) |
| | <u>6,275,000</u> |
| Net Debt Within 10.5% Limitations-General Obligation Bonds | 6,275,000 |
| Legal Debt Margin Within 10.5% Limitation* | <u>\$ 61,867,761</u> |
| Unvoted Debt Limitation - (5.5% of Assessed Valuation) | \$ 35,693,827 |
| Gross Indebtedness Authorized by Council | 6,275,000 |
| Less Debt Outside Limitations- Voted | (1,705,000) |
| Debt Within 5.5% Limitations | <u>4,570,000</u> |
| Legal Debt Margin Within 5.5% Limitation* | <u>\$ 31,123,827</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> | |
| 2010 | \$44,159 | \$25,000 | \$13,163 | 1.16 |
| 2011 | \$41,216 | \$30,000 | \$11,700 | 0.99 |
| 2012 | \$43,809 | \$30,000 | \$9,945 | 1.10 |
| 2013 | \$44,206 | \$35,000 | \$8,190 | 1.02 |
| 2014 | \$45,079 | \$35,000 | \$6,142 | 1.10 |
| 2015 | \$45,600 | \$35,000 | \$4,095 | 1.17 |
| 2016 | \$42,175 | \$35,000 | \$2,048 | 1.14 |
| 2017 | \$0 | \$0 | \$0 | 0.00 |
| 2018 | \$0 | \$0 | \$0 | 0.00 |
| 2019 | \$0 | \$0 | \$0 | 0.00 |

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. The City does not currently have special assessment bonds

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) |
|-------------|-----------------------------|----------------------------------|---------------------------------------|------------------------------------|-----------------------|--|------------------------------|------------------------------|---|---------------------------------|--|-------------------------------------|---|---------------------------------------|
| 2010 | 22,268 | \$673,584,732 | \$30,249 | \$50,611 | 43.6 | 28.3% | 3,686 | 7.9% | 200 | 11,387 | 10,413 | 2.30 | 61.1 | 230,041 |
| 2011 | 22,268 | \$673,584,732 | \$30,249 | \$50,611 | 43.6 | 28.3% | 3,686 | 6.8% | 200 | 11,387 | 10,413 | 2.30 | 61.1 | 230,041 |
| 2012 | 22,268 | \$673,584,732 | \$30,249 | \$50,611 | 43.6 | 28.3% | 3,621 | 5.9% | 200 | 11,387 | 10,413 | 2.30 | 61.1 | 230,041 |
| 2013 | 22,268 | \$673,584,732 | \$30,249 | \$50,611 | 43.6 | 28.3% | 3,570 | 6.2% | 200 | 11,387 | 10,413 | 2.30 | 61.1 | 230,041 |
| 2014 | 22,268 | \$673,584,732 | \$30,249 | \$50,611 | 43.6 | 28.3% | 3,536 | 5.5% | 200 | 11,387 | 10,413 | 2.30 | 61.1 | 230,041 |
| 2015 | 22,268 | \$673,584,732 | \$30,249 | \$50,611 | 43.6 | 28.3% | 3,445 | 4.4% | 200 | 11,387 | 10,413 | 2.30 | 61.1 | 230,041 |
| 2016 | 22,268 | \$673,584,732 | \$30,249 | \$50,611 | 43.6 | 28.3% | 3,322 | 4.8% | 200 | 11,387 | 10,413 | 2.30 | 61.1 | 230,041 |
| 2017 | 22,268 | \$673,584,732 | \$30,249 | \$50,611 | 43.6 | 28.3% | 3,254 | 4.9% | 200 | 11,387 | 10,413 | 2.30 | 61.1 | 230,041 |
| 2018 | 22,268 | \$673,584,732 | \$30,249 | \$50,611 | 43.6 | 28.3% | 3,197 | 4.3% | 200 | 11,387 | 10,413 | 2.30 | 61.1 | 230,041 |
| 2019 | 22,268 | \$673,584,732 | \$30,249 | \$50,611 | 43.6 | 28.3% | 3,181 | 3.7% | 200 | 11,387 | 10,413 | 2.30 | 61.1 | 230,041 |

(1) Source: U.S. Bureau of the Census 2010

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

(3) Source: U.S Bureau of Labor Statistics

(4) Source: Willoughby-Eastlake Board of Administration

CITY OF WILLOUGHBY, OHIO
Income Tax Filers by Income Level
TAX YEARS 2018 and 2010

| <u>Income Range</u> | 2018 (1) (2) | | | |
|---------------------|-------------------------|--------------------------|-----------------------|----------------------------------|
| | <u>Number of Filers</u> | <u>Percent of Filers</u> | <u>Taxable Income</u> | <u>Percent of Taxable Income</u> |
| \$ 100,000 and Over | 1,661 | 18.59% | \$288,524,699 | 49.49% |
| 75,000-99,999 | 1,005 | 11.25% | 86,986,215 | 14.92% |
| 50,000-74,999 | 1,574 | 17.62% | 96,593,822 | 16.57% |
| 25,000-49,999 | 2,213 | 24.77% | 82,805,751 | 14.20% |
| Under 25,000 | 2,481 | 27.77% | 28,077,119 | 4.82% |
| Total | 8,934 | 100.00% | \$582,987,606 | 100% |

| <u>Income Range</u> | 2010 (1) (2) | | | |
|---------------------|-------------------------|--------------------------|-----------------------|----------------------------------|
| | <u>Number of Filers</u> | <u>Percent of Filers</u> | <u>Taxable Income</u> | <u>Percent of Taxable Income</u> |
| \$ 100,000 and Over | 1,006 | 11.55% | \$154,235,100 | 35.04% |
| 75,000-99,999 | 904 | 10.38% | 77,715,039 | 17.66% |
| 50,000-74,999 | 1,461 | 16.78% | 90,194,675 | 20.49% |
| 25,000-49,999 | 2,276 | 26.13% | 83,585,692 | 18.99% |
| Under 25,000 | 3,062 | 35.16% | 34,394,540 | 7.81% |
| Total | 8,709 | 100.00% | \$440,125,046 | 100% |

Source: Regional Income Tax Agency as of April 30, 2020

(1) Information for 2019 was not fully available

(2) Taxable Income of residents of the City. Willoughby is a mandatory filing city but offers 100% reciprocity for up to 2% of withholdings paid to another work city.

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

| <u>FUNCTION/PROGRAM</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <u>Governmental</u> | | | | | | | | | | |
| General Government | | | | | | | | | | |
| Council | 8 | 7 | 7 | 7 | 7 | 8 | 8 | 8 | 8 | 8 |
| Mayor | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Law | 3 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 3 |
| Personnel | 1 | 1 | 1 | 1 | 0 | 1 | 1 | 1 | 1 | 1 |
| Court | 26 | 24 | 25 | 25 | 24 | 24 | 24 | 24 | 25 | 23 |
| Building & Grounds | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Finance | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 8 | 8 |
| Service | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 5 | 5 | 5 |
| Vehicle Maintenance | 4 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 4 | 4 |
| Security of Persons and Property | | | | | | | | | | |
| Police | 59 | 58 | 57 | 57 | 55 | 57 | 57 | 57 | 57 | 56 |
| Fire | 41 | 41 | 41 | 41 | 41 | 41 | 41 | 42 | 41 | 41 |
| Public Health and Welfare | | | | | | | | | | |
| Cemetery | 3 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Community Environment | | | | | | | | | | |
| Building | 8 | 7 | 7 | 7 | 8 | 7 | 7 | 7 | 7 | 7 |
| Community Development | 2 | 2 | 2 | 2 | 2 | 1 | 1 | 1 | 2 | 2 |
| Leisure Time Activities | | | | | | | | | | |
| Parks | 5 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Recreation | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 6 | 7 | 7 |
| Transportation | | | | | | | | | | |
| Street | 9 | 8 | 7 | 8 | 9 | 9 | 9 | 9 | 9 | 9 |
| Traffic | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> |
| Total Governmental | <u>200</u> | <u>189</u> | <u>188</u> | <u>189</u> | <u>187</u> | <u>189</u> | <u>189</u> | <u>190</u> | <u>193</u> | <u>190</u> |
| <u>Business-Type</u> | | | | | | | | | | |
| Sewer | | | | | | | | | | |
| Sewer | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 6 | 6 | 6 |
| WPC | 22 | 19 | 18 | 18 | 18 | 17 | 17 | 16 | 17 | 17 |
| Airport | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Golf Course | <u>3</u> | <u>3</u> | <u>3</u> | <u>3</u> | <u>4</u> | <u>4</u> | <u>4</u> | <u>4</u> | <u>4</u> | <u>4</u> |
| Total Business-Type | <u>33</u> | <u>30</u> | <u>29</u> | <u>28</u> | <u>29</u> | <u>28</u> | <u>28</u> | <u>26</u> | <u>27</u> | <u>27</u> |
| Totals | <u>233</u> | <u>219</u> | <u>217</u> | <u>217</u> | <u>216</u> | <u>217</u> | <u>217</u> | <u>216</u> | <u>220</u> | <u>217</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>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <u>Governmental</u> | | | | | | | | | | |
| General Government | | | | | | | | | | |
| Council - Ordinances & Resolutions | 164 | 157 | 132 | 139 | 125 | 145 | 135 | 135 | 162 | 119 |
| Personnel - Civil Service Exams (taken) | 288 | 46 | 240 | 11 | 88 | 91 | 111 | 11 | 195 | 182 |
| Court - Number of cases | 16,610 | 15,892 | 14,917 | 17,110 | 16,370 | 15,165 | 15,060 | 14,943 | 15,685 | 13,144 |
| Finance | | | | | | | | | | |
| Number of A/P checks processed | 6,478 | 5,973 | 6,033 | 6,053 | 5,934 | 6,005 | 6,208 | 6,047 | 5,616 | 5,031 |
| Number of purchase orders issued | 903 | 899 | 869 | 899 | 925 | 849 | 904 | 941 | 939 | 997 |
| Security of Persons and Property | | | | | | | | | | |
| Police | | | | | | | | | | |
| Total Arrests & other Citations | 5,187 | 4,564 | 4,036 | 4,577 | 6,179 | 4,654 | 4,935 | 4,967 | 3,914 | 3,441 |
| Parking Citations | 2,686 | 2,590 | 2,412 | 2,346 | 3,373 | 2,857 | 2,584 | 2,275 | 2,021 | 1,750 |
| Fire | | | | | | | | | | |
| Total Number of Calls | 4,744 | 4,915 | 4,855 | 4,915 | 5,037 | 5,183 | 5,249 | 5,207 | 5,601 | 5,673 |
| Public Health and Welfare | | | | | | | | | | |
| Cemetery (plots sold) | 70 | 53 | 72 | 73 | 80 | 61 | 74 | 93 | 88 | 84 |
| Community Environment | | | | | | | | | | |
| Building | | | | | | | | | | |
| Building Permits Issued | 844 | 801 | 833 | 1,008 | 755 | 803 | 695 | 700 | 754 | 794 |
| Inspections - Residential | 3,569 | 2,807 | 2,613 | 2,674 | 2,427 | 2,228 | 2,241 | 1,636 | 2,040 | 2,917 |
| - Comm/Industrial | 785 | 591 | 700 | 564 | 646 | 764 | 837 | 549 | 551 | 521 |
| Leisure Time Activities | | | | | | | | | | |
| Parks - Bus Rides | 8,624 | discontinued | | | | | | | | |
| - Program Participants | 374 | 373 | 390 | 471 | 382 | 452 | 546 | 463 | 460 | 551 |
| Pools - Attendance | 69,323 | 65,126 | 73,130 | 62,318 | 40,586 | 42,123 | 44,215 | 34,320 | 31,283 | 33,518 |
| Senior Center - Membership | 1,271 | 1,289 | 1,318 | 1,518 | 1,698 | 1,939 | 1,861 | 1,981 | 1,726 | 2,535 |
| - Attendance | 29,698 | 34,260 | 30,322 | 29,689 | 30,558 | 31,146 | 27,402 | 31,877 | 32,290 | 35,710 |
| <u>Business-Type</u> | | | | | | | | | | |
| Sewer | | | | | | | | | | |
| Sewer - Point of Sale Inspections | 195 | 240 | 241 | 292 | 292 | 319 | 325 | 378 | 402 | 372 |
| WPCC | | | | | | | | | | |
| Flow Data MG (millions of gallons) | 2,155 | 3,098 | 2,291 | 2,366 | 2,306 | 2,235 | 2,121 | 2,354 | 2,427 | 2,220 |
| Golf Course | | | | | | | | | | |
| Rounds of golf | 33,514 | 33,525 | 41,363 | 36,031 | 38,225 | 39,928 | 38,790 | 36,354 | 33,013 | 32,322 |

Source: Various Willoughby Departments

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

| <u>FUNCTION/PROGRAM</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <u>Governmental Capital Assets</u> | | | | | | | | | | |
| General Government | | | | | | | | | | |
| Other Departmental Vehicles | 45 | 44 | 45 | 40 | 40 | 42 | 41 | 40 | 46 | 47 |
| 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 | 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 | 32 | 32 | 32 | 30 | 30 | 30 | 30 | 32 | 33 | 31 |
| Square Footage of Building | 28,924 | 28,924 | 28,924 | 28,924 | 28,924 | 28,924 | 28,924 | 28,924 | 28,924 | 28,924 |
| Fire | | | | | | | | | | |
| Number of Stations | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Number of Vehicles | 18 | 18 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 |
| 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 | 4 | 4 | 4 | 5 | 4 |
| Leisure Time Activities | | | | | | | | | | |
| Number of Parks | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 |
| Parks Acreage | 152 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 |
| 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 | 15 | 15 | 15 | 15 | 15 | 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 | 20,095 |
| Number of Vehicles | 15 | 14 | 13 | 12 | 11 | 11 | 11 | 12 | 12 | 12 |
| Transportation | | | | | | | | | | |
| Miles of Streets | 89 | 92 | 92 | 94 | 96 | 96 | 96 | 96 | 96 | 96 |
| Number of Street Lights | 3,067 | 3,071 | 3,075 | 3,093 | 3,100 | 3,104 | 3,104 | 3,104 | 3,104 | 3,110 |
| 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 | 103 | 104 | 106 | 106 | 106 | 106 | 125 | 126 |
| Miles of Storm Sewers | 92 | 92 | 102 | 103 | 105 | 105 | 105 | 105 | 125 | 126 |
| Airport | | | | | | | | | | |
| Number of Runways | 2 | 2 | 2 | 2 | 0 | 0 | 0 | 0 | 0 | 0 |
| 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 | 3 | 3 | 3 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |

Sources: Various Willoughby Departments



HISTORY | FAMILY | FUN | PROGRESS

Illustrations by CATHY GOJAK



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City of Willoughby
Lake County, Ohio

*Report Issued Pursuant to
Government Auditing Standards*

For the Year Ended
December 31, 2019

City of Willoughby
Lake County, Ohio
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December 31, 2019

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July 21, 2020

To the Members of Council
City of Willoughby
Lake County, Ohio
One Public Square
Willoughby, OH 44094

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Willoughby, Lake County, Ohio (the City) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 21, 2020, in which we noted that during 2020, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Rea & Associates, Inc.

Medina, Ohio

OHIO AUDITOR OF STATE KEITH FABER



CITY OF WILLOUGHBY

LAKE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 9/10/2020

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov