

THE CITY OF WILLOUGHBY, OHIO



# 2009

## Comprehensive Annual Financial Report

*For the year ended December 31, 2009*







Mary Taylor, CPA  
Auditor of State

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 James G. Zupka, CPA, Inc., for the audit period January 1, 2009 through December 31, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

June 7, 2010

**This Page is Intentionally Left Blank.**

**2009**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

*for the year ended December 31, 2009*

---

*The City of*  
**Willoughby, Ohio**

---

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

*Director of Finance*  
Raymond J. Rogowski, CGFM

*Deputy Finance Director*  
Diane C. Bosley, CPA

*Staff Accountant*  
Cher Hoffman

*Secretary*  
Mia Cicirello

*Finance Staff*  
Nancy Kukoleck  
Christine Pedersen  
Debbie Schreibman  
Shawn Wilson

*The City of*  
**Willoughby, Ohio**  
**Comprehensive Annual Financial Report**  
*For the Year Ended December 31, 2009*

***TABLE OF CONTENTS***

**INTRODUCTORY SECTION**

Title Page with Staff .....	i
Table of Contents.....	ii
Letter of Transmittal .....	v
Organizational Chart.....	ix
List of Principal Officials .....	x
GFOA Certificate of Achievement .....	xi

**FINANCIAL SECTION**

Independent Auditor’s Report.....	1
Management’s Discussion and Analysis.....	3

***Basic Financial Statements:***

***Government-wide Financial Statements:***

Statement of Net Assets.....	14
Statement of Activities .....	15

***Fund Financial Statements:***

Balance Sheet ~ Governmental Funds.....	16
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities .....	17
Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds .....	18
Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balances of Governmental Funds to the Statement of Activities .....	19
Statement of Revenues, Expenditures, and Changes in Fund Balances ~ Budget (Non-GAAP Basis) and Actual ~ General Fund .....	20
Statement of Net Assets ~ Proprietary Funds.....	21
Statement of Revenues, Expenses, and Changes in Fund Net Assets ~ Proprietary Funds.....	22
Statement of Cash Flows ~ Proprietary Funds .....	23
Statement of Assets and Liabilities ~ Agency Funds .....	25

Notes to the Basic Financial Statements.....	26
--	----

# *TABLE OF CONTENTS*

## *Supplemental Information*

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

#### Major Funds

General Fund .....	62
Capital Projects Fund .....	63
General Bond Retirement Fund .....	64
Golf Course Fund .....	65
Sewer Fund.....	66
Airport Fund.....	67

### *Combining Statements and Individual Fund Schedules:*

#### Combining Statements ~ Nonmajor Funds

Fund Descriptions.....	68
Combining Balance Sheet ~ Nonmajor Governmental Funds.....	70
Combining Statement of Revenues, Expenditures and Changes in Fund Balances ~ Nonmajor Governmental Funds.....	71
Combining Balance Sheet ~ Nonmajor Special Revenue Funds.....	72
Combining Statement of Revenues, Expenditures and Changes in Fund Balances ~ Nonmajor Special Revenue Funds.....	74

#### Nonmajor Funds

Fire Pension Fund.....	76
Police Pension Fund .....	77
Law Enforcement Fund .....	78
Recreation Fund .....	79
Street Construction Maintenance and Repair Fund .....	80
State Highway Fund .....	81
Road and Bridge Fund.....	82
Corporate Maintenance Fund .....	83
Enforcement and Education Fund .....	84
Indigent Drivers Treatment Fund .....	85
Court Computer Fund.....	86
General Special Projects Fund.....	87
Special Projects DUI Fund .....	88
Urban Forest Management Fund.....	89
Victims Assistance Fund .....	90
Police Continuing Professional Training Fund.....	91
Ohio Criminal Justice Service Grant Fund .....	92
Street Lighting Fund .....	93
Future Retirement Reserve Fund.....	94
FEMA Fund.....	95
Special Assessments Fund.....	96
Cemetery Care Fund.....	97

#### Combining Statements - Agency Funds

Fund Descriptions.....	99
Combining Statement of Assets and Liabilities ~ Agency Funds .....	100
Combining Statement of Changes in Assets and Liabilities ~ Agency Funds.....	101

# *TABLE OF CONTENTS*

## **STATISTICAL SECTION**

Net Assets by Component ~ Last Eight Years.....	104
Changes in Net Assets ~ Last Eight Years.....	105-106
Governmental Activities Tax Revenues by Source ~ Last Eight Years.....	107
Fund Balances of Governmental Funds ~ Last Ten Years.....	108
Changes in Fund Balances of Governmental Funds ~ Last Ten Years.....	109
General Governmental Tax Revenues by Source ~ Last Ten Years.....	110
Income Tax Revenue Base and Collections ~ Last Ten Years.....	111
Top Ten Income Tax Withholdings ~ Current and Nine Years Ago.....	111
Assessed Value and Estimated Actual Value of Taxable Property ~ Last Ten Years.....	112
Property Tax Rates ~ Direct and Overlapping Governments ~ Last Ten Years.....	113
Property Tax Levies and Collections ~ Real and Public Utility Only ~ Last Ten Years .....	114
Ratio of Outstanding Debt by Type ~ Last Ten Years.....	115
Ratio of General Bonded Debt Outstanding ~ Last Eight Years.....	116
Direct and Overlapping Debt.....	117
Legal Debt Margin Information ~ Last Ten Years .....	118
Pledged - Revenue Coverage ~ Last Ten Years.....	119
Demographic and Economic Statistics ~ Last Ten Years .....	120
Principal Employers ~ Current Year and Nine Years Ago.....	121
Full Time City Employees by Function/Program ~ Last Ten Years.....	122
Operating Indicators by Function/Program ~ Last Ten Years.....	123
Capital Asset Statistics by Function/Program ~ Last Ten Years.....	124





# City Of Willoughby

May 3, 2010

David E. Anderson  
Mayor and Safety Director

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, 2009, is hereby submitted. State law requires that all public offices shall file a financial report for each fiscal year. The law also requires that the report be submitted within one hundred fifty days of the close of the fiscal year.

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

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

The City's financial statements have been audited by James G. Zupka, CPA, Inc., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the year ended December 31, 2009, are free of material misstatement. The independent audit involved testing evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and the significant estimates made by management; and evaluation of the overall financial statement presentation. Based upon the audit, the independent auditor concluded that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended December 31, 2009, are fairly presented in conformity with GAAP. The independent auditor's report is presented at the front of the financial section of this report.

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

## **PROFILE OF THE GOVERNMENT**

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

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
- ◆ aviation services through Lost Nation Airport
- ◆ the construction and maintenance of roads and other infrastructure
- ◆ cultural and recreation activities
- ◆ solid waste service

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

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

## **LOCAL ECONOMY**

The City's economic base is highly diversified. Willoughby is home to the eighth largest number of manufacturing firms in the State of Ohio. The City is home to companies such as Momentive Performance Material, Bescast Inc. and Fluid Line Products.

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

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

### **MAJOR INITIATIVES**

The City made plans and began construction renovations of City Hall. City Hall is a 50-year old facility, which previously housed the Willoughby Municipal Court. Space was vacated by the Court when they moved to their new building 3 years ago. In addition to relocating City Hall staff, concentration has been on making the facility more energy efficient with improved technology and preparing the facility for the future. We expect renovations to be completed in 2010.

The City continued its work on various sewer projects throughout the City. Included was planning for 2 ARRA sewer lining projects which will be constructed during 2010 for which the City received a 50% grant and a low interest loan.

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

The City opened a new driving range at the Municipal Golf Course. This was part of a project which modernized drainage and built new bridges throughout the course.

### **RELEVANT FINANCIAL POLICIES**

Union contracts were negotiated and completed in the first quarter of 2007. The contracts included an employee contribution of 10% of the total health care cost on a bi-weekly basis. All negotiations were completed in a timely manner. Union contracts expire at the end of the first quarter of 2010. Negotiations with all bargaining units have begun and are progressing constructively.

### **LONG TERM FINANCIAL PLANNING**

In 2006, the City prepared a 5 year forecast for the major operations of the City as well as a 10 year Capital Improvement Plan. This resulted in the request of the voters for a 2 mill levy for road & bridge improvements. The levy was successful and has relieved significant pressure on the City's main source of revenue, municipal income tax, which can be used for operations and other capital purposes. An update to both plans is expected to be completed in 2010.

### **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, 2008. This was the 23rd consecutive year that the City of Willoughby has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the City of Willoughby published an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

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

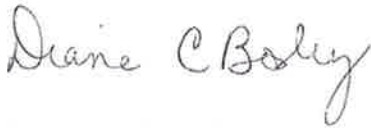
The preparation of the Comprehensive Annual Financial Report, on a timely basis, was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

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

Respectfully submitted,



Raymond J. Rogowski, CGFM  
Finance Director



Diane C. Bosley, CPA  
Deputy Finance Director

THE CITY OF WILLOUGHBY, OHIO



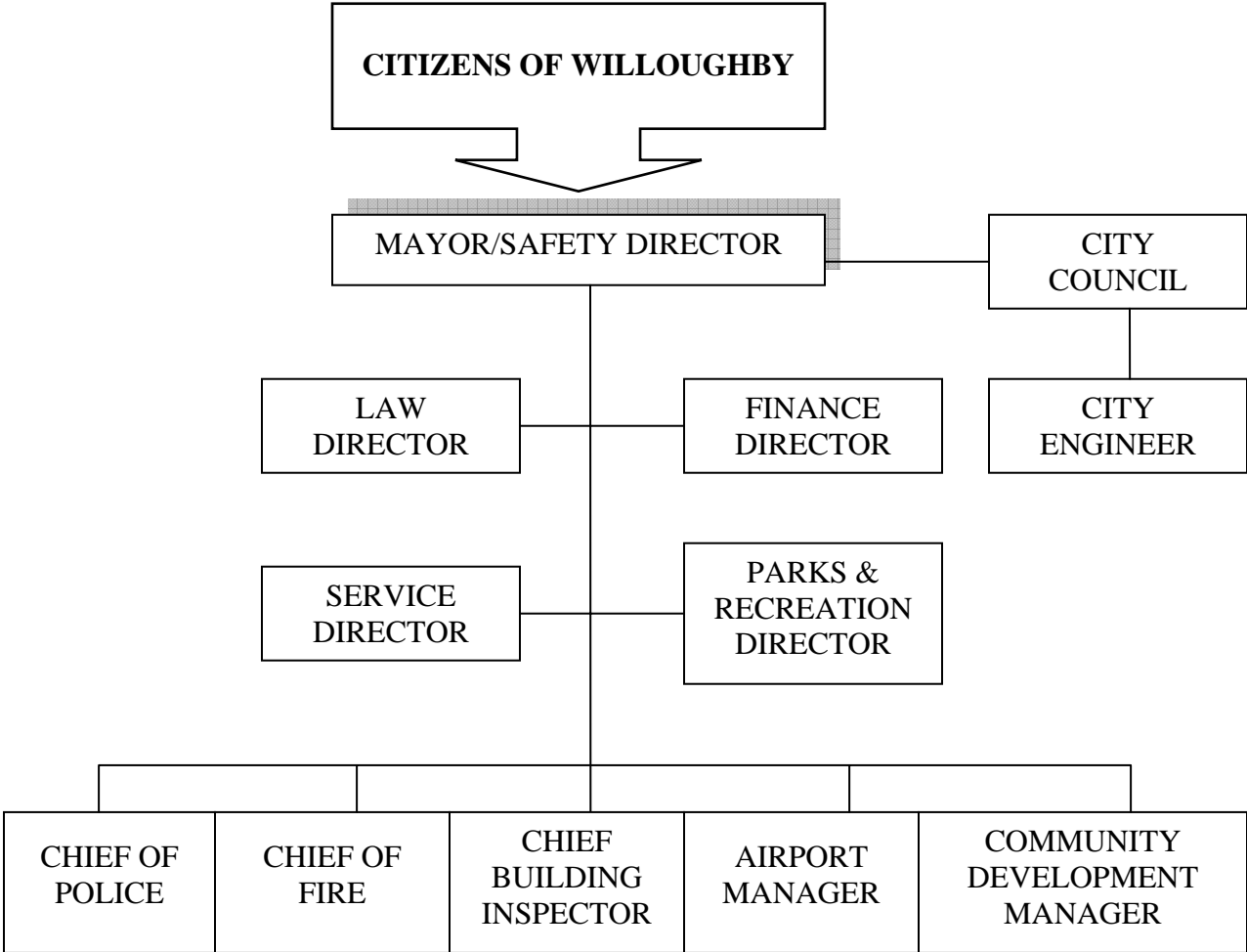
*Enriched by its History*

Prepared for its Future



# ORGANIZATIONAL CHART

*The City of*  
**Willoughby, Ohio**



# ELECTED & APPOINTED OFFICIALS

---

---

*The City of*  
**Willoughby, Ohio**

---

---

*Mayor*  
**David E. Anderson**

---

## CITY COUNCIL

*Ward 3*  
**Jerome P. Ranally / President**

*Ward 1*  
**Christopher W. Woodin**

*Ward 4*  
**Robert E. Carr**

*Ward 6*  
**Robert J. Harrold**

*Ward 2*  
**Robert A. Fiala**

*Ward 5*  
**Karen T. Manning**

*Councilman-At-Large*  
**Jeffrey H. Black**

---

*Director of Finance*  
**Raymond J. Rogowski**

*Director of Public Service*  
**Angelo Tomaselli**

*Director of Law*  
**John W. Wiles**

*Director of  
Parks & Recreation*  
**Brian L. Katz**

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Willoughby  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2008

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



President

Executive Director



THE CITY OF WILLOUGHBY, OHIO



# Financial *Information*



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

*Certified Public Accountants*

*5240 East 98<sup>th</sup> Street*

*Garfield Hts., Ohio 44125*

---

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT**

The Members of City Council  
City of Willoughby, Ohio

The Honorable Mary Taylor  
Auditor of State  
State of Ohio

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

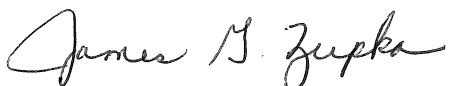
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 3, 2010, on our consideration of the City of Willoughby, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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



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

May 3, 2010

---

---

**CITY OF WILLOUGHBY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

---

---

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, 2009. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers are encouraged to consider the information presented here in conjunction with the additional information contained in the transmittal letter, financial statements and the notes to those financial statements to enhance their understanding of the City's performance.

**Financial Highlights**

The assets of the City of Willoughby exceeded liabilities by \$90,363,184. Assets in Governmental activities exceeded liabilities by \$60,341,341 and \$30,021,843 in Business-Type activities.

Total liabilities of the City of Willoughby increased \$4,217,936 as compared to 2008. Total liabilities of governmental activities increased by \$3,076,068 and total liabilities of business type-activities increased by \$1,141,868, primarily due to issuance of additional notes for City projects.

The total unrestricted net assets of the City is \$4,769,211, a decrease of \$3,085,994 from 2008.

Long term liabilities of the City decreased by \$936,685.

The overall financial condition of the City did not materially change from 2008 to 2009.

**Using This Annual Financial Report**

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

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

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

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

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

---

---

**CITY OF WILLOUGHBY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

---

---

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

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

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

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

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

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

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

The City maintains 25 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances, for the General fund, Capital Projects fund, and General Bond Retirement fund; these are considered to be major funds.

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 on governmental funds.

---

---

**CITY OF WILLOUGHBY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

---

---

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

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

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

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

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

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

***Notes to the Financial Statements***

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

***Other Information***

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

After the notes to the financial statements, the combining statements referred to earlier in connection with nonmajor governmental funds are presented, as well as individual detailed budgetary comparisons for all funds. This information can be found starting on page 61 of this report.

**CITY OF WILLOUGHBY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

**Government-wide Financial Analysis**

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

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

**The City of Willoughby as a Whole**

By far the largest portion of the City's net assets (78%) reflects its investment in capital assets (e.g. land, infrastructure, building, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses those capital assets to provide services to its citizens; consequently these assets are not available for future spending. Although the City's investment is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities. The following table provides a summary of the City's net assets for 2009 compared to 2008.

	City of Willoughby's Net Assets					
	Governmental Activities		Business-type Activities		Total Government	
	2009	2008	2009	2008 restated	2009	2008 restated
Current and other assets	35,395,007	33,459,606	(1,108,493)	(469,099)	34,286,514	32,990,507
Capital assets	58,109,819	58,556,772	44,883,682	43,991,634	102,993,501	102,548,406
Total Assets	93,504,826	92,016,378	43,775,189	43,522,535	137,280,015	135,538,913
Current and other liabilities	14,953,702	11,349,022	4,145,221	2,595,280	19,098,923	13,944,302
Long term liabilities outstanding	18,209,783	18,738,395	9,608,125	10,016,198	27,817,908	28,754,593
Total Liabilities	33,163,485	30,087,417	13,753,346	12,611,478	46,916,831	42,698,895
Net Assets:						
Invested in capital assets, net of debt	38,089,025	41,374,191	32,774,856	33,115,680	70,863,881	74,489,871
Restricted	14,351,441	10,196,351	378,651	298,591	14,730,092	10,494,942
Unrestricted (deficit)	7,900,875	10,358,419	(3,131,664)	(2,503,214)	4,769,211	7,855,205
<b>Total Net Assets</b>	<b>60,341,341</b>	<b>61,928,961</b>	<b>30,021,843</b>	<b>30,911,057</b>	<b>90,363,184</b>	<b>92,840,018</b>

An additional portion of the City's net assets (16.3%) represents resources that have been restricted on how they may be used. The remaining balance of unrestricted net assets (\$4,769,211) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in governmental activities and the total government categories of net assets. Business-type activities show a net unrestricted deficit of \$3,131,664 which is primarily attributable to liabilities of the Airport fund consisting of amounts that are due to other funds.

**CITY OF WILLOUGHBY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

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

City of Willoughby's Change in Net Assets						
	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008 restated	2009	2008 restated
<b>Revenues</b>						
Program Revenues						
Charges for Services	5,071,212	4,797,851	5,267,616	4,784,294	10,338,828	9,582,145
Operating Grants, Contributions & Interest	93,517	233,398			93,517	233,398
Capital Grants & Contributions	681,633	287,167	453,353	239,440	1,134,986	526,607
General Revenues						
Municipal Income Taxes	14,318,774	16,591,292			14,318,774	16,591,292
Property & Other Local Taxes	4,504,172	4,544,357			4,504,172	4,544,357
Grants & Entitlements	4,659,956	5,342,717			4,659,956	5,342,717
Investment Earnings	433,778	733,253	4,170	51,342	437,948	784,595
Miscellaneous	5,459	106,277	100	14,812	5,559	121,089
<b>Total Revenues</b>	<b>29,768,501</b>	<b>32,636,312</b>	<b>5,725,239</b>	<b>5,089,888</b>	<b>35,493,740</b>	<b>37,726,200</b>
<b>Expenses</b>						
General Government	7,413,446	7,464,343			7,413,446	7,464,343
Security of Persons & Property	14,372,778	14,184,392			14,372,778	14,184,392
Public Health & Welfare	503,104	475,828			503,104	475,828
Community Environment	964,906	985,934			964,906	985,934
Leisure Time Activities	2,274,300	2,319,489			2,274,300	2,319,489
Transportation	3,360,716	3,526,993			3,360,716	3,526,993
Basic Utility Services	1,699,706	1,648,956			1,699,706	1,648,956
Interest & Fiscal Charges	705,001	842,569			705,001	842,569
Golf Course			1,016,247	992,417	1,016,247	992,417
Sewer			5,156,297	5,086,763	5,156,297	5,086,763
Airport			504,073	558,209	504,073	558,209
<b>Total Expenses</b>	<b>31,293,957</b>	<b>31,448,504</b>	<b>6,676,617</b>	<b>6,637,389</b>	<b>37,970,574</b>	<b>38,085,893</b>
<b>Excess(Deficiency) Prior to Transfers</b>	<b>(1,525,456)</b>	<b>1,187,808</b>	<b>(951,378)</b>	<b>(1,547,501)</b>	<b>(2,476,834)</b>	<b>(359,693)</b>
Transfers	(62,164)	(295,000)	62,164	295,000	0	0
<b>Change in Net Assets</b>	<b>(1,587,620)</b>	<b>892,808</b>	<b>(889,214)</b>	<b>(1,252,501)</b>	<b>(2,476,834)</b>	<b>(359,693)</b>
Net Assets Beginning of Year	61,928,961	61,036,153	30,911,057	32,163,558	92,840,018	93,199,711
Net Assets End of Year	60,341,341	61,928,961	30,021,843	30,911,057	90,363,184	92,840,018

**Governmental Activities**

Income tax in governmental funds shows a decrease of 13.7% in part impacted by timing from the 2007 year end change in tax collection agencies as well as a general softening of the economy. Income tax collections for withholdings, net profits and from individuals were all lower in 2009 compared to 2008.

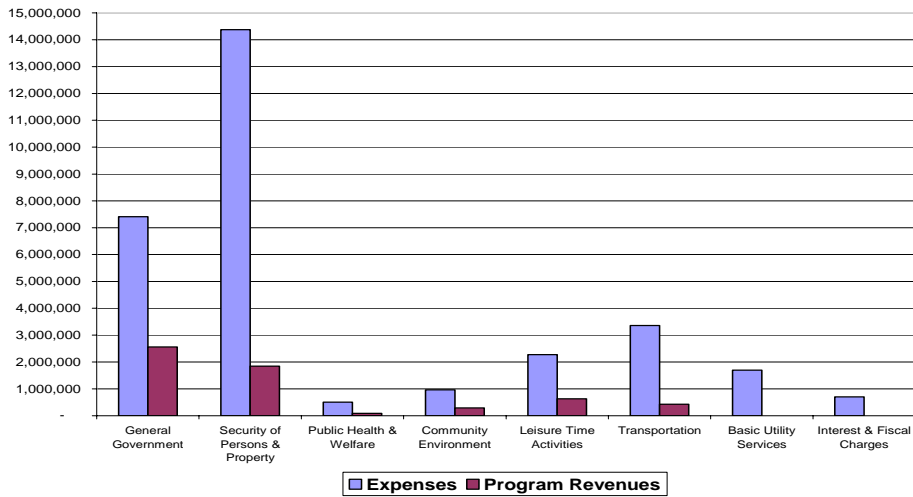
Property and other local taxes were slightly lower in 2009. Grants and entitlements decreased by 12.8% mainly from a decrease in estate taxes and other revenue distributed by the State of Ohio which are tied to state revenue collections. Interest earnings were down 40.8% in a continued declining interest rate environment. The overall decrease in revenue of 8.8% saw all revenues lower than 2008 except for charges for services with an increase in ambulance billing collections and capital grants which included state and federally funded road improvement projects.



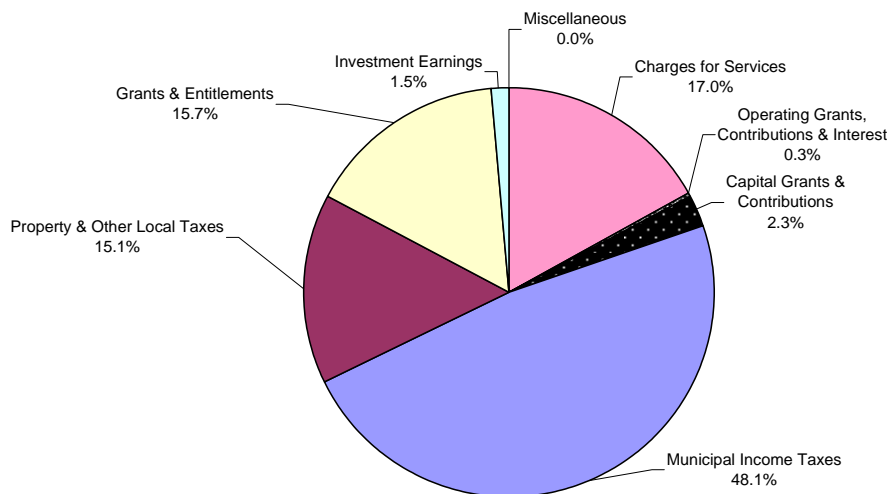
**CITY OF WILLOUGHBY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

Expenses in governmental activity decreased by less than 1% in 2009. Lower interest expenses for debt account for most of the decrease. Program expenses were nearly flat showing an awareness of the economy as a whole and its impact on Willoughby. Fulltime employment at the City remained static for 2009.

**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, 2009

---

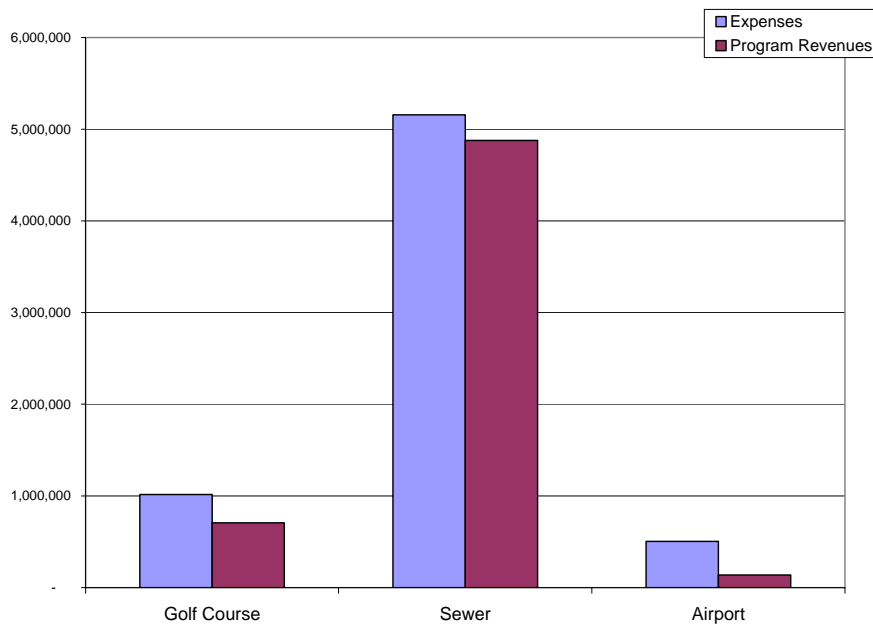


---

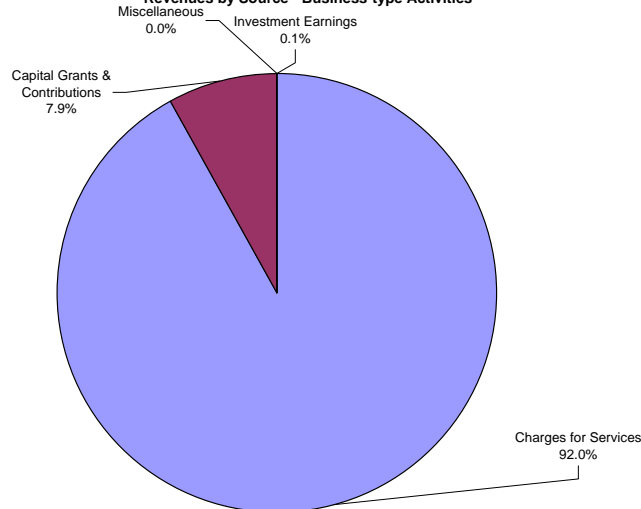
### Business-Type Activities

Business-type activities account for 33.2% of the City of Willoughby's total net assets. Revenues were up in 2009 with operating revenues up 9.2%. Golf Course revenue increased as a result of the opening of the driving range and near completion of the construction project. Sewer revenues increased as a result of the full year affect of an increase in fees instituted in 2008. Expenses increased by less than 1% with costs in all areas remaining stable.

**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, 2009**

---

---

**Financial Analysis of the City of Willoughby's Funds**

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

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

At the end of the current fiscal year, the City's governmental funds reported an ending fund balance of \$15,763,606, a decrease of \$1,288,628 from last year. The decrease occurred most significantly in the General fund and lower income tax revenues account for the largest portion. Unreserved fund balance, which is available at the government's discretion, decreased by \$1,829,733 in the General fund and the Capital Projects fund unreserved deficit increased by \$2,030,037. The amount reserved for various purposes was not significantly changed in total or by fund except in the reserve for encumbrances in the Capital Projects fund for the City Hall Renovation.

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

Unrestricted net assets of the Golf Course fund reflect a deficit of (\$521,006) compared to (\$144,388) in 2008. The amount due to other funds is \$528,910 and is most significantly for debt payments.

Unrestricted net assets of the Sewer fund decreased from \$1,976,839 to \$1,844,852. The decrease in unrestricted net assets is primarily because of the increase of \$80,060 in the amount restricted for equipment replacement.

Unrestricted net assets of the Airport fund carry a deficit unreserved balance of (\$4,455,510). The decrease in the deficit is caused by the airport's inability to pay its own debt. The accumulated deficit is caused by past advances and debt payments that had to be made for the airport from other funds.

**General Fund Budgetary Highlights** – Minor adjustments to total budget were required to be made for the General Fund in 2009. The year saw revenues exceeding forecasts by \$602,837 and expenditures nearly \$1,500,000 under the amounts requested. Although income tax forecasts were less than budgeted, other revenue forecasts were exceeded. The City Administration and Council continue to closely monitor and tighten expenditures by the General fund departments in light of economic uncertainty. The City chooses to operate within its original budget framework even though forecasts may be exceeded on the revenue side and expenditures will be contained.

**Capital Assets and Debt Administration**

**Capital Assets** - The City's investment in capital assets for governmental and business-type activities as of December 31, 2009, was \$102,993,501 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, as well as infrastructure including roads, sidewalks, bridges, traffic signals, street lights, storm sewers, curbs and gutters.

**CITY OF WILLOUGHBY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

The City's investment in capital assets reflects a 1.8% increase over the prior year for governmental activities and 2.5% over for business-type activities. These changes are calculated before depreciation.

	City of Willoughby's Capital Assets					
	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	7,747,432	7,747,452	10,009,383	10,009,383	17,756,815	17,756,835
Construction in Progress	6,865,779	6,751,876	389,546	1,163,842	7,255,325	7,915,718
Buildings	19,531,782	19,073,180	18,369,834	18,370,506	37,901,616	37,443,686
Improvements	14,338,032	14,198,824	43,746,483	41,177,183	58,084,515	55,376,007
Machinery & Equipment	10,024,181	10,233,815	4,593,478	4,509,423	14,617,659	14,743,238
Infrastructure	36,247,591	34,992,185			36,247,591	34,992,185
Total Capital Assets	94,754,797	92,997,332	77,108,724	75,230,337	171,863,521	168,227,669
Accumulated Depreciation	(36,644,978)	(34,440,560)	(32,225,042)	(31,238,703)	(68,870,020)	(65,679,263)
Capital Assets (Net)	58,109,819	58,556,772	44,883,682	43,991,634	102,993,501	102,548,406

***Major capital asset events during 2009 were as follows:***

The City completed a road repaving and rehabilitation project utilizing road and bridge funds for the third year since the levy approval.

The Lost Nation Golf Course finished up renovations and the driving range was in full operation.

Construction was completed on the Route 84 and Route 91 Slope Stabilization Projects.

Construction was completed on the Police and Fire dispatch renovation.

Plans were completed and construction began on the renovation of City Hall.

Plans were completed for the clarifier rehab at the Water Pollution Control Center.

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

**CITY OF WILLOUGHBY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

**Outstanding Debt** - The City's outstanding debt increased by \$4,030,673 (14.2%)

City of Willoughby's Outstanding Debt at December 31						
	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
General Obligation Bonds	11,149,654	11,966,207			11,149,654	11,966,207
Special Assessment Bonds	225,000	250,000			225,000	250,000
Enterprise Bonds w/ G.O. Commitment			2,599,534	3,031,117	2,599,534	3,031,117
OWDA & OPWC	15,140	16,374	6,215,292	6,247,768	6,230,432	6,264,142
Capital Notes Payable	8,856,000	5,200,000	3,294,000	1,610,000	12,150,000	6,810,000
Police Pension Liability	114,411	116,892			114,411	116,892
<b>TOTAL</b>	<b>20,360,205</b>	<b>17,549,473</b>	<b>12,108,826</b>	<b>10,888,885</b>	<b>32,469,031</b>	<b>28,438,358</b>

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 \$662,520,037 at the end of 2009. The City has borrowed 47% of our limitation and some debt that is in our total is not subject to that limitation by state law because the debt was actually issued by another party (i.e. O.W.D.A. or O.P.W.C.).

Short-term debt increased by \$5,340,000. The City has outstanding notes of \$8,856,000 for the Riverside Commons Special Assessment and City Hall Renovation Projects and a \$3,294,000 note for improvements to the City owned and operated municipal golf course, and for sewer and airport improvements. Additional information regarding the City's debt can be found starting on page 54 of the notes to the financial statements.

**Economic Factors and Next Year's Budget**

The City of Willoughby has remained strong despite a challenging environment of the state and national economy. The City continues to weather the economic storm. The City has not cut any services or employees as we planned for 2010. The City has opted to delay a capital improvement program until at least the 4th quarter so we can assess the economic conditions at that time. We will go forward with previously authorized projects as well as a significant road program utilizing road levy money.

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

**Requests for Information**

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



The City of Willoughby™

**CITY OF WILLOUGHBY, OHIO**  
**STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2009**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Equity in City Treasury Cash and Investments	\$ 18,214,223	\$ 2,156,492	\$ 20,370,715
Inventory	231,119	53,085	284,204
Accrued Interest Receivable	58,454	12,207	70,661
Accounts Receivable	147,672	174,940	322,612
Prepaid Items	2,032	2,700	4,732
Intergovernmental Receivable	2,276,380	737,569	3,013,949
Taxes Receivable	8,556,634	0	8,556,634
Internal Balances	5,002,789	(5,002,789)	0
Restricted Assets -Cash	0	757,303	757,303
Special Assessments Receivable	905,704	0	905,704
Nondepreciable Capital Assets	14,613,211	10,398,929	25,012,140
Depreciable Capital Assets, Net	43,496,608	34,484,753	77,981,361
<b>TOTAL ASSETS</b>	<b>93,504,826</b>	<b>43,775,189</b>	<b>137,280,015</b>
<b>LIABILITIES</b>			
Accounts Payable	561,977	606,862	1,168,839
Salaries, Wages and Benefits Payable	1,415,488	115,461	1,530,949
Accrued Interest Payable	63,316	123,735	187,051
Property Taxes Payable	0	4,481	4,481
Intergovernmental Payable	18,056	682	18,738
Notes Payable	8,856,000	3,294,000	12,150,000
Unearned Revenue	4,035,925	0	4,035,925
Matured Bonds and Interest Payable	2,940	0	2,940
Long-Term Liabilities:			
Due Within One Year	2,381,094	835,333	3,216,427
Due In More Than One Year	15,828,689	8,772,792	24,601,481
<b>TOTAL LIABILITIES</b>	<b>33,163,485</b>	<b>13,753,346</b>	<b>46,916,831</b>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	38,089,025	32,774,856	70,863,881
Restricted for:			
Capital Projects	6,534,992	0	6,534,992
Debt Service	4,134,518	0	4,134,518
Equipment Replacement	0	378,651	378,651
Street Construction Maintenance and Repair	1,552,301	0	1,552,301
Security of Persons	1,180,908	0	1,180,908
Municipal Court	618,406	0	618,406
Other Purposes	103,524	0	103,524
Permanent Fund Purpose:			
Nonexpendable - Cemetery Fund	226,792	0	226,792
Unrestricted (Deficit)	7,900,875	(3,131,664)	4,769,211
<b>TOTAL NET ASSETS</b>	<b>\$ 60,341,341</b>	<b>\$ 30,021,843</b>	<b>\$ 90,363,184</b>

See accompanying notes to the basic financial statements.

**CITY OF WILLOUGHBY, OHIO**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS		
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>GOVERNMENTAL ACTIVITIES</b>							
General Government	\$ 7,413,446	\$ 2,557,745	\$ 1,312	\$ 0	\$ (4,854,389)		\$ (4,854,389)
Security of Persons and Property	14,372,778	1,631,748	92,205	118,882	(12,529,943)		(12,529,943)
Public Health and Welfare	503,104	89,300	0	0	(413,804)		(413,804)
Community Environment	964,906	293,319	0	0	(671,587)		(671,587)
Leisure Time Activities	2,274,300	498,453	0	132,885	(1,642,962)		(1,642,962)
Transportation	3,360,716	647	0	429,750	(2,930,319)		(2,930,319)
Basic Utility Services	1,699,706	0	0	116	(1,699,590)		(1,699,590)
Interest and Fiscal Charges	705,001	0	0	0	(705,001)		(705,001)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>31,293,957</b>	<b>5,071,212</b>	<b>93,517</b>	<b>681,633</b>	<b>(25,447,595)</b>		<b>(25,447,595)</b>
<b>BUSINESS-TYPE ACTIVITIES</b>							
Golf Course	1,016,247	706,651	0	0		\$ (309,596)	(309,596)
Sewer	5,156,297	4,424,581	0	453,353		(278,363)	(278,363)
Airport	504,073	136,384	0	0		(367,689)	(367,689)
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>6,676,617</b>	<b>5,267,616</b>	<b>0</b>	<b>453,353</b>		<b>(955,648)</b>	<b>(955,648)</b>
<b>TOTAL</b>	<b>\$37,970,574</b>	<b>\$10,338,828</b>	<b>\$93,517</b>	<b>\$1,134,986</b>	<b>(25,447,595)</b>	<b>(955,648)</b>	<b>(26,403,243)</b>
<b>GENERAL REVENUES</b>							
Property Taxes Levied for:							
					1,637,646		1,637,646
					1,581,617		1,581,617
					1,175,110		1,175,110
					109,799		109,799
Income Taxes Levied for:							
					13,200,377		13,200,377
					1,118,397		1,118,397
					4,659,956		4,659,956
					882	100	982
					433,778	4,170	437,948
					4,577	0	4,577
<b>TOTAL GENERAL REVENUE</b>					<b>23,922,139</b>	<b>4,270</b>	<b>23,926,409</b>
Transfers					(62,164)	62,164	0
<b>TOTAL GENERAL REVENUES AND TRANSFERS</b>					<b>23,859,975</b>	<b>66,434</b>	<b>23,926,409</b>
<b>CHANGE IN NET ASSETS</b>					<b>(1,587,620)</b>	<b>(889,214)</b>	<b>(2,476,834)</b>
<b>NET ASSETS BEGINNING OF YEAR- Restated</b>					<b>61,928,961</b>	<b>30,911,057</b>	<b>92,840,018</b>
<b>NET ASSETS END OF YEAR</b>					<b>\$ 60,341,341</b>	<b>\$ 30,021,843</b>	<b>\$ 90,363,184</b>

See accompanying notes to the basic financial statements.



**CITY OF WILLOUGHBY, OHIO**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**AS OF DECEMBER 31, 2009**

ASSETS	<u>GENERAL</u>	<u>CAPITAL PROJECTS</u>	<u>GENERAL BOND RETIREMENT</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b>Assets:</b>					
Equity in City Treasury Cash and Investments	\$6,868,018	\$6,717,802	\$38,258	\$4,590,145	\$18,214,223
Inventory-Supplies	123,317	0	0	107,802	231,119
Accrued Interest Receivable	36,952	21,502	0	0	58,454
Accounts Receivable	141,857	1,024	0	4,791	147,672
Prepaid Items	2,032	0	0	0	2,032
Due from Other Governments	1,622,089	11,687	37,910	604,694	2,276,380
Taxes Receivable	5,720,778	0	1,146,547	1,689,309	8,556,634
Due from Other Funds	1,360,214	28,176	3,632,157	0	5,020,547
Special Assessments Receivable	<u>0</u>	<u>0</u>	<u>0</u>	<u>905,704</u>	<u>905,704</u>
<b>TOTAL ASSETS</b>	<b><u>\$15,875,257</u></b>	<b><u>\$6,780,191</u></b>	<b><u>\$4,854,872</u></b>	<b><u>\$7,902,445</u></b>	<b><u>\$35,412,765</u></b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts Payable	\$166,795	\$227,244	\$617	\$167,321	\$561,977
Salaries, Wages, and Benefits Payable	1,310,405	0	0	105,083	1,415,488
Due to Other Governments	1,687	0	0	16,369	18,056
Due to Other Funds	17,758	0	0	0	17,758
Notes Payable	0	8,856,000	0	0	8,856,000
Deferred Revenue	4,516,128	0	1,184,457	3,076,355	8,776,940
Matured Bonds & Interest Payable	<u>0</u>	<u>0</u>	<u>2,940</u>	<u>0</u>	<u>2,940</u>
<b>TOTAL LIABILITIES</b>	<b><u>6,012,773</u></b>	<b><u>9,083,244</u></b>	<b><u>1,188,014</u></b>	<b><u>3,365,128</u></b>	<b><u>19,649,159</u></b>
<b>Fund Balances:</b>					
Reserved for Encumbrances	459,869	2,944,407	9,466	434,823	3,848,565
Reserved for Inventory	123,317	0	0	107,802	231,119
Reserved for Debt Service	0	0	514,145	320,476	834,621
Reserved for Prepaid Items	2,032	0	0	0	2,032
Reserved for Long-Term Loan -Airport	1,325,214	23,176	3,143,247	0	4,491,637
Unreserved	7,952,052	(5,270,636)	0	0	2,681,416
Unreserved, Reported in Nonmajor					
Special Revenue Funds	0	0	0	3,447,424	3,447,424
Permanent Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>226,792</u>	<u>226,792</u>
<b>TOTAL FUND BALANCES</b>	<b><u>9,862,484</u></b>	<b><u>(2,303,053)</u></b>	<b><u>3,666,858</u></b>	<b><u>4,537,317</u></b>	<b><u>15,763,606</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$15,875,257</u></b>	<b><u>\$6,780,191</u></b>	<b><u>\$4,854,872</u></b>	<b><u>\$7,902,445</u></b>	<b><u>\$35,412,765</u></b>

See accompanying notes to the basic financial statements.

<p><b>CITY OF WILLOUGHBY, OHIO</b>  <b>RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO</b>  <b>NET ASSETS OF GOVERNMENTAL ACTIVITIES</b>  <b>AS OF DECEMBER 31, 2009</b></p>
--

**TOTAL GOVERNMENTAL FUND BALANCES** \$15,763,606

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 58,109,819

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

Property Taxes	293,059
Grants and Entitlements	1,613,315
Municipal Income Taxes	1,848,838
Special Assessments	905,704
Charges for Services	69,099
Fines and Forfeitures	11,000

Total 4,741,015

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	(11,149,654)
OPWC Loans	(15,140)
Special Assessments	(225,000)
Police Pension Liability	(114,411)
Landfill Post Closure Care Liability	(868,516)
Compensated Absences	(5,837,062)
Accrued Interest Payable	(63,316)

Total (18,273,099)

**NET ASSETS OF GOVERNMENTAL ACTIVITIES** \$ 60,341,341

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, 2009**

	<u>GENERAL</u>	<u>CAPITAL PROJECTS</u>	<u>GENERAL BOND RETIREMENT</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b>REVENUES:</b>					
Municipal Income Taxes	\$13,315,788	\$1,118,397	\$0	\$0	\$14,434,185
Property and Other Local Taxes	1,621,455	109,799	1,184,236	1,574,523	4,490,013
Intergovernmental	3,411,413	521,218	241,558	1,435,674	5,609,863
Charges for Services	1,416,102	0	0	246,898	1,663,000
Special Assessments	0	0	0	655,811	655,811
Fines and Forfeitures	2,154,528	0	0	455,755	2,610,283
Licenses & Permits	242,715	0	0	0	242,715
Interest	377,005	2,984	53,789	0	433,778
Miscellaneous	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,577</u>	<u>4,577</u>
TOTAL REVENUES	<u>22,539,006</u>	<u>1,752,398</u>	<u>1,479,583</u>	<u>4,373,238</u>	<u>30,144,225</u>
<b>EXPENDITURES:</b>					
Current:					
General Government	6,769,996	31,150	28,862	206,361	7,036,369
Security of Persons and Property	11,332,735	19,989	0	2,049,824	13,402,548
Public Health and Welfare	470,782	0	0	0	470,782
Community Environment	888,740	0	0	80,569	969,309
Leisure Time Activities	931,683	5,751	0	939,758	1,877,192
Transportation	0	3,850	0	1,764,905	1,768,755
Basic Utility Services	1,278,807	0	0	0	1,278,807
Capital Outlay	107,341	1,915,110	0	1,012,905	3,035,356
Debt Service:					
Principal	0	0	817,787	25,000	842,787
Interest	<u>0</u>	<u>156,000</u>	<u>564,248</u>	<u>14,625</u>	<u>734,873</u>
TOTAL EXPENDITURES	<u>21,780,084</u>	<u>2,131,850</u>	<u>1,410,897</u>	<u>6,093,947</u>	<u>31,416,778</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	758,922	(379,452)	68,686	(1,720,709)	(1,272,553)
OTHER FINANCING SOURCES (USES):					
Transfers In	93,343	113,061	200,000	2,615,000	3,021,404
Transfers Out	(2,692,693)	0	0	(390,875)	(3,083,568)
Sale of Assets	<u>0</u>	<u>16,570</u>	<u>0</u>	<u>0</u>	<u>16,570</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,599,350)</u>	<u>129,631</u>	<u>200,000</u>	<u>2,224,125</u>	<u>(45,594)</u>
NET CHANGE IN FUND BALANCES	(1,840,428)	(249,821)	268,686	503,416	(1,318,147)
FUND BALANCE BEGINNING OF YEAR	11,681,497	(2,053,232)	3,398,172	4,025,797	17,052,234
INCREASE IN RESERVE FOR INVENTORY	<u>21,415</u>	<u>0</u>	<u>0</u>	<u>8,104</u>	<u>29,519</u>
FUND BALANCES END OF YEAR	<u>\$9,862,484</u>	<u>(\$2,303,053)</u>	<u>\$3,666,858</u>	<u>\$4,537,317</u>	<u>\$15,763,606</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, 2009**

**NET CHANGES IN FUND BALANCES-TOTAL GOVERNMENTAL FUNDS** \$ (1,318,147)

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 were under depreciation in the current period.

Capital Asset Additions	3,035,356	
Current Year Depreciation	<u>(3,500,535)</u>	
Total		(465,179)

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

Donations	33,914	
Disposal-net	<u>(15,688)</u>	
Total		18,226

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

Property Taxes	14,159	
Grants and Entitlements	(208,790)	
Municipal Income Taxes	(115,411)	
Special Assessments	(28,300)	
Charges for Services	(72,900)	
Fines and Forfeitures	719	
Total	<u>719</u>	(410,523)

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

886,788

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

29,872

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

Compensated Absences	(358,176)	
Change in Inventory	<u>29,519</u>	
Total		<u>(328,657)</u>

**CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES** **\$ (1,587,620)**

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, 2009**

	<u>BUDGETED AMOUNTS</u>			<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>(NEGATIVE)</u>
<b>REVENUES:</b>				
Municipal Income Taxes	\$14,007,894	\$14,007,894	\$13,658,195	(\$349,699)
Property and Other Local Taxes	1,616,987	1,616,987	1,639,780	22,793
Intergovernmental	3,244,315	3,244,315	3,688,190	443,875
Charges for Services	1,041,300	1,041,300	1,288,700	247,400
Fines and Forfeitures	1,951,000	1,951,000	2,249,912	298,912
Licenses and Permits	238,400	238,400	243,002	4,602
Interest Income	550,000	550,000	492,954	(57,046)
Other	<u>120,500</u>	<u>120,500</u>	<u>112,500</u>	<u>(8,000)</u>
Total Revenues	<u>22,770,396</u>	<u>22,770,396</u>	<u>23,373,233</u>	<u>602,837</u>
<b>EXPENDITURES:</b>				
Legislative- Council	273,739	273,739	270,809	2,930
Judicial- Municipal Court	2,106,930	2,106,930	1,963,226	143,704
Executive-Mayor	<u>21,076,321</u>	<u>21,076,321</u>	<u>19,749,333</u>	<u>1,326,988</u>
Total Expenditures	<u>23,456,990</u>	<u>23,456,990</u>	<u>21,983,368</u>	<u>1,473,622</u>
Excess of Revenues Over (Under) Expenditures	(686,594)	(686,594)	1,389,865	2,076,459
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out	(2,652,693)	(2,692,693)	(2,692,693)	0
Transfers In	100,000	93,300	93,343	43
Advance Repaid	15,000	15,000	15,000	0
Other	<u>0</u>	<u>6,700</u>	<u>222,380</u>	<u>215,680</u>
Total Other Financing Sources (Uses)	<u>(2,537,693)</u>	<u>(2,577,693)</u>	<u>(2,361,970)</u>	<u>215,723</u>
<b>NET CHANGE IN FUND BALANCE</b>	(3,224,287)	(3,264,287)	(972,105)	2,292,182
<b>FUND BALANCE BEGINNING OF YEAR</b>	6,239,635	6,239,635	6,239,635	0
Prior Year Encumbrances Appropriated	<u>22,038</u>	<u>22,038</u>	<u>22,038</u>	<u>0</u>
<b>FUND BALANCE END OF YEAR</b>	<u>\$3,037,386</u>	<u>\$2,997,386</u>	<u>\$5,289,568</u>	<u>\$2,292,182</u>

See accompanying notes to the basic financial statements.

**CITY OF WILLOUGHBY, OHIO**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**AS OF DECEMBER 31, 2009**

**BUSINESS-TYPE ACTIVITIES**

	<b><u>GOLF COURSE</u></b>	<b><u>SEWER</u></b>	<b><u>AIRPORT</u></b>	<b><u>TOTAL</u></b> <b><u>2009</u></b>
ASSETS				
CURRENT ASSETS				
Equity in City Treasury Cash and Investments	\$115,718	\$1,861,219	\$179,555	\$2,156,492
Inventory	8,733	44,352	0	53,085
Accrued Interest Receivable	0	12,207	0	12,207
Accounts Receivable	36	151,320	23,584	174,940
Prepaid Expenses	0	0	2,700	2,700
Due from Other Funds	2,662	173,136	697	176,495
Due from Other Governments	<u>165</u>	<u>737,404</u>	<u>0</u>	<u>737,569</u>
<b>TOTAL CURRENT ASSETS</b>	<b><u>127,314</u></b>	<b><u>2,979,638</u></b>	<b><u>206,536</u></b>	<b><u>3,313,488</u></b>
NONCURRENT ASSETS				
Restricted Assets:				
Cash Investments	0	757,303	0	757,303
Land and Construction in Progress	2,273,366	789,957	7,335,606	10,398,929
Depreciable Capital Assets, Net	<u>2,592,579</u>	<u>30,571,768</u>	<u>1,320,406</u>	<u>34,484,753</u>
<b>TOTAL NONCURRENT ASSETS</b>	<b><u>4,865,945</u></b>	<b><u>32,119,028</u></b>	<b><u>8,656,012</u></b>	<b><u>45,640,985</u></b>
<b>TOTAL ASSETS</b>	<b><u>4,993,259</u></b>	<b><u>35,098,666</u></b>	<b><u>8,862,548</u></b>	<b><u>48,954,473</u></b>
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable	18,654	586,520	1,688	606,862
Salaries, Wages & Benefits Payable	21,221	309,250	5,300	335,771
Accrued Interest Payable	11,758	111,774	203	123,735
Property Taxes Payable	0	0	4,481	4,481
Note Payable	1,658,300	1,535,700	100,000	3,294,000
Due to Other Funds	528,910	0	4,650,374	5,179,284
Due to Other Governments	666	16	0	682
Bonds Payable	<u>130,000</u>	<u>485,023</u>	<u>0</u>	<u>615,023</u>
<b>TOTAL CURRENT LIABILITIES</b>	<b><u>2,369,509</u></b>	<b><u>3,028,283</u></b>	<b><u>4,762,046</u></b>	<b><u>10,159,838</u></b>
NONCURRENT LIABILITIES				
Salaries, Wages & Benefits Payable	67,111	505,878	0	572,989
Bonds Payable	<u>2,220,000</u>	<u>5,979,803</u>	<u>0</u>	<u>8,199,803</u>
<b>TOTAL NONCURRENT LIABILITIES</b>	<b><u>2,287,111</u></b>	<b><u>6,485,681</u></b>	<b><u>0</u></b>	<b><u>8,772,792</u></b>
<b>TOTAL LIABILITIES</b>	<b><u>4,656,620</u></b>	<b><u>9,513,964</u></b>	<b><u>4,762,046</u></b>	<b><u>18,932,630</u></b>
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	857,645	23,361,199	8,556,012	32,774,856
Restricted for:				
Equipment Replacement	0	378,651	0	378,651
Unrestricted (Deficit)	<u>(521,006)</u>	<u>1,844,852</u>	<u>(4,455,510)</u>	<u>(3,131,664)</u>
<b>TOTAL NET ASSETS</b>	<b><u>\$336,639</u></b>	<b><u>\$25,584,702</u></b>	<b><u>\$4,100,502</u></b>	<b><u>\$30,021,843</u></b>

See accompanying notes to the basic financial statements.

**CITY OF WILLOUGHBY, OHIO**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

**BUSINESS-TYPE ACTIVITIES**

	<u><b>GOLF COURSE</b></u>	<u><b>SEWER</b></u>	<u><b>AIRPORT</b></u>	<u><b>TOTAL 2009</b></u>
OPERATING REVENUES:				
Charges for Services	\$706,651	\$4,424,581	\$935	\$5,132,167
Rentals	<u>0</u>	<u>0</u>	<u>135,449</u>	<u>135,449</u>
Total Operating Revenues	<u>706,651</u>	<u>4,424,581</u>	<u>136,384</u>	<u>5,267,616</u>
OPERATING EXPENSES:				
Personal Services	422,644	2,466,461	114,793	3,003,898
Contractual Services	101,904	446,138	7,811	555,853
Materials & Supplies	139,882	115,589	7,156	262,627
Heat, Light & Power	27,231	412,670	12,503	452,404
Other Expenses	5,355	12,087	1,871	19,313
Depreciation	<u>159,859</u>	<u>1,490,354</u>	<u>353,755</u>	<u>2,003,968</u>
Total Operating Expenses	<u>856,875</u>	<u>4,943,299</u>	<u>497,889</u>	<u>6,298,063</u>
Net Income (Loss) from Operations	<u>(150,224)</u>	<u>(518,718)</u>	<u>(361,505)</u>	<u>(1,030,447)</u>
NON-OPERATING REVENUES (EXPENSES):				
Interest - Income	1,078	2,930	162	4,170
- Expense	<u>(159,372)</u>	<u>(206,170)</u>	<u>(6,184)</u>	<u>(371,726)</u>
Other - Income	0	0	100	100
Other - Expense	<u>0</u>	<u>(6,828)</u>	<u>0</u>	<u>(6,828)</u>
Total Non-Operating Revenues (Expenses)	<u>(158,294)</u>	<u>(210,068)</u>	<u>(5,922)</u>	<u>(374,284)</u>
Net Income (Loss) Before Contributions and Transfers	<u>(308,518)</u>	<u>(728,786)</u>	<u>(367,427)</u>	<u>(1,404,731)</u>
Capital Contributions	0	453,353	0	453,353
Transfers In	<u>0</u>	<u>61,476</u>	<u>688</u>	<u>62,164</u>
CHANGE IN NET ASSETS	<u>(308,518)</u>	<u>(213,957)</u>	<u>(366,739)</u>	<u>(889,214)</u>
NET ASSETS BEGINNING OF YEAR-restated	<u>645,157</u>	<u>25,798,659</u>	<u>4,467,241</u>	<u>30,911,057</u>
NET ASSETS END OF YEAR	<u>\$336,639</u>	<u>\$25,584,702</u>	<u>\$4,100,502</u>	<u>\$30,021,843</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, 2009**

(continued on following page)

	<u>Business-Type Activities</u>			
	<u>Golf</u>	<u>Sewer</u>	<u>Airport</u>	<u>Total</u>
	<u>Course</u>			
Cash flows from operating activities:				
Receipts from customers and users	\$706,879	\$5,762,580	\$137,025	\$6,606,484
Receipts from other fund	195,465	(1,000,000)	156,525	(648,010)
Payments to suppliers	(273,550)	(1,119,398)	(31,337)	(1,424,285)
Payments to employees	<u>(409,438)</u>	<u>(2,420,180)</u>	<u>(113,909)</u>	<u>(2,943,527)</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>219,356</u>	<u>1,223,002</u>	<u>148,304</u>	<u>1,590,662</u>
Cash flows from noncapital financing activities:				
Transfers from other funds	<u>0</u>	<u>61,476</u>	<u>688</u>	<u>62,164</u>
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	<u>0</u>	<u>61,476</u>	<u>688</u>	<u>62,164</u>
Cash flows from capital and related financing activities:				
Proceeds from sale of debt	48,300	1,791,741	100,000	1,940,041
Acquisition and construction of capital assets	(159,190)	(2,686,793)	(56,861)	(2,902,844)
Principal reduction on long-term debt	(130,000)	(440,100)	(150,000)	(720,100)
Interest paid on long-term debt	(159,372)	(206,170)	(6,184)	(371,726)
Contribution of capital from grants	0	376,750	0	376,750
Contributions from customers	0	76,603	0	76,603
Proceeds from the sale of capital assets	<u>0</u>	<u>0</u>	<u>100</u>	<u>100</u>
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(400,262)</u>	<u>(1,087,969)</u>	<u>(112,945)</u>	<u>(1,601,176)</u>
Cash flows from investing activities:				
Interest on investments	<u>1,078</u>	<u>2,930</u>	<u>162</u>	<u>4,170</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>1,078</u>	<u>2,930</u>	<u>162</u>	<u>4,170</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(179,828)	199,439	36,209	55,820
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>295,546</u>	<u>2,419,083</u>	<u>143,346</u>	<u>2,857,975</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$115,718</u>	<u>\$2,618,522</u>	<u>\$179,555</u>	<u>\$2,913,795</u>

(Sewer Fund includes \$757,303 of cash and cash equivalent in restricted assets)

See accompanying notes to the basic financial statements.



**CITY OF WILLOUGHBY, OHIO**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

(continued)

**Business-Type Activities**

	<b><u>Golf Course</u></b>	<b><u>Sewer</u></b>	<b><u>Airport</u></b>	<b><u>Total</u></b>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:				
Operating income (loss)	(\$150,224)	(\$518,718)	(\$361,505)	(\$1,030,447)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation	159,859	1,490,354	353,755	\$2,003,968
Change in assets and liabilities:				
(Increase) decrease in inventory of supplies	(923)	(8,570)	0	(9,493)
(Increase) decrease in accounts receivable	564	(27,368)	698	(26,106)
(Increase) decrease in accrued interest receivable	0	4,787	0	4,787
(Increase) decrease in prepaid expense	0	858	60	918
(Increase) decrease in due from other funds	(171)	(1,359)	(57)	(1,587)
(Increase) decrease in due from other govts	(165)	1,361,939	0	1,361,774
Increase (decrease) in accounts payable	(4,375)	(154,055)	(2,083)	(160,513)
Increase (decrease) in accrued salaries, wages, and benefits	13,206	46,281	884	60,371
Increase (decrease) in accrued interest payable	(7,324)	28,896	(341)	21,231
Increase (decrease) in property tax liabilities	0	0	368	368
Increase (decrease) in due to other funds	195,465	(1,000,000)	156,525	(648,010)
Increase (decrease) in due to other governments	513	(43)	0	470
(Increase) decrease in deferred charges	12,931	0	0	12,931
TOTAL ADJUSTMENTS	<u>369,580</u>	<u>1,741,720</u>	<u>509,809</u>	<u>2,621,109</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>\$219,356</u>	<u>\$1,223,002</u>	<u>\$148,304</u>	<u>\$1,590,662</u>

See accompanying notes to the basic financial statements.

**CITY OF WILLOUGHBY, OHIO**  
*STATEMENT OF ASSETS AND LIABILITIES*  
*AGENCY FUNDS*  
*AS OF DECEMBER 31, 2009*

	<b>AGENCY</b>
<b>ASSETS</b>	
Equity in City Treasury Cash and Investments	\$1,454,077
Accounts Receivable	<u>123,000</u>
TOTAL ASSETS	<u>\$1,577,077</u>
<b>LIABILITIES</b>	
Accounts Payable	\$1,113,525
Deposits Held and Due to Others	209,895
Due to Other Governments	<u>253,657</u>
TOTAL LIABILITIES	<u>\$1,577,077</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, 2009**

---

---

**NOTE 1: REPORTING ENTITY**

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

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading.

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

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

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

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Willoughby have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City generally applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, in both government-wide and proprietary fund financial statements provided they do not conflict with or contradict GASB pronouncements. The City also has the option of following subsequent private-sector guidance for its business-type activities and enterprise funds, subject to this same limitation.

---

---

**CITY OF WILLOUGHBY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

---

---

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

**A. Basis of Presentation**

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

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

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

**Fund Financial Statements** – Fund financial statements are designed to present financial information of the City at a more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

**B. Fund Accounting**

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

---

---

**CITY OF WILLOUGHBY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

---

---

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

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

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

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

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

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

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

---

---

**CITY OF WILLOUGHBY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

---

---

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

**C. Measurement Focus**

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

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

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

**D. Basis of Accounting**

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

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

---

---

**CITY OF WILLOUGHBY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

---

---

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

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

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

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

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

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

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

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

---

---

**CITY OF WILLOUGHBY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

---

---

E. **Pooled Cash and Cash Equivalents**

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

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

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

The City complies with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. In applying GASB Statement No. 31, the City utilized the following methods and assumptions as of December 31, 2009:

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

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

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

Following Ohio statutes, the City has specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General fund during fiscal year 2009 amounted to \$377,005 which includes \$176,215 assigned from other City funds.



---

---

**CITY OF WILLOUGHBY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

---

---

**F. Receivables**

Receivables at December 31, 2009 consist of taxes, amounts due from other governments, accounts (billings for user charged services), special assessments, and accrued interest on investments. All are deemed collectible in full.

**G. Materials and Supplies Inventory**

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

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

Inventory consists of expendable supplies held for consumption.

**H. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2009 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

**I. Capital Assets**

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

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

**CITY OF WILLOUGHBY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

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

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

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

**J. Interfund Balances**

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

**K. Compensated Absences**

Vacation benefits are accrued as a liability as the benefits are earned if the employees’ rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

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

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

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

---

---

**CITY OF WILLOUGHBY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

---

---

employees who have accumulated the leave are paid. There were none in 2009. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

**L. Accrued Liabilities and Long-term Obligations**

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, landfill post closure care, compensated absences and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and long-term loans are recognized as a liability on the governmental fund financial statements when due.

**M. Fund Balance Reserves**

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

**N. Net Assets**

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

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

**O. Grants and Intergovernmental Revenues**

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

---

---

**CITY OF WILLOUGHBY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

---

---

P. **Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for sewer, golf course, and airport services. Operating expenses are necessary costs that have been incurred in order to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating.

Q. **Contributions of Capital**

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

R. **Interfund Activity**

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

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

S. **Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence; neither occurred in 2009.

T. **Estimates**

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

---

---

**CITY OF WILLOUGHBY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

---

---

**U. Budgetary Data**

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. Beginning in 2009, 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 2009.

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

**NOTE 3: COMPLIANCE AND ACCOUNTABILITY**

**A. Change in Accounting Principles**

For fiscal year 2009, the City has implemented GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments* and GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*.

GASB Statement No. 51 establishes accounting and financial reporting requirements for intangible assets including easements, water rights, timber rights, patents, trademarks and computer software.

**CITY OF WILLOUGHBY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

GASB Statement No. 52 amends GASB No. 31 to establish consistent standards for the reporting of land and other real estate held for similar purposes by comparable entities.

GASB Statement No. 53 establishes accounting and financial reporting requirements for derivative instruments entered into by state and local governments.

The implementation of GASB Statements No. 51, No. 52 and No. 53 did not have an effect on the financial statements of the City.

**B. Restatement of Net Assets**

The City settled a decade long dispute involving an airport tenant. This mutually agreed upon termination of the contract involved a small settlement which was lower than the previous booked receivable net of an allowance for uncollectible. The tenant vacated the property allowing the Airport and City to enter into a new agreement with a fixed base operator that will benefit the City long term. The results of this are presented in the following table:

	Airport	Total Business-Type	Total Government
Net Assets Dec 31, 2008	\$ 4,700,650	\$ 31,144,466	\$ 93,073,427
Reduction in Accounts Receivable	\$ (233,409)	\$ (233,409)	(233,409)
Adjusted Net Assets, Dec 31, 2008	<u>\$ 4,467,241</u>	<u>\$ 30,911,057</u>	<u>\$ 92,840,018</u>

**C. Fund Deficits**

At December 31, 2009, the Airport fund had deficit unrestricted net assets of \$4,455,510. The Due to Other Funds amount represents long-term debt on behalf of the Airport fund paid by the General fund, the General Bond Retirement fund, the Sewer fund and the Capital Projects fund. The Airport fund has liabilities (due to other funds) in the amount of \$4,650,374, which consists of \$1,325,214 due to the General fund, \$3,143,247 to the General Bond Retirement fund, \$158,737 to the Sewer fund and \$23,176 to the Capital Projects fund. The Airport fund is ultimately responsible for its long-term debt based upon the intent of Council and the Administration of the City. This has not been possible due to insufficient revenue received by this Enterprise fund. The airport, when and if capable, will be required to repay all liabilities to other funds.

The Golf Course fund had deficit unrestricted net assets of \$521,006. The "Due to Other Funds" amount includes \$528,910 of advances from the General, General Bond Retirement and Capital Projects funds.

The Capital Projects fund had a deficit unreserved fund balance of \$5,270,636. The Notes Payable liability of \$8,856,000 remains. Encumbrances of \$2,944,407 are primarily for the City Hall Renovation project.

---

---

**CITY OF WILLOUGHBY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

---

---

**NOTE 4: DEPOSITS AND INVESTMENTS**

**A. Deposits**

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

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

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

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

**B. Investments**

The Finance Director is permitted to invest in any security authorized by the Ohio Revised Code, Section 135.14, or other relevant sections as amended. All investment procedures are conducted as specified in the Ohio Revised Code including, but not limited to, the collateralization of deposits and repurchase agreements. The maximum final maturity of any investment will be five years from the date of purchase. The City's investment practices have consistently protected the portfolio from unnecessary credit risk (safety) and market risks (liquidity) while providing a competitive yield. Generally only eligible investments with remaining terms of two years or less are purchased. Average days to maturity of the City's investments at December 31, 2009 were 149.

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

---

---

**CITY OF WILLOUGHBY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

---

---

Investments are permitted in the following securities:

- United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above;
- Bonds or other obligations of the State of Ohio;
- Certificates of deposits (collateralized as described below) in eligible institutions or savings or deposit accounts;
- No-load money market funds consisting exclusively of obligations described in division 1 or 2 of this section and repurchase agreements secured as described are made only through eligible institutions mentioned in Section 135.03 of the Ohio Revised Code;
- The State Treasury Asset Reserve Funds (STAROhio) as provided in Section 135.45 of the Ohio Revised Code;
- Bankers' acceptances and commercial paper, if training requirements have been met.

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

***Cash on Hand***

At December 31, 2009, the City had \$5,020 in undeposited cash on hand, which is included on the balance sheet of the City as part of "Equity in City Treasury Cash and Investments".

***Deposits***

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



**CITY OF WILLOUGHBY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

collateral against all of the public deposits it holds, or as specific collateral held at a Federal Reserve bank in the name of the City.

At December 31, 2009, the carrying amount of the City's deposits was \$21,140,701 including restricted cash of \$757,303 and the bank balance was \$21,944,243. \$18,694,243 of the City's bank balance was covered by Federal Depository Insurance. \$1,500,000 was uninsured and collateralized with securities held by the pledging financial institutions trust department or agent in the City's name. \$1,750,000 was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name. Although the securities were held by the pledging institution's trust department and all statutory requirements for the investments of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

***Investments***

As of December 31, 2009, the City had the following investments and maturities:

<b>Investment Type</b>	<b>Moody's Rating</b>	<b>S&amp;P Rating</b>	<b>Fair Value</b>	<b>Investment Maturities</b>
				<b>Less than 1 Year</b>
STAROhio		AAAm	\$ 433,374	\$ 433,374
FHLMC	Aaa	AAA	1,003,000	1,003,000
			<u>\$ 1,436,374</u>	<u>\$ 1,436,374</u>

*Interest Rate Risk:* As a means of limiting its exposure to fair value losses caused by rising interest rates, it is the City's investment policy that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase and the City's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The intent of this policy is to avoid the need to sell securities prior to maturity. In current practice, no investment is purchased with a term greater than two years.

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

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

**CITY OF WILLOUGHBY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

*Concentration of Credit Risk:* The City investment policy places no limit on the amount it may invest in any one issuer. Of the City's total investments 69.8% was in FHLMC securities. Other investments not specifically guaranteed by the U.S. government total 30.2% of the City's investments.

**NOTE 5: INTERFUND TRANSFERS AND BALANCES**

As of December 31, 2009, interfund transfers were as follows:

<u>Transfer To</u>	<u>Transfer From</u>		<u>Total</u>
	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	
General Fund	\$ 0	\$ 93,343	\$ 93,343
Capital Projects Fund	77,693	35,368	113,061
General Bond Retirement Fund	0	200,000	200,000
Sewer	0	61,476	61,476
Airport	0	688	688
Nonmajor Governmental Funds	2,615,000	0	2,615,000
Total	<u>\$ 2,692,693</u>	<u>\$ 390,875</u>	<u>\$ 3,083,568</u>

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

As of December 31, 2009, interfund balances were as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
<u>Major Funds</u>		
General	\$ 1,360,214	\$ 17,758
Capital Projects	28,176	0
General Bond Retirement	3,632,157	0
Golf Course	2,662	528,910
Sewer	173,136	0
Airport	697	4,650,374
	<u>\$ 5,197,042</u>	<u>\$ 5,197,042</u>

Interfund balances of \$5,002,789 are a result of advances from the General fund for Airport and Golf Course operations. The General Bond Retirement fund balances are for Airport and Golf Course debt payments and the Capital Projects fund balances are for equipment purchases of the Airport and Golf enterprise funds. Remaining amounts are for reimbursements due from operations.

**CITY OF WILLOUGHBY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

**NOTE 6: BUDGETARY BASIS OF ACCOUNTING**

While the City is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual for the General fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and the GAAP basis are that:

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

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

<b>Net Change in Fund Balance</b>	
GAAP Basis	\$ (1,840,428)
Net Adjustment for Revenue Accruals	1,073,158
Fair Value Adjustment for Investments	(1,830)
Net Adjustment for Expenditure Accruals	(130,494)
Encumbrances	(427,638)
Current Expense Against Prior Year Encumbrances	355,127
Budget Basis	<u>\$ (972,105)</u>

**NOTE 7: RECEIVABLES**

Receivables at December 31, 2009 consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements and shared revenues, special assessments, accrued interest on investments, and accounts (billings for user charged services).

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

---



---

**CITY OF WILLOUGHBY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

---



---

**A. Property Taxes**

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

2009 real property taxes are levied after October 1, 2009, on the assessed value as of January 1, 2009, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2009 real property taxes are collected in and intended to finance 2010 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. 2009 public utility property taxes which became a lien December 31, 2008, are levied after October 1, 2009, and are collected in 2010 with real property taxes.

2009 tangible personal property taxes are levied after October 1, 2008, on the value as of December 31, 2008. Collections are made in 2009. Tangible personal property is assessed at 6.25 percent of its true value.

The full tax rate for all City operations for the year ended December 31, 2009, was \$8.54 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2009 property tax receipts were based are as follows:

Real Property	\$651,219,510
Public Utility Tangible	\$9,992,660
Tangible Personal	\$1,307,867
<b>Total</b>	<b>\$662,520,037</b>

Real property taxes are payable annually or semiannually. The due date for the 2009 levy was February 17, 2010, for all or one half of the taxes due. The second half due date is July 15, 2010.

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

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

**CITY OF WILLOUGHBY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2009 and for which there is an enforceable legal claim. In general, for Police Pension, Fire Pension, Recreation, and General Bond Retirement funds, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2009 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

**B. Municipal Income Taxes**

The City levies a municipal income tax of 2 percent on all salaries, wages, commissions, and other compensation, and net profits earned within the City, as well as resident incomes earned outside the City. In the latter case, the City allows a credit of 100 percent of the tax paid to another municipality not to exceed the amount owed. All taxes are remitted to the Regional Income Tax Agency, acting as an agent of the City.

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

**C. Intergovernmental Receivables**

A summary of the principal items of intergovernmental receivables follows:

<b>Governmental Activities:</b>	
Property & Other Local Taxes	\$ 10,811
Estate Tax	159,577
Gasoline & Motor Vehicle Tax	507,814
Local Government	1,193,155
Charges for Service	47,344
Homestead and Rollback	138,885
Grants	20,435
Fines	198,359
Total Governmental	<u>2,276,380</u>
<b>Business-Type Activities:</b>	
Charges for Service	368,535
Grants	23,923
OWDA and OPWC	345,111
Total Business-Type	<u>737,569</u>
<b>Total Intergovernmental Receivables</b>	<b><u>\$ 3,013,949</u></b>

**CITY OF WILLOUGHBY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

**NOTE 8: CAPITAL ASSETS**

A summary of changes in capital assets during 2009 follows:

	Balance 01/01/09	Additions	Deletions	Balance 12/31/09
<b>Governmental Activities</b>				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$7,747,452	\$0	(\$20)	\$7,747,432
Construction in Progress	<u>6,751,876</u>	<u>571,856</u>	<u>(457,953)</u>	<u>6,865,779</u>
<i>Total Capital Assets Not Being Depreciated</i>	<u>14,499,328</u>	<u>571,856</u>	<u>(457,973)</u>	<u>14,613,211</u>
<i>Capital Assets Being Depreciated</i>				
Buildings	19,073,180	500,477	(41,875)	19,531,782
Improvements	14,198,824	287,650	(148,442)	14,338,032
Machinery and Equipment	10,233,815	140,089	(349,723)	10,024,181
<b>Infrastructure:</b>				
Roads	22,855,920	1,912,146	(771,745)	23,996,321
Sidewalks	1,152,961	0	0	1,152,961
Curbs & Gutters	985,795	0	0	985,795
Storm Sewers	7,919,289	75,485	0	7,994,774
Street Lights	41,948	0	0	41,948
Traffic Signals	1,503,061	39,520	0	1,542,581
Bridges	<u>533,211</u>	<u>0</u>	<u>0</u>	<u>533,211</u>
<i>Total Capital Assets Being Depreciated</i>	<u>78,498,004</u>	<u>2,955,367</u>	<u>(1,311,785)</u>	<u>80,141,586</u>
<i>Less Accumulated Depreciation</i>				
Buildings	(5,846,080)	(605,888)	41,344	(6,410,624)
Improvements	(7,905,881)	(488,849)	146,154	(8,248,576)
Machinery and Equipment	(6,229,677)	(736,647)	336,874	(6,629,450)
<b>Infrastructure:</b>				
Roads	(9,169,859)	(1,249,800)	771,745	(9,647,914)
Sidewalks	(545,904)	(41,477)	0	(587,381)
Curbs & Gutters	(484,250)	(34,589)	0	(518,839)
Storm Sewers	(2,946,548)	(247,633)	0	(3,194,181)
Street Lights	(30,762)	(2,797)	0	(33,559)
Traffic Signals	(1,187,845)	(82,191)	0	(1,270,036)
Bridges	<u>(93,754)</u>	<u>(10,664)</u>	<u>0</u>	<u>(104,418)</u>
<i>Total Accumulated Depreciation</i>	<u>(34,440,560)</u>	<u>(3,500,535)</u>	<u>1,296,117</u>	<u>(36,644,978)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>44,057,444</u>	<u>(545,168)</u>	<u>(15,668)</u>	<u>43,496,608</u>
<b>Total Government Activities Capital Assets, Net</b>	<u><u>\$58,556,772</u></u>	<u><u>\$26,688</u></u>	<u><u>(\$473,641)</u></u>	<u><u>\$58,109,819</u></u>

**CITY OF WILLOUGHBY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

**NOTE 8: CAPITAL ASSETS (CONTINUED)**

	Balance 01/01/09	Additions	Deletions	Balance 12/31/09
<b><u>Business-Type Activities</u></b>				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$10,009,383	\$0	\$0	\$10,009,383
Construction in Progress	1,163,842	342,210	(1,116,506)	389,546
<i>Total Capital Assets Not Being Depreciated</i>	<u>11,173,225</u>	<u>342,210</u>	<u>(1,116,506)</u>	<u>10,398,929</u>
<i>Capital Assets Being Depreciated</i>				
Buildings	18,370,506	7,316	(7,988)	18,369,834
Improvements	41,177,183	3,566,260	(996,960)	43,746,483
Machinery and Equipment	4,509,423	103,564	(19,509)	4,593,478
<i>Total Capital Assets Being Depreciated</i>	<u>64,057,112</u>	<u>3,677,140</u>	<u>(1,024,457)</u>	<u>66,709,795</u>
<i>Less Accumulated Depreciation</i>				
Buildings	(10,120,582)	(480,564)	7,988	(10,593,158)
Improvements	(18,907,282)	(1,299,542)	996,960	(19,209,864)
Machinery and Equipment	(2,210,839)	(223,862)	12,681	(2,422,020)
<i>Total Accumulated Depreciation</i>	<u>(31,238,703)</u>	<u>(2,003,968)</u>	<u>1,017,629</u>	<u>(32,225,042)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>32,818,409</u>	<u>1,673,172</u>	<u>(6,828)</u>	<u>34,484,753</u>
<b>Total Business-Type Capital Assets, Net</b>	<u><u>\$43,991,634</u></u>	<u><u>\$2,015,382</u></u>	<u><u>(\$1,123,334)</u></u>	<u><u>\$44,883,682</u></u>
*Depreciation expense was charged to governmental functions as follows:				
General Government				\$339,564
Security of Persons and Property				673,439
Public Health and Welfare				15,341
Community Environment				11,739
Leisure Time Activities				382,555
Transportation				1,656,998
Basic Utility Service				420,899
<b>Total</b>				<u><u>\$3,500,535</u></u>
Depreciation expense was charged to business-type activities as follows:				
Golf				\$159,859
Sewer				1,490,354
Airport				353,755
<b>Total</b>				<u><u>\$2,003,968</u></u>

---

---

**CITY OF WILLOUGHBY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

---

---

**NOTE 9: PENSION PLANS**

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

**A. Ohio Public Employees Retirement System (OPERS)**

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

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

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

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

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2009, member and employer contribution rates were consistent across all three plans (TP, MD and CO).



---

---

**CITY OF WILLOUGHBY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

---

---

Plan members, other than those engaged in law enforcement and public safety, are required to contribute 10 percent of their annual covered salary to fund pension obligations. For 2009, the City was required to contribute 14 percent of covered payroll. The City's contributions for all plans (TP, MD and CO) for the years 2009, 2008, and 2007 were \$ 1,268,283, \$ 1,243,513, and \$ 928,441 respectively. As of December 31, 2009 93 percent of 2009's required contributions had been paid out, 100 percent for the year 2008 and 93 percent for 2007.

Effective with the January 2008 liability, as part of House Bill 272, employers were required to move to a monthly liability payment schedule from a quarterly basis. The bill provides employers with a deferral program of their fourth quarter liability for 2007 which the City has opted to do. The City's deferred liability remaining from fourth quarter amounts to \$87,180. The result of this program requires employers to remit 13 monthly payments for the years 2008 through 2010: October 2007 liabilities were paid in December, 2008, November 2007 liabilities were paid in December of 2009 and December 2007 will be due by December 31, 2010.

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

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

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

Police and firefighters are required to contribute 10.00 percent of their annual covered salary to fund pension obligations and the City is required to contribute 19.50 percent for police and 24.00 percent for firefighters. The City's contributions to OP&F for the years 2009, 2008 and 2007 were \$ 708,182, \$678,367, and \$643,599 for police and \$737,934, \$711,921, and \$691,923 for firefighters, respectively. As of December 31, 2009, only 77 percent of 2009's required contributions for both police and firefighters had been paid and 100 percent for the years 2008 and 2007.

---

---

**CITY OF WILLOUGHBY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

---

---

**NOTE 10: POST-EMPLOYMENT BENEFITS**

**A. Ohio Public Employees Retirement System (OPERS)**

*Plan Description* - Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan – a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan – a defined contribution plan; and the Combined Plan – a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

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

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

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

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2009, local government employer units contributed at 14% of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for state and local employer units. Active members do not make contributions to the OPEB Plan.

OPERS' Post employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits.

---

---

**CITY OF WILLOUGHBY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

---

---

For 2009, the employer contributions allocated to the health care plan was 7.0% for January through March and 5.50% for April through December. The City's actual contributions for 2009 which were used to fund post employment benefits were \$532,583. This amount is calculated by multiplying employer contributions for January through March by 0.50 and contributions for April through December by 0.3929. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

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

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

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

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

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

***Funding Policy*** - The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50% and 24.00% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of the covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB plan.

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

---

---

**CITY OF WILLOUGHBY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

---

---

Both are within the defined benefit pension plan under the authority granted to the OP&F Board of Trustees by the Ohio Revised Code. The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account for retiree health care benefits. For the year 2009, the employer contribution allocated to the healthcare plan was 6.75% of covered payroll. The amount of employer contributions allocated to the healthcare plan each year is subject to the trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City of Willoughby's contributions to OP&F for the years ending December 31, 2009, 2008, and 2007 were \$708,182, \$ 678,367, and \$ 643,599 for police and \$737,934, \$ 711,921, and \$ 691,923 for firefighters, respectively. The portion of the City's contributions that was used to pay post-employment benefits for 2009, 2008 and 2007 was \$245,031, \$ 234,715, and \$ 222,685 for police and \$207,359, \$ 200,050, and \$ 194,430 for firefighters, respectively. These amounts are calculated by multiplying actual employer contributions by the following factors: 0.346 for police contributions and 0.281 for firefighter contributions for the years 2007, 2008 and 2009.

**NOTE 11: OTHER EMPLOYEE BENEFITS – COMPENSATED ABSENCES**

**A. Accumulated Unpaid Vacation**

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

**B. Accumulated Unpaid Sick Leave**

All full-time employees earn sick leave at a rate of 1.25 days for each completed full month of service. Sick leave is accumulated without limit. Upon retirement, an employee is entitled to receive payment for accumulated sick leave. The amount paid is based upon length of service with the maximum amount of accumulated sick leave being 960 hours. Employees with 15 years service receive an additional amount of 20 percent for sick leave hours accumulated in excess of 960 hours for most City employees and 1195.2 hours for firefighters. Employees with 20 to 25 years of service receive an additional amount of 30 percent for sick leave accumulated in excess of 960 hours or 1195.2 for firefighters. With 25 years or more of service employees receive an additional amount of 40 percent for sick leave accumulated in excess of 960 hours or 1195.2 for firefighters.

**CITY OF WILLOUGHBY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

**C. Accumulated Unpaid Compensatory Time**

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

**NOTE 12: CONTRACTUAL COMMITMENTS**

At December 31, 2009, the City's significant contractual commitments consisted of:

Project	Contract Amount	Amount Paid	Remaining on Contract
·City Hall Renovation	\$2,727,625	\$ 357,954	\$2,369,671
·Riverside Commons	4,370,749	4,254,779	115,970
·Road Programs	965,767	873,529	92,238
·River St Sanitary Sewer Replacement	2,218,693	2,211,713	6,980
·SR 91 Slope Stabilization	218,510	217,240	1,270
·WPCC Final Clarifiers Rehab	313,050	147,192	165,858
Total	\$10,814,394	\$8,062,407	\$2,751,987

**NOTE 13: CONTINGENCIES, CLAIMS AND JUDGMENTS**

**A. Litigation**

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

**B. Special Assessment/Enterprise Bonds**

Special assessment bonds are being retired by assessments against the affected property owners. Special assessment bonds are nonetheless backed by the full faith and credit of the City.

However, management does not foresee any circumstances that would change the source of funding for these bonds. In addition, options exist in the law to assist in protecting general tax dollars from the special assessment obligations should those assessed default. General obligation bonds in the enterprise funds are being retired by use of revenues generated by

---

---

**CITY OF WILLOUGHBY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

---

---

those funds. An exception is the Airport fund where current income does not support debt repayment. The General Bond Retirement fund is currently paying the obligation. As a result of lower revenues during reconstruction, a portion of the Golf Course debt is also being paid by this fund.

**NOTE 14: OTHER COMMITMENTS**

**Water/Sewer Billing Agreement**

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

**CITY OF WILLOUGHBY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

**NOTE 15: LONG-TERM OBLIGATIONS**

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

	Original Issue Date	Maturity Date	Interest Rate	Original Issue Amount
<b><u>Governmental Activities:</u></b>				
<b><u>General Obligation Bonds Voted</u></b>				
Fire Station Construction	1999	2024	4.95%	6,200,000
<b><u>General Obligation Bonds Unvoted</u></b>				
Lost Nation Road Improvement	1990	2011	6.25%-7.40%	2,600,000
Landfill and Erosion Control	1992	2012	3.0%-6.375%	1,601,148
Various Purpose Bond Issue	1996	2016	4.3%-5.45%	3,230,000
Municipal Building Improvement OPWC	2003	2023	3.94%	6,350,000
Karen Isle Watermains	2001	2020	Interest Free	9,003
Brown Avenue Watermains	2001	2022	Interest Free	15,675
<b><u>Special Assessment Bonds</u></b>				
Biltmore Place	1995	2016	5.66%	464,000
<b><u>Other General Long -Term Liabilities</u></b>				
Police Pension Liability	1968	2035	4.25%	148,460
Landfill Postclosure Care	1994	2024		1,227,640
<b><u>Business-Type Activities:</u></b>				
<b><u>Enterprise Fund G.O. Debt Sewer Bonds</u></b>				
Sewer 1992	1992	2012	3.0%-6.375%	1,343,852
Sewer Equipment OPWC	2005	2010	3.34%	400,000
Waldamere-Glenwood Sanitary Sewer	1997	2017	Interest Free	200,000
Vine Street Area Sanitary Sewer	2001	2022	Interest Free	223,351
Center-Wood Sanitary Sewer	2003	2024	Interest Free	78,505
Lakeshore Blvd	2007	2028	Interest Free	115,102
<b><u>OWDA</u></b>				
Grove-Erie Sanitary Sewer	1994	2013	4.8%	639,009
Waldamere-Glenwood Sanitary Sewer	1997	2017	4.04%	305,320
Downtown Sanitary Sewer	2001	2020	3.91%	1,372,534
Highland-Maple-Wood Sanitary Sewer	2002	2022	3.53-3.99%	1,734,234
Center-Wood Sanitary Sewer	2003	2023	3.65%	974,020
Van Gorder Sewer Lining	2003	2023	4.78%	88,505
Lakeshore Blvd	2007	2027	3.34%	544,207
River Road Sanitary Sewer	2008	2029	3.30%	2,040,268
<b><u>Airport Bonds</u></b>				
Airport Improvement	1999	2009	4.23%	1,360,000
<b><u>Golf Bonds</u></b>				
Golf Course Improvement	2002	2022	4.179%	3,150,000

**CITY OF WILLOUGHBY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

**Long-Term Obligations (cont)**

Changes in long-term obligations of the City during 2009 were as follows:

	Balance 01/01/09	Increases	Decreases	Balance 12/31/09	Amounts Due Within One Year
<b>Governmental Activities:</b>					
<b><i>General Obligation Bonds Voted</i></b>					
Fire Station Construction	\$ 4,555,000	\$ 0	\$ 195,000	\$ 4,360,000	\$ 200,000
<i>Subtotal - General Obligation Bonds Voted</i>	4,555,000	0	195,000	4,360,000	200,000
<b><i>General Obligation Bonds Unvoted</i></b>					
Lost Nation Road Improvement	390,000	0	130,000	260,000	130,000
Landfill and Erosion Control	326,207	0	81,553	244,654	81,553
Various Purpose Bond Issue	1,365,000	0	140,000	1,225,000	150,000
Municipal Building Improvement	5,330,000		270,000	5,060,000	280,000
<b><i>OPWC</i></b>					
Karen Isle Watermains	5,401	0	450	4,951	450
Brown Avenue Watermains	10,973	0	784	10,189	784
<i>Subtotal - General Obligation Bonds Unvoted</i>	7,427,581	0	622,787	6,804,794	642,787
<b>Total Government Fund General Obligation Bonds</b>	11,982,581	0	817,787	11,164,794	842,787
<b><i>Special Assessment Bonds</i></b>					
Biltmore Place	250,000	0	25,000	225,000	25,000
<i>Subtotal - Special Assessment Bonds</i>	250,000	0	25,000	225,000	25,000
<b><i>Other General Long Term Liabilities</i></b>					
Police Pension Liability	116,892	0	2,481	114,411	2,588
Landfill Post Closure Care	910,036	0	41,520	868,516	49,795
Compensated Absences	5,478,886	1,877,292	1,519,116	5,837,062	1,460,924
<i>Subtotal - Other General Long -Term Liabilities</i>	6,505,814	1,877,292	1,563,117	6,819,989	1,513,307
<b>Subtotal Governmental Activities</b>	<b>\$ 18,738,395</b>	<b>\$ 1,877,292</b>	<b>\$ 2,405,904</b>	<b>\$ 18,209,783</b>	<b>\$ 2,381,094</b>



**CITY OF WILLOUGHBY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

**Long-Term Obligations (cont)**

	Balance 01/01/09	Increases	Decreases	Balance 12/31/09	Amounts Due Within One Year
<b><u>Business-Type Activities:</u></b>					
<b><u>Enterprise Fund General Obligation</u></b>					
<b><u>Debt - Sewer Bonds</u></b>					
1992 Sewer Bond	\$ 273,792	\$ 0	\$ 68,447	\$ 205,345	\$ 68,447
2005 Sewer Equipment OPWC	127,325	0	83,136	44,189	44,189
Waldamere-Glenwood Sanitary Sewer	85,000	0	10,000	75,000	10,000
Vine Street Area Sanitary Sewer	145,374	0	10,384	134,990	10,384
Center-Wood Sanitary Sewer	62,805	0	3,925	58,880	3,925
Lakeshore Blvd OWDA	115,102	0	5,756	109,346	5,755
Grove-Erie Sanitary Sewer	220,199	0	39,962	180,237	41,903
Waldamere-Glenwood Sanitary Sewer	159,808	0	16,105	143,703	16,763
Downtown Sanitary Sewer	946,331	0	63,168	883,163	65,662
Highland-Maple-Wood Sanitary Sewer	1,350,078	0	73,745	1,276,333	76,704
Center-Wood Sanitary Sewer	792,110	0	40,499	751,611	41,990
Van Gorder Sewer Lining	73,507	0	3,448	70,059	3,615
Lakeshore Blvd	513,227	0	21,525	491,702	22,250
River Road Sanitary Sewer	1,784,227	256,041	0	2,040,268	73,436
<b>Subtotal - Sewer Bonds</b>	<b>6,648,885</b>	<b>256,041</b>	<b>440,100</b>	<b>6,464,826</b>	<b>485,023</b>
<b><u>Airport Bonds</u></b>					
Airport Improvement	150,000	0	150,000	0	0
<b>Subtotal - Airport Bonds</b>	<b>150,000</b>	<b>0</b>	<b>150,000</b>	<b>0</b>	<b>0</b>
<b><u>Golf Bonds</u></b>					
Golf Course Improvement	2,480,000	0	130,000	2,350,000	130,000
<b>Total Bonds Payable</b>	<b>9,278,885</b>	<b>256,041</b>	<b>720,100</b>	<b>8,814,826</b>	<b>615,023</b>
<b><u>Other Liabilities</u></b>					
Compensated Absences	737,313	351,319	295,333	793,299	220,310
<b>Subtotal Business-Type Activities</b>	<b>10,016,198</b>	<b>607,360</b>	<b>1,015,433</b>	<b>9,608,125</b>	<b>835,333</b>
<b>Total Long-Term Liabilities</b>	<b>\$ 28,754,593</b>	<b>\$ 2,484,652</b>	<b>\$ 3,421,337</b>	<b>\$ 27,817,908</b>	<b>\$ 3,216,427</b>

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

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

During the year 2002, the City refunded golf course debt with bond issuance costs being recognized over the remaining life of the original debt. At December 31, 2009, the balance of the unamortized bond issuance costs is zero.

**CITY OF WILLOUGHBY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

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

Year Ending December 31	General Obligation Bonds			
	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2010	841,553	523,868	242,636	113,843
2011	861,548	481,973	208,448	104,769
2012	761,553	439,177	213,450	95,328
2013	710,000	403,110	150,000	85,528
2014	750,000	370,766	160,000	79,714
2015-2019	3,635,000	1,327,705	915,000	292,486
2020-2024	3,590,000	481,145	710,000	68,730
<b>Total</b>	<b>\$ 11,149,654</b>	<b>\$ 4,027,744</b>	<b>\$ 2,599,534</b>	<b>\$ 840,398</b>

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

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

Year Ending December 31	Special Assessment	
	Governmental Activities	
	Principal	Interest
2010	25,000	13,162
2011	30,000	11,700
2012	30,000	9,946
2013	35,000	8,190
2014	35,000	6,142
2015-2016	70,000	6,144
<b>Total</b>	<b>\$ 225,000</b>	<b>\$ 55,284</b>

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

**CITY OF WILLOUGHBY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

The City's legal debt margin at December 31, 2009 was \$69,564,604. Annual debt service requirements to maturity for other debt are as follows:

Year Ending December 31	Other Debt				
	Governmental Activities			Business-type Activities	
	Police Pension Principal	Liability Interest	O.P.W.C. Principal	O.W.D.A. & O.P.W.C. Principal	O.P.W.C. Interest
2010	2,588	4,835	1,234	372,387	211,879
2011	2,698	4,724	1,234	385,690	198,574
2012	2,815	4,608	1,234	399,520	184,746
2013	2,935	4,487	1,234	413,907	170,362
2014	3,062	4,362	1,234	378,176	156,031
2015-2019	17,397	19,716	6,169	2,013,818	576,222
2020-2024	21,471	15,645	2,801	1,521,035	239,723
2025-2029	26,496	10,620	0	730,759	63,401
2030-2034	32,694	4,422	0	0	0
2035	2,255	48	0	0	0
<b>Total</b>	<b>\$ 114,411</b>	<b>\$ 73,467</b>	<b>\$ 15,140</b>	<b>\$ 6,215,292</b>	<b>\$ 1,800,938</b>

**NOTE 16: CONDUIT DEBT**

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

TYPE	ON BEHALF OF	ORIGINAL AMOUNT	OUTSTANDING BALANCE	YEAR OF ISSUE
Multi-Family Housing Mortgage Revenue Bonds	Oakhill Village	\$5,955,000	\$5,955,000	2002A
	Oakhill Village	\$3,395,000	\$2,435,000	2002B
Industrial Development Revenue Bonds	Kennedy Group	\$6,500,000	\$2,545,000	1998
Industrial Development Revenue Refunding Bonds	Ohio Presbyterian Retirement Services	\$8,200,000	\$4,130,000	1996

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

**NOTE 17: NOTES PAYABLE**

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

**CITY OF WILLOUGHBY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

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

The following general obligation notes were payable at December 31, 2009:

Notes	Maturity Date	Balance December 31, 2008	Issued	Retired	Balance December 31, 2009
Capital Projects Note Payable: 1%	Oct. 8, 2010	\$5,200,000	\$8,856,000	\$5,200,000	\$8,856,000
Golf Improvement Note Payable: 1%	Oct. 8, 2010	\$1,610,000	\$1,658,300	\$1,610,000	\$1,658,300
Sewer Improvement Note Payable: 1%	Oct. 8, 2010	\$0	\$1,535,700	\$0	\$1,535,700
Airport Improvement Note Payable: 1%	Oct. 8, 2010	\$0	100,000	\$0	100,000
<b>Total Notes Payable</b>		<b><u>\$6,810,000</u></b>	<b><u>\$12,150,000</u></b>	<b><u>\$6,810,000</u></b>	<b><u>\$12,150,000</u></b>

**NOTE 18: LANDFILL CLOSURE AND POSTCLOSURE CARE COST**

State and federal laws and regulations require the City to perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. The City's landfill placed its final cover in 1995. The \$868,516 reported as Landfill Postclosure Care at December 31, 2009 represents estimated cost of maintenance and monitoring through 2024. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

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

**NOTE 19: INSURANCE AND RISK MANAGEMENT**

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

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

**CITY OF WILLOUGHBY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

Coverage	Company	Claim Limit	Deductible
General Liability	Selective Insurance	\$1,000,000	\$ 0
Public Officials Liability	Scottsdale Indemnity Company	2,000,000	25,000
Law Enforcement Liability	Scottsdale Indemnity Company	1,000,000	10,000
Commercial Property	Selective Insurance	70,498,239	25,000
Commercial Crime	Selective Insurance	10,000	250
Equipment Breakdown	Selective Insurance	70,498,239	25,000
Automobile Liability	Selective Insurance	1,000,000	0
Automobile Comprehensive	Selective Insurance	Per Schedule	1,000/2,000
Automobile Collision	Selective Insurance	Per Schedule	1,000/2,000
Excess General Liability (Umbrella)	Merchants Mutual Insurance	10,000,000	10,000
Fire Errors and Omissions	Selective Insurance	1,000,000	0
Ambulance Malpractice	Selective Insurance	1,000,000	0
Blanket Bond	Selective Insurance	100,000	2,500
Bond-Finance Director	State Automobile Mutual Insurance Company	40,000	0

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

**NOTE 20: JOINT ORGANIZATION**

**Northeast Ohio Public Energy Council**

The City is a member of the Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of energy. NOPEC is currently comprised of 126 communities who have been authorized by ballot to purchase energy on behalf of their citizens. The intent of NOPEC is to provide energy at the lowest possible rates while at the same time ensuring stability in prices by entering into long-term contracts with suppliers to provide energy to the citizens of its member communities.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The City of Willoughby did not contribute to NOPEC during 2009. Financial information can be obtained by contacting Joseph Migliorini, Board Chairman, 31320 Solon Road, Suite 20, Solon, Ohio 44139.

**This Page is Intentionally Left Blank.**

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

**CITY OF WILLOUGHBY, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<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>
<b>REVENUES:</b>				
Municipal Income Taxes	\$ 14,007,894	\$ 14,007,894	\$ 13,658,195	\$ (349,699)
Property and Other Local Taxes	1,616,987	1,616,987	1,639,780	22,793
Intergovernmental	3,244,315	3,244,315	3,688,190	443,875
Charges for Services	1,041,300	1,041,300	1,288,700	247,400
Fines and Forfeitures	1,951,000	1,951,000	2,249,912	298,912
Licenses and Permits	238,400	238,400	243,002	4,602
Interest	550,000	550,000	492,954	(57,046)
Miscellaneous	120,500	120,500	112,500	(8,000)
<b>Total Revenues</b>	<u>22,770,396</u>	<u>22,770,396</u>	<u>23,373,233</u>	<u>602,837</u>
<b>EXPENDITURES:</b>				
Government:				
Legislative -Council				
Personal Services	237,514	237,514	236,158	1,356
Services and Supplies	36,225	36,225	34,651	1,574
<b>Total Legislative -Council</b>	<u>273,739</u>	<u>273,739</u>	<u>270,809</u>	<u>2,930</u>
Judicial -Municipal Court				
Personal Services	1,978,430	1,978,430	1,858,763	119,667
Services and Supplies	118,500	118,500	104,463	14,037
Other	10,000	10,000	0	10,000
<b>Total Judicial-Municipal Court</b>	<u>2,106,930</u>	<u>2,106,930</u>	<u>1,963,226</u>	<u>143,704</u>
Executive-Mayor				
Personal Services	15,298,339	15,298,339	14,845,857	452,482
Services and Supplies	5,662,982	5,662,982	4,828,605	834,377
Other	115,000	115,000	74,871	40,129
<b>Total Executive-Mayor</b>	<u>21,076,321</u>	<u>21,076,321</u>	<u>19,749,333</u>	<u>1,326,988</u>
<b>Total Expenditures</b>	<u>23,456,990</u>	<u>23,456,990</u>	<u>21,983,368</u>	<u>1,473,622</u>
Excess of Revenues Over (Under) Expenditures	(686,594)	(686,594)	1,389,865	2,076,459
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out	(2,652,693)	(2,692,693)	(2,692,693)	0
Transfers In	100,000	93,300	93,343	43
Advance Repaid	15,000	15,000	15,000	0
Other	-	6,700	222,380	215,680
<b>Total Other Financing Sources (Uses)</b>	<u>(2,537,693)</u>	<u>(2,577,693)</u>	<u>(2,361,970)</u>	<u>215,723</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(3,224,287)</b>	<b>(3,264,287)</b>	<b>(972,105)</b>	<b>2,292,182</b>
<b>FUND BALANCE BEGINNING OF YEAR</b>	<b>6,239,635</b>	<b>6,239,635</b>	<b>6,239,635</b>	<b>0</b>
Prior Year Encumbrances Appropriated	22,038	22,038	22,038	0
<b>FUND BALANCE END OF YEAR</b>	<b>\$ 3,037,386</b>	<b>\$ 2,997,386</b>	<b>\$ 5,289,568</b>	<b>\$ 2,292,182</b>



**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, 2009**

	<u>BUDGETED AMOUNTS</u>			<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
<b>REVENUES:</b>				
Municipal Income Taxes	\$1,118,397	\$1,118,397	\$1,118,397	\$0
Property and Other Local Taxes	112,000	112,000	110,332	(1,668)
Intergovernmental	342,000	482,262	473,291	(8,971)
Interest Income	<u>10,000</u>	<u>25,000</u>	<u>2,829</u>	<u>(22,171)</u>
Total Revenues	<u>1,582,397</u>	<u>1,737,659</u>	<u>1,704,849</u>	<u>(32,810)</u>
<b>EXPENDITURES:</b>				
Executive-Mayor				
Capital Outlay	2,649,000	6,164,120	3,783,136	2,380,984
Debt Service				
Principal Retirement	5,200,000	5,200,000	5,200,000	0
Interest	<u>156,000</u>	<u>156,000</u>	<u>156,000</u>	<u>0</u>
Total Expenditures	<u>8,005,000</u>	<u>11,520,120</u>	<u>9,139,136</u>	<u>2,380,984</u>
Excess of Revenues Over (Under) Expenditures	(6,422,603)	(9,782,461)	(7,434,287)	2,348,174
<b>OTHER FINANCING SOURCES (USES):</b>				
Notes Issued	5,356,000	8,856,000	8,856,000	0
Other	13,120	13,120	19,569	6,449
Transfers In	<u>77,693</u>	<u>113,068</u>	<u>113,061</u>	<u>(7)</u>
Total Other Financing Sources (Uses)	<u>5,446,813</u>	<u>8,982,188</u>	<u>8,988,630</u>	<u>6,442</u>
<b>NET CHANGE IN FUND BALANCE</b>	(975,790)	(800,273)	1,554,343	2,354,616
<b>FUND BALANCE BEGINNING OF YEAR</b>	1,906,122	1,906,122	1,906,122	<u>0</u>
Prior Year Encumbrances Appropriated	<u>84,756</u>	<u>84,756</u>	<u>84,756</u>	<u>0</u>
<b>FUND BALANCE END OF YEAR</b>	<u>\$1,015,088</u>	<u>\$1,190,605</u>	<u>\$3,545,221</u>	<u>\$2,354,616</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, 2009**

	<u>BUDGETED AMOUNTS</u>			<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
REVENUES:				
Property and Other Local Taxes	\$1,160,035	\$1,190,035	\$1,184,236	(\$5,799)
Intergovernmental	206,509	236,509	241,558	5,049
Interest Income	<u>35,000</u>	<u>50,000</u>	<u>53,789</u>	<u>3,789</u>
Total Revenues	<u>1,401,544</u>	<u>1,476,544</u>	<u>1,479,583</u>	<u>3,039</u>
EXPENDITURES:				
Executive-Mayor				
General Government				
Personal Services	13,000	13,000	13,000	0
Services and Supplies	23,000	23,000	15,863	7,137
Debt Service				
Principal Retirement	967,786	1,072,786	1,057,787	14,999
Interest	<u>676,238</u>	<u>676,238</u>	<u>676,238</u>	<u>0</u>
Total Expenditures	<u>1,680,024</u>	<u>1,785,024</u>	<u>1,762,888</u>	<u>22,136</u>
Excess of Revenues Over (Under) Expenditures	(278,480)	(308,480)	(283,305)	25,175
OTHER FINANCING SOURCES (USES):				
Transfer In	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	(78,480)	(108,480)	(83,305)	25,175
FUND BALANCE BEGINNING OF YEAR	<u>111,480</u>	<u>111,480</u>	<u>111,480</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$33,000</u>	<u>\$3,000</u>	<u>\$28,175</u>	<u>\$25,175</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, 2009**

	<u>BUDGETED AMOUNTS</u>			<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
<b>REVENUES:</b>				
Charges for Services	\$845,000	\$845,000	\$706,490	(\$138,510)
Interest Income	2,000	2,000	1,450	(550)
Other	<u>0</u>	<u>0</u>	<u>3,131</u>	3,131
Total Revenues	<u>847,000</u>	<u>847,000</u>	<u>711,071</u>	<u>(135,929)</u>
<b>EXPENSES:</b>				
Executive-Mayor				
Leisure Time Activities				
Personal Services	410,658	410,658	410,353	305
Services and Supplies	301,800	301,800	280,598	21,202
Capital Outlay	171,762	171,762	161,507	10,255
Debt Service				
Principal Retirement	1,740,000	1,740,000	1,650,000	90,000
Interest	<u>48,300</u>	<u>48,300</u>	<u>48,300</u>	<u>0</u>
Total Expenses	<u>2,672,520</u>	<u>2,672,520</u>	<u>2,550,758</u>	<u>121,762</u>
Excess of Revenues Over (Under) Expenses	(1,825,520)	(1,825,520)	(1,839,687)	(14,167)
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of Notes	1,658,300	1,658,300	1,658,300	0
Other	<u>0</u>	<u>0</u>	<u>8,437</u>	<u>8,437</u>
Total Other Financing Sources (Uses)	<u>1,658,300</u>	<u>1,658,300</u>	<u>1,666,737</u>	<u>8,437</u>
<b>NET CHANGE IN FUND EQUITY</b>	(167,220)	(167,220)	(172,950)	(5,730)
<b>FUND EQUITY BEGINNING OF YEAR</b>	188,663	188,663	188,663	0
Prior Year Encumbrances Appropriated	<u>62,303</u>	<u>62,303</u>	<u>62,303</u>	<u>0</u>
<b>FUND EQUITY END OF YEAR</b>	<u>\$83,746</u>	<u>\$83,746</u>	<u>\$78,016</u>	<u>(\$5,730)</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, 2009**

	<u>BUDGETED AMOUNTS</u>			<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>(NEGATIVE)</u>
<b>REVENUES:</b>				
Intergovernmental	\$524,996	\$1,057,796	\$425,242	(\$632,554)
Charges for Services	4,444,000	4,444,000	4,324,306	(119,694)
Interest Income	25,000	25,000	4,114	(20,886)
Other	<u>150,000</u>	<u>150,000</u>	<u>174,286</u>	<u>24,286</u>
Total Revenues	<u>5,143,996</u>	<u>5,676,796</u>	<u>4,927,948</u>	<u>(748,848)</u>
<b>EXPENSES:</b>				
Executive-Mayor				
Basic Utility Service				
Personal Services	2,495,976	2,495,976	2,424,114	71,862
Services and Supplies	1,162,775	1,153,075	1,027,335	125,740
Other	150,000	150,000	150,000	0
Capital Outlay	3,072,316	6,000,016	3,712,162	2,287,854
Debt Service				
Principal Retirement	442,539	1,448,339	1,440,101	8,238
Interest	<u>176,580</u>	<u>201,580</u>	<u>202,274</u>	<u>(694)</u>
Total Expenses	<u>7,500,186</u>	<u>11,448,986</u>	<u>8,955,986</u>	<u>2,493,000</u>
Excess of Revenues Over (Under) Expenses	(2,356,190)	(5,772,190)	(4,028,038)	1,744,152
<b>OTHER FINANCING SOURCES (USES):</b>				
Other	0	0	2,595	2,595
Sale of Debt	1,919,445	4,200,645	1,706,839	(2,493,806)
Sale of Note	35,000	1,535,700	1,535,700	0
Transfer In	<u>0</u>	<u>61,500</u>	<u>61,476</u>	<u>(24)</u>
Total Other Financing Sources (Uses)	<u>1,954,445</u>	<u>5,797,845</u>	<u>3,306,610</u>	<u>(2,491,235)</u>
<b>NET CHANGE IN FUND EQUITY</b>	(401,745)	25,655	(721,428)	(747,083)
<b>FUND EQUITY BEGINNING OF YEAR</b>	1,239,299	1,239,299	1,239,299	0
Prior Year Encumbrances Appropriated	<u>1,690</u>	<u>1,690</u>	<u>1,690</u>	<u>0</u>
<b>FUND EQUITY END OF YEAR</b>	<u>\$839,244</u>	<u>\$1,266,644</u>	<u>\$519,561</u>	<u>(\$747,083)</u>

**CITY OF WILLOUGHBY, OHIO**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES**  
**IN FUND EQUITY - BUDGET(Non-GAAP Basis) AND ACTUAL**  
**AIRPORT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
<b>REVENUES:</b>				
Charges for Services	\$27,000	\$27,000	\$10,468	(\$16,532)
Interest Income	0	0	189	189
Rental	<u>131,500</u>	<u>130,800</u>	<u>129,474</u>	<u>(1,326)</u>
Total Revenues	<u>158,500</u>	<u>157,800</u>	<u>140,131</u>	<u>(17,669)</u>
<b>EXPENSES:</b>				
Executive-Mayor				
Transportation				
Personal Services	123,891	123,891	114,195	9,696
Services and Supplies	77,525	77,525	32,831	44,694
Capital Outlay	<u>20,000</u>	<u>120,000</u>	<u>63,061</u>	<u>56,939</u>
Total Expenses	<u>221,416</u>	<u>321,416</u>	<u>210,087</u>	<u>111,329</u>
Excess of Revenues Over (Under) Expenses	<u>(62,916)</u>	<u>(163,616)</u>	<u>(69,956)</u>	<u>93,660</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of Notes	0	100,000	100,000	0
Other	0	0	1,513	1,513
Transfer In	<u>0</u>	<u>700</u>	<u>688</u>	<u>(12)</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>100,700</u>	<u>102,201</u>	<u>1,501</u>
<b>NET CHANGE IN FUND EQUITY</b>	<b>(62,916)</b>	<b>(62,916)</b>	<b>32,245</b>	<b>95,161</b>
<b>FUND EQUITY BEGINNING OF YEAR</b>	<b>135,077</b>	<b>135,077</b>	<b>135,077</b>	<b>0</b>
Prior Year Encumbrances Appropriated	<u>3,721</u>	<u>3,721</u>	<u>3,721</u>	<u>0</u>
<b>FUND EQUITY END OF YEAR</b>	<b><u>\$75,882</u></b>	<b><u>\$75,882</u></b>	<b><u>\$171,043</u></b>	<b><u>\$95,161</u></b>

# Combining Statements and Individual Fund Schedules

## *Combining Statements – Nonmajor Funds*

---

### **NONMAJOR SPECIAL REVENUE FUNDS**

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

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

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

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

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

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

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

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

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

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

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

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

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

**Special Projects DUI Fund** - the Municipal Court has established this fund for the purpose of special projects as outlined by the Ohio Revised Code. These funds are collected from additional court costs levied on each case.

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

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

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

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

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

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

**FEMA Fund** – to account for Federal and State grants to reimburse the City for costs incurred in managing a 2006 flood with labor and equipment use as well as property damage, and a 2008 snow storm incident. All funds were received and projects complete. This fund was closed in 2009.

**Railroad Grade Crossing Fund** – to account for fines received and expenditures for crossing improvements. This is a state mandated fund. There has been no activity therefore there are no financial statement presentations in 2009.

#### **NONMAJOR DEBT SERVICE FUND**

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

#### **PERMANENT FUND**

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

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

**CITY OF WILLOUGHBY, OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**AS OF DECEMBER 31, 2009**

	<b>NONMAJOR SPECIAL REVENUE FUNDS</b>	<b>SPECIAL ASSESSMENTS DEBT SERVICE FUND</b>	<b>CEMETERY CARE PERMANENT FUND</b>	<b>TOTAL NONMAJOR GOVERNMENTAL FUNDS</b>
<b>ASSETS</b>				
Equity in City Treasury Cash and Investments	\$4,042,997	\$320,476	\$226,672	\$4,590,145
Inventory - Supplies	107,802	0	0	107,802
Accounts Receivable	4,671	0	120	4,791
Due from Other Governments	604,694	0	0	604,694
Taxes Receivable	1,689,309	0	0	1,689,309
Special Assessments Receivable	<u>604,438</u>	<u>301,266</u>	<u>0</u>	<u>905,704</u>
TOTAL ASSETS	<u>\$7,053,911</u>	<u>\$621,742</u>	<u>\$226,792</u>	<u>\$7,902,445</u>
<b>LIABILITIES</b>				
Accounts Payable	167,321	0	0	167,321
Salaries, Wages & Benefits Payable	105,083	0	0	105,083
Due to Other Governments	16,369	0	0	16,369
Deferred Revenue	<u>2,775,089</u>	<u>301,266</u>	<u>0</u>	<u>3,076,355</u>
TOTAL LIABILITIES	<u>3,063,862</u>	<u>301,266</u>	<u>0</u>	<u>3,365,128</u>
<b>FUND BALANCES</b>				
Reserved for Encumbrances	434,823	0	0	434,823
Reserved for Inventory	107,802	0	0	107,802
Reserved for Debt Service	0	320,476	0	320,476
Unreserved, Undesignated Reported in:				
Special Revenue Funds	3,447,424	0	0	3,447,424
Permanent Fund	<u>0</u>	<u>0</u>	<u>226,792</u>	<u>226,792</u>
TOTAL FUND BALANCES	<u>3,990,049</u>	<u>320,476</u>	<u>226,792</u>	<u>4,537,317</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$7,053,911</u>	<u>\$621,742</u>	<u>\$226,792</u>	<u>\$7,902,445</u>



**CITY OF WILLOUGHBY, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>NONMAJOR SPECIAL REVENUE FUNDS</u>	<u>SPECIAL ASSESSMENTS DEBT SERVICE FUND</u>	<u>CEMETERY CARE PERMANENT FUND</u>	<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
<b>REVENUES:</b>				
Property and Other Local Taxes	\$1,574,523	\$0	\$0	\$1,574,523
Intergovernmental	\$1,435,674	0	0	1,435,674
Charges for Services	\$233,138	0	13,760	246,898
Special Assessments	\$613,018	42,793	0	655,811
Fines and Forfeitures	\$455,755	0	0	455,755
Miscellaneous	<u>4,577</u>	<u>0</u>	<u>0</u>	<u>4,577</u>
Total Revenues	<u>4,316,685</u>	<u>42,793</u>	<u>13,760</u>	<u>4,373,238</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	205,114	1,247	0	206,361
Security of Persons and Property	2,049,824	0	0	2,049,824
Community Environment	80,569	0	0	80,569
Leisure Time Activities	939,758	0	0	939,758
Transportation	1,764,905	0	0	1,764,905
Capital Outlay	1,012,905	0	0	1,012,905
Debt Service:				
Principal	0	25,000	0	25,000
Interest	<u>0</u>	<u>14,625</u>	<u>0</u>	<u>14,625</u>
Total Expenditures	<u>6,053,075</u>	<u>40,872</u>	<u>0</u>	<u>6,093,947</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,736,390)	1,921	13,760	(1,720,709)
OTHER FINANCING SOURCES (USES):				
Transfers In	2,615,000	0	0	2,615,000
Transfers (Out)	<u>(390,875)</u>	<u>0</u>	<u>0</u>	<u>(390,875)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,224,125</u>	<u>0</u>	<u>0</u>	<u>2,224,125</u>
NET CHANGE IN FUND BALANCES	487,735	1,921	13,760	503,416
FUND BALANCES BEGINNING OF YEAR	3,494,210	318,555	213,032	4,025,797
INCREASE IN RESERVE				
FOR INVENTORY	<u>8,104</u>	<u>0</u>	<u>0</u>	<u>8,104</u>
FUND BALANCES END OF YEAR	<u>\$3,990,049</u>	<u>\$320,476</u>	<u>\$226,792</u>	<u>\$4,537,317</u>

**CITY OF WILLOUGHBY, OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**AS OF DECEMBER 31, 2009**

	<u>FIRE PENSION</u>	<u>POLICE PENSION</u>	<u>LAW ENFORCEMENT</u>	<u>RECREATION</u>	<u>STREET CONSTRUCTION MAINTENANCE AND REPAIR</u>	<u>STATE HIGHWAY</u>	<u>ROAD &amp; BRIDGE</u>	<u>CORPORATE MAINTENANCE</u>	<u>ENFORCEMENT AND EDUCATION</u>
<b>ASSETS</b>									
Equity in City Treasury Cash and Investments	\$53,600	\$75,173	\$29,705	\$192,017	\$391,609	\$42,956	\$815,771	\$39,715	\$12,500
Inventory - Supplies	0	0	0	16	107,786	0	0	0	0
Accounts Receivable	0	0	0	4,671	0	0	0	0	0
Due from Other Governments	6,730	6,730	0	4,843	470,039	37,775	42,755	0	176
Taxes Receivable	209,737	209,737	0	114,584	0	0	1,155,251	0	0
Special Assessments Receivable	0	0	0	0	0	0	0	16,428	0
<b>TOTAL ASSETS</b>	<b><u>\$270,067</u></b>	<b><u>\$291,640</u></b>	<b><u>\$29,705</u></b>	<b><u>\$316,131</u></b>	<b><u>\$969,434</u></b>	<b><u>\$80,731</u></b>	<b><u>\$2,013,777</u></b>	<b><u>\$56,143</u></b>	<b><u>\$12,676</u></b>
<b>LIABILITIES</b>									
Accounts Payable	\$0	\$0	\$0	\$9,225	\$12,580	\$0	\$94,943	\$0	\$0
Salaries, Wages & Benefits Payable	26,468	24,528	0	17,038	35,129	0	0	0	0
Due to Other Governments	0	0	0	0	0	16,369	0	0	0
Deferred Revenue	216,467	216,467	0	116,926	391,076	31,709	1,198,006	16,428	0
<b>TOTAL LIABILITIES</b>	<b><u>242,935</u></b>	<b><u>240,995</u></b>	<b><u>0</u></b>	<b><u>143,189</u></b>	<b><u>438,785</u></b>	<b><u>48,078</u></b>	<b><u>1,292,949</u></b>	<b><u>16,428</u></b>	<b><u>0</u></b>
<b>FUND BALANCES</b>									
Reserved for Encumbrances	0	0	0	16,537	123,411	0	116,604	14,897	0
Reserved for Inventory	0	0	0	16	107,786	0	0	0	0
Unreserved, Undesignated Reported in:									
Special Revenue Funds	27,132	50,645	29,705	156,389	299,452	32,653	604,224	24,818	12,676
<b>TOTAL FUND BALANCES</b>	<b><u>27,132</u></b>	<b><u>50,645</u></b>	<b><u>29,705</u></b>	<b><u>172,942</u></b>	<b><u>530,649</u></b>	<b><u>32,653</u></b>	<b><u>720,828</u></b>	<b><u>39,715</u></b>	<b><u>12,676</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$270,067</u></b>	<b><u>\$291,640</u></b>	<b><u>\$29,705</u></b>	<b><u>\$316,131</u></b>	<b><u>\$969,434</u></b>	<b><u>\$80,731</u></b>	<b><u>\$2,013,777</u></b>	<b><u>\$56,143</u></b>	<b><u>\$12,676</u></b>

<u>INDIGENT DRIVERS TREATMENT</u>	<u>COURT COMPUTER</u>	<u>GENERAL SPECIAL PROJECTS</u>	<u>SPECIAL PROJECTS DUI</u>	<u>URBAN FOREST MANAGEMENT</u>	<u>VICTIMS ASSISTANCE</u>	<u>POLICE CONTINUING PROFESSIONAL TRAINING</u>	<u>OHIO CRIMINAL JUSTICE SERVICES GRANT</u>	<u>STREET LIGHTING</u>	<u>FUTURE RETIREMENT RESERVE</u>	<u>TOTAL 2009</u>
\$293,615	\$157,024	\$116,569	\$18,417	\$55,009	\$12,612	\$8,620	\$250	\$574,047	\$1,153,788	\$4,042,997
0	0	0	0	0	0	0	0	0	0	107,802
0	0	0	0	0	0	0	0	0	0	4,671
2,138	16,119	14,829	1,248	0	0	0	1,312	0	0	604,694
0	0	0	0	0	0	0	0	0	0	1,689,309
0	0	0	0	0	0	0	0	588,010	0	604,438
<u>\$295,753</u>	<u>\$173,143</u>	<u>\$131,398</u>	<u>\$19,665</u>	<u>\$55,009</u>	<u>\$12,612</u>	<u>\$8,620</u>	<u>\$1,562</u>	<u>\$1,162,057</u>	<u>\$1,153,788</u>	<u>\$7,053,911</u>
\$1,205	\$348	\$0	\$0	\$0	\$23	\$0	\$0	\$48,997	\$0	\$167,321
0	0	0	0	0	1,410	0	510	0	0	105,083
0	0	0	0	0	0	0	0	0	0	16,369
0	0	0	0	0	0	0	0	588,010	0	2,775,089
<u>1,205</u>	<u>348</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,433</u>	<u>0</u>	<u>510</u>	<u>637,007</u>	<u>0</u>	<u>3,063,862</u>
87,316	61,503	9,564	0	450	0	0	0	4,541	0	434,823
0	0	0	0	0	0	0	0	0	0	107,802
<u>207,232</u>	<u>111,292</u>	<u>121,834</u>	<u>19,665</u>	<u>54,559</u>	<u>11,179</u>	<u>8,620</u>	<u>1,052</u>	<u>520,509</u>	<u>1,153,788</u>	<u>3,447,424</u>
<u>294,548</u>	<u>172,795</u>	<u>131,398</u>	<u>19,665</u>	<u>55,009</u>	<u>11,179</u>	<u>8,620</u>	<u>1,052</u>	<u>525,050</u>	<u>1,153,788</u>	<u>3,990,049</u>
<u>\$295,753</u>	<u>\$173,143</u>	<u>\$131,398</u>	<u>\$19,665</u>	<u>\$55,009</u>	<u>\$12,612</u>	<u>\$8,620</u>	<u>\$1,562</u>	<u>\$1,162,057</u>	<u>\$1,153,788</u>	<u>\$7,053,911</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, 2009**

	FIRE	POLICE	LAW	RECREATION	STREET CONSTRUCTION MAINTENANCE AND REPAIR	STATE HIGHWAY	ROAD & BRIDGE	CORPORATE MAINTENANCE	ENFORCEMENT AND EDUCATION
	<u>PENSION</u>	<u>PENSION</u>	<u>ENFORCEMENT</u>	<u>RECREATION</u>	<u>AND REPAIR</u>	<u>HIGHWAY</u>	<u>BRIDGE</u>	<u>MAINTENANCE</u>	<u>AND EDUCATION</u>
<b>REVENUES:</b>									
Property and Other Local Taxes	\$182,190	\$182,190	\$0	\$67,699	\$54,899	\$0	\$1,087,545	\$0	\$0
Intergovernmental	45,416	45,416	0	180,818	937,539	76,017	114,609	0	0
Charges for Services	0	0	0	226,691	647	0	0	0	0
Special Assessments	0	0	0	0	0	0	0	42,629	0
Fines and Forfeitures	0	0	17,663	0	0	0	0	0	2,327
Miscellaneous	<u>0</u>	<u>0</u>	<u>150</u>	<u>0</u>	<u>4,427</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>227,606</u>	<u>227,606</u>	<u>17,813</u>	<u>475,208</u>	<u>997,512</u>	<u>76,017</u>	<u>1,202,154</u>	<u>42,629</u>	<u>2,327</u>
<b>EXPENDITURES:</b>									
Current:									
General Government	2,402	2,402	0	0	0	0	14,520	234	0
Security of Persons and Property	742,299	718,964	7,000	0	0	0	0	0	0
Community Environment	0	0	0	0	0	0	0	47,198	0
Leisure Time Activities	0	0	0	939,758	0	0	0	0	0
Transportation	0	0	0	0	1,548,343	116,573	7,113	0	0
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,012,905</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>744,701</u>	<u>721,366</u>	<u>7,000</u>	<u>939,758</u>	<u>1,548,343</u>	<u>116,573</u>	<u>1,034,538</u>	<u>47,432</u>	<u>0</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(517,095)	(493,760)	10,813	(464,550)	(550,831)	(40,556)	167,616	(4,803)	2,327
<b>OTHER FINANCING SOURCES (USES):</b>									
Transfers In	510,000	525,000	0	525,000	775,000	40,000	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>510,000</u>	<u>525,000</u>	<u>0</u>	<u>525,000</u>	<u>775,000</u>	<u>40,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET CHANGE IN FUND BALANCES	(7,095)	31,240	10,813	60,450	224,169	(556)	167,616	(4,803)	2,327
FUND BALANCES BEGINNING OF YEAR	34,227	19,405	18,892	112,476	298,392	33,209	553,212	44,518	10,349
INCREASE IN RESERVE FOR INVENTORY	<u>0</u>	<u>0</u>	<u>0</u>	<u>16</u>	<u>8,088</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCES END OF YEAR	<u>\$27,132</u>	<u>\$50,645</u>	<u>\$29,705</u>	<u>\$172,942</u>	<u>\$530,649</u>	<u>\$32,653</u>	<u>\$720,828</u>	<u>\$39,715</u>	<u>\$12,676</u>

INDIGENT DRIVERS TREATMENT	COURT COMPUTER	GENERAL SPECIAL PROJECTS	SPECIAL PROJECTS DUI	URBAN FOREST MANAGEMENT	VICTIMS ASSISTANCE	POLICE CONTINUING PROFESSIONAL TRAINING	OHIO CRIMINAL JUSTICE SERVICES GRANT	STREET LIGHTING	FUTURE RETIREMENT RESERVE	FEMA	TOTAL 2009
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,574,523
0	0	0	0	0	29,707	4,840	1,312	0	0	0	1,435,674
0	0	0	0	5,800	0	0	0	0	0	0	233,138
0	0	0	0	0	0	0	0	570,389	0	0	613,018
41,740	187,765	185,845	18,415	0	0	0	2,000	0	0	0	455,755
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,577</u>
<u>41,740</u>	<u>187,765</u>	<u>185,845</u>	<u>18,415</u>	<u>5,800</u>	<u>29,707</u>	<u>4,840</u>	<u>3,312</u>	<u>570,389</u>	<u>0</u>	<u>0</u>	<u>4,316,685</u>
39,112	116,823	9,962	0	0	0	0	2,260	17,399	0	0	205,114
0	0	0	0	0	41,066	0	0	540,495	0	0	2,049,824
0	0	0	0	3,575	0	0	0	0	29,796	0	80,569
0	0	0	0	0	0	0	0	0	0	0	939,758
0	0	0	0	0	0	0	0	0	92,876	0	1,764,905
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,012,905</u>
<u>39,112</u>	<u>116,823</u>	<u>9,962</u>	<u>0</u>	<u>3,575</u>	<u>41,066</u>	<u>0</u>	<u>2,260</u>	<u>557,894</u>	<u>122,672</u>	<u>0</u>	<u>6,053,075</u>
2,628	70,942	175,883	18,415	2,225	(11,359)	4,840	1,052	12,495	(122,672)	0	(1,736,390)
0	0	0	0	0	15,000	0	0	0	225,000	0	2,615,000
<u>0</u>	<u>0</u>	<u>(200,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(190,875)</u>	<u>(390,875)</u>
<u>0</u>	<u>0</u>	<u>(200,000)</u>	<u>0</u>	<u>0</u>	<u>15,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>225,000</u>	<u>(190,875)</u>	<u>2,224,125</u>
2,628	70,942	(24,117)	18,415	2,225	3,641	4,840	1,052	12,495	102,328	(190,875)	487,735
291,920	101,853	155,515	1,250	52,784	7,538	3,780	0	512,555	1,051,460	190,875	3,494,210
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,104</u>
<u>\$294,548</u>	<u>\$172,795</u>	<u>\$131,398</u>	<u>\$19,665</u>	<u>\$55,009</u>	<u>\$11,179</u>	<u>\$8,620</u>	<u>\$1,052</u>	<u>\$525,050</u>	<u>\$1,153,788</u>	<u>\$0</u>	<u>\$3,990,049</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, 2009**

	<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>
<b>REVENUES:</b>				
Property and Other Local Taxes	\$178,502	\$178,502	\$182,190	\$3,688
Intergovernmental	<u>40,220</u>	<u>40,220</u>	<u>45,416</u>	<u>5,196</u>
Total Revenues	<u>218,722</u>	<u>218,722</u>	<u>227,606</u>	<u>8,884</u>
<b>EXPENDITURES:</b>				
Executive-Mayor				
Security of Persons and Property				
Personal Services	765,896	765,896	737,935	27,961
Services and Supplies	<u>3,000</u>	<u>3,000</u>	<u>2,402</u>	<u>598</u>
Total Expenditures	<u>768,896</u>	<u>768,896</u>	<u>740,337</u>	<u>28,559</u>
Excess of Revenues Over (Under) Expenditures	(550,174)	(550,174)	(512,731)	37,443
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	<u>510,000</u>	<u>510,000</u>	<u>510,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>510,000</u>	<u>510,000</u>	<u>510,000</u>	<u>0</u>
<b>NET CHANGE IN FUND BALANCE</b>	(40,174)	(40,174)	(2,731)	37,443
<b>FUND BALANCE BEGINNING OF YEAR</b>	<u>56,330</u>	<u>56,330</u>	<u>56,330</u>	<u>0</u>
<b>FUND BALANCE END OF YEAR</b>	<u>\$16,156</u>	<u>\$16,156</u>	<u>\$53,599</u>	<u>\$37,443</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, 2009**

	<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	\$178,502	\$178,502	\$182,190	\$3,688
Intergovernmental	<u>40,220</u>	<u>40,220</u>	<u>45,416</u>	<u>5,196</u>
Total Revenues	<u>218,722</u>	<u>218,722</u>	<u>227,606</u>	<u>8,884</u>
EXPENDITURES:				
Executive-Mayor				
Security of Persons and Property				
Personal Services	751,008	751,008	715,605	35,403
Services and Supplies	<u>3,000</u>	<u>3,000</u>	<u>2,402</u>	<u>598</u>
Total Expenditures	<u>754,008</u>	<u>754,008</u>	<u>718,007</u>	<u>36,001</u>
Excess of Revenues Over (Under) Expenditures	(535,286)	(535,286)	(490,401)	44,885
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>525,000</u>	<u>525,000</u>	<u>525,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>525,000</u>	<u>525,000</u>	<u>525,000</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	(10,286)	(10,286)	34,599	44,885
FUND BALANCE BEGINNING OF YEAR	<u>40,574</u>	<u>40,574</u>	<u>40,574</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$30,288</u>	<u>\$30,288</u>	<u>\$75,173</u>	<u>\$44,885</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, 2009**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<b>VARIANCE WITH</b>
	<u>ORIGINAL</u>	<u>FINAL</u>		<b>FINAL BUDGET</b>
				<b>POSITIVE</b>
				<b>(NEGATIVE)</b>
REVENUES:				
Fines and Forfeitures	\$500	\$500	\$17,664	\$17,164
Other	<u>0</u>	<u>0</u>	<u>150</u>	<u>150</u>
Total Revenues	<u>500</u>	<u>500</u>	<u>17,814</u>	<u>17,314</u>
EXPENDITURES:				
Executive-Mayor				
Security of Persons and Property				
Services and Supplies	<u>15,000</u>	<u>15,000</u>	<u>7,000</u>	<u>8,000</u>
Total Expenditures	<u>15,000</u>	<u>15,000</u>	<u>7,000</u>	<u>8,000</u>
NET CHANGE IN FUND BALANCE	(14,500)	(14,500)	10,814	25,314
FUND BALANCE BEGINNING OF YEAR	<u>18,891</u>	<u>18,891</u>	<u>18,891</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$4,391</u>	<u>\$4,391</u>	<u>\$29,705</u>	<u>\$25,314</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, 2009**

	<u>BUDGETED AMOUNTS</u>			<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
<b>REVENUES:</b>				
Property and Other Local Taxes	\$62,087	\$62,087	\$67,699	\$5,612
Intergovernmental	127,973	127,973	178,317	50,344
Charges for Services	<u>215,000</u>	<u>215,000</u>	<u>222,067</u>	<u>7,067</u>
Total Revenues	<u>405,060</u>	<u>405,060</u>	<u>468,083</u>	<u>63,023</u>
<b>EXPENDITURES:</b>				
Executive-Mayor				
Leisure Time Activities				
Personal Services	672,116	672,116	651,524	20,592
Services and Supplies	299,685	299,685	272,027	27,658
Other	<u>50,000</u>	<u>50,000</u>	<u>2,857</u>	<u>47,143</u>
Total Expenditures	<u>1,021,801</u>	<u>1,021,801</u>	<u>926,408</u>	<u>95,393</u>
Excess of Revenues Over (Under) Expenditures	(616,741)	(616,741)	(458,325)	158,416
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	<u>525,000</u>	<u>525,000</u>	<u>525,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>525,000</u>	<u>525,000</u>	<u>525,000</u>	<u>0</u>
<b>NET CHANGE IN FUND BALANCE</b>	(91,741)	(91,741)	66,675	158,416
<b>FUND BALANCE BEGINNING OF YEAR</b>	100,977	100,977	100,977	0
Prior Year Encumbrances Appropriated	<u>576</u>	<u>576</u>	<u>576</u>	<u>0</u>
<b>FUND BALANCE END OF YEAR</b>	<u>\$9,812</u>	<u>\$9,812</u>	<u>\$168,228</u>	<u>\$158,416</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, 2009**

	<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	\$52,000	\$52,000	\$55,165	\$3,165
Intergovernmental	940,000	940,000	936,998	(3,002)
Charges for Services	<u>250</u>	<u>250</u>	<u>647</u>	<u>397</u>
Total Revenues	<u>992,250</u>	<u>992,250</u>	<u>992,810</u>	<u>560</u>
EXPENDITURES:				
Executive-Mayor				
Transportation				
Personal Services	1,175,312	1,175,312	1,132,756	42,556
Services and Supplies	<u>668,075</u>	<u>668,075</u>	<u>484,614</u>	<u>183,461</u>
Total Expenditures	<u>1,843,387</u>	<u>1,843,387</u>	<u>1,617,370</u>	<u>226,017</u>
Excess of Revenues Over (Under) Expenditures	(851,137)	(851,137)	(624,560)	226,577
OTHER FINANCING SOURCES (USES):				
Transfers In	775,000	775,000	775,000	0
Other	<u>0</u>	<u>0</u>	<u>4,427</u>	<u>4,427</u>
Total Other Financing Sources (Uses)	<u>775,000</u>	<u>775,000</u>	<u>779,427</u>	<u>4,427</u>
NET CHANGE IN FUND BALANCE	(76,137)	(76,137)	154,867	231,004
FUND BALANCE BEGINNING OF YEAR	106,605	106,605	106,605	0
Prior Year Encumbrances Appropriated	<u>2,926</u>	<u>2,926</u>	<u>2,926</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$33,394</u>	<u>\$33,394</u>	<u>\$264,398</u>	<u>\$231,004</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, 2009**

	<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>\$75,000</u>	<u>\$75,000</u>	<u>\$75,973</u>	<u>\$973</u>
Total Revenues	<u>75,000</u>	<u>75,000</u>	<u>75,973</u>	<u>973</u>
EXPENDITURES:				
Executive-Mayor				
Transportation				
Services and Supplies	<u>80,000</u>	<u>120,000</u>	<u>113,994</u>	<u>6,006</u>
Total Expenditures	<u>80,000</u>	<u>120,000</u>	<u>113,994</u>	<u>6,006</u>
Excess of Revenues Over (Under) Expenditures	(5,000)	(45,000)	(38,021)	6,979
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>0</u>	<u>40,000</u>	<u>40,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>40,000</u>	<u>40,000</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	(5,000)	(5,000)	1,979	6,979
FUND BALANCE BEGINNING OF YEAR	<u>29,959</u>	<u>29,959</u>	<u>29,959</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$24,959</u>	<u>\$24,959</u>	<u>\$31,938</u>	<u>\$6,979</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, 2009**

	<u>BUDGETED AMOUNTS</u>			<b>VARIANCE WITH</b>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<b>FINAL BUDGET</b> <b>POSITIVE</b> <b>(NEGATIVE)</b>
REVENUES:				
Property and Other Local Taxes	\$1,070,766	\$1,070,766	\$1,087,545	\$16,779
Intergovernmental	<u>84,503</u>	<u>84,503</u>	<u>114,609</u>	<u>30,106</u>
Total Revenues	<u>1,155,269</u>	<u>1,155,269</u>	<u>1,202,154</u>	<u>46,885</u>
EXPENDITURES:				
Executive-Mayor				
Transportation				
Services and Supplies	18,000	18,000	14,520	3,480
Capital Outlay	<u>1,275,000</u>	<u>1,275,000</u>	<u>1,052,762</u>	<u>222,238</u>
Total Expenditures	<u>1,293,000</u>	<u>1,293,000</u>	<u>1,067,282</u>	<u>225,718</u>
NET CHANGE IN FUND BALANCE	(137,731)	(137,731)	134,872	272,603
FUND BALANCE BEGINNING OF YEAR	469,150	469,150	469,150	0
Prior Year Encumbrances Appropriated	<u>203</u>	<u>203</u>	<u>203</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$331,622</u>	<u>\$331,622</u>	<u>\$604,225</u>	<u>\$272,603</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, 2009**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Special Assessments	\$47,500	\$47,500	\$42,729	(\$4,771)
Total Revenues	<u>47,500</u>	<u>47,500</u>	<u>42,729</u>	<u>(4,771)</u>
EXPENDITURES:				
Executive-Mayor				
Community Environment				
Services and Supplies	43,000	43,000	30,368	12,632
Total Expenditures	<u>43,000</u>	<u>43,000</u>	<u>30,368</u>	<u>12,632</u>
Excess of Revenues Over (Under) Expenditures	4,500	4,500	12,361	7,861
OTHER FINANCING SOURCES (USES):				
Advance (Repaid)	0	(10,000)	(10,000)	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	4,500	(5,500)	2,361	7,861
FUND BALANCE BEGINNING OF YEAR	21,956	21,956	21,956	0
Prior Year Encumbrances Appropriated	<u>502</u>	<u>502</u>	<u>502</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$26,958</u>	<u>\$16,958</u>	<u>\$24,819</u>	<u>\$7,861</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, 2009**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES:				
Fines and Forfeitures	<u>\$2,000</u>	<u>\$2,000</u>	<u>\$2,245</u>	<u>\$245</u>
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>2,245</u>	<u>245</u>
EXPENDITURES:				
Executive-Mayor				
Security of Persons and Property				
Capital Outlay	<u>10,000</u>	<u>10,000</u>	<u>0</u>	<u>10,000</u>
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>0</u>	<u>10,000</u>
NET CHANGE IN FUND BALANCE	(8,000)	(8,000)	2,245	10,245
FUND BALANCE BEGINNING OF YEAR	<u>10,255</u>	<u>10,255</u>	<u>10,255</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$2,255</u>	<u>\$2,255</u>	<u>\$12,500</u>	<u>\$10,245</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, 2009**

	<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>\$30,000</u>	<u>\$30,000</u>	<u>\$40,937</u>	<u>\$10,937</u>
Total Revenues	<u>30,000</u>	<u>30,000</u>	<u>40,937</u>	<u>10,937</u>
EXPENDITURES:				
Judicial -Municipal Court				
General Government				
Services and Supplies	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>0</u>
Total Expenditures	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	(70,000)	(70,000)	(59,063)	10,937
FUND BALANCE BEGINNING OF YEAR	<u>264,157</u>	<u>264,157</u>	<u>264,157</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$194,157</u>	<u>\$194,157</u>	<u>\$205,094</u>	<u>\$10,937</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, 2009**

	<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>\$120,000</u>	<u>\$150,000</u>	<u>\$181,400</u>	<u>\$31,400</u>
Total Revenues	<u>120,000</u>	<u>150,000</u>	<u>181,400</u>	<u>31,400</u>
EXPENDITURES:				
Judicial -Municipal Court				
General Government				
Services and Supplies	130,000	130,000	123,384	6,616
Capital Outlay	<u>0</u>	<u>40,000</u>	<u>6,273</u>	<u>33,727</u>
Total Expenditures	<u>130,000</u>	<u>170,000</u>	<u>129,657</u>	<u>40,343</u>
Excess of Revenues Over (Under) Expenditures	(10,000)	(20,000)	51,743	71,743
OTHER FINANCING SOURCES (USES):				
Advance repaid	<u>(5,000)</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(5,000)</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	(15,000)	(25,000)	46,743	71,743
FUND BALANCE BEGINNING OF YEAR	<u>48,568</u>	<u>48,568</u>	<u>48,568</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$33,568</u>	<u>\$23,568</u>	<u>\$95,311</u>	<u>\$71,743</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, 2009**

	<u>BUDGETED AMOUNTS</u>			<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>(NEGATIVE)</u>
REVENUES:				
Fines and Forfeitures	<u>\$190,000</u>	<u>\$190,000</u>	<u>\$186,824</u>	<u>(\$3,176)</u>
Total Revenues	<u>190,000</u>	<u>190,000</u>	<u>186,824</u>	<u>(3,176)</u>
EXPENDITURES:				
Judicial -Municipal Court				
General Government				
Services and Supplies	25,000	25,000	16,261	8,739
Capital Outlay	<u>0</u>	<u>5,000</u>	<u>3,315</u>	<u>1,685</u>
Total Expenditures	<u>25,000</u>	<u>30,000</u>	<u>19,576</u>	<u>10,424</u>
Excess of Revenues Over (Under) Expenditures	165,000	160,000	167,248	7,248
OTHER FINANCING SOURCES (USES):				
Transfers Out	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	(35,000)	(40,000)	(32,752)	7,248
FUND BALANCE BEGINNING OF YEAR	<u>139,757</u>	<u>139,757</u>	<u>139,757</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$104,757</u>	<u>\$99,757</u>	<u>\$107,005</u>	<u>\$7,248</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, 2009**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>(NEGATIVE)</u>
REVENUES:				
Fines and Forfeitures	<u>\$5,000</u>	<u>\$5,000</u>	<u>\$17,817</u>	<u>\$12,817</u>
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>17,817</u>	<u>12,817</u>
EXPENDITURES:				
Judicial -Municipal Court				
General Government				
Services and Supplies	<u>1,600</u>	<u>1,600</u>	<u>0</u>	<u>1,600</u>
Total Expenditures	<u>1,600</u>	<u>1,600</u>	<u>0</u>	<u>1,600</u>
NET CHANGE IN FUND BALANCE	3,400	3,400	17,817	14,417
FUND BALANCE BEGINNING OF YEAR	<u>600</u>	<u>600</u>	<u>600</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$4,000</u>	<u>\$4,000</u>	<u>\$18,417</u>	<u>\$14,417</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, 2009**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Charges for Services	\$5,000	\$5,000	\$5,800	\$800
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>5,800</u>	<u>800</u>
EXPENDITURES:				
Executive-Mayor				
Community Environment				
Services and Supplies	<u>25,000</u>	<u>25,000</u>	<u>1,860</u>	<u>23,140</u>
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>1,860</u>	<u>23,140</u>
NET CHANGE IN FUND BALANCE	(20,000)	(20,000)	3,940	23,940
FUND BALANCE BEGINNING OF YEAR	49,416	49,416	49,416	0
Prior Year Encumbrances Appropriated	<u>1,203</u>	<u>1,203</u>	<u>1,203</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$30,619</u>	<u>\$30,619</u>	<u>\$54,559</u>	<u>\$23,940</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, 2009**

	<u>BUDGETED AMOUNTS</u>			<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
<b>REVENUES:</b>				
Intergovernmental	<u>\$28,963</u>	<u>\$28,963</u>	<u>\$29,707</u>	<u>\$744</u>
Total Revenues	<u>28,963</u>	<u>28,963</u>	<u>29,707</u>	<u>744</u>
<b>EXPENDITURES:</b>				
Executive-Mayor				
Security of Persons and Property				
Personal Services	42,500	42,500	38,891	3,609
Services and Supplies	<u>4,700</u>	<u>4,700</u>	<u>1,649</u>	<u>3,051</u>
Total Expenditures	<u>47,200</u>	<u>47,200</u>	<u>40,540</u>	<u>6,660</u>
Excess of Revenues Over (Under) Expenditures	(18,237)	(18,237)	(10,833)	7,404
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>0</u>
<b>NET CHANGE IN FUND BALANCE</b>	(3,237)	(3,237)	4,167	7,404
<b>FUND BALANCE BEGINNING OF YEAR</b>	<u>8,445</u>	<u>8,445</u>	<u>8,445</u>	<u>0</u>
<b>FUND BALANCE END OF YEAR</b>	<u>\$5,208</u>	<u>\$5,208</u>	<u>\$12,612</u>	<u>\$7,404</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, 2009**

	<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>\$4,840</u>	<u>\$4,840</u>	<u>\$4,840</u>	<u>\$0</u>
Total Revenues	<u>4,840</u>	<u>4,840</u>	<u>4,840</u>	<u>0</u>
EXPENDITURES:				
Executive-Mayor				
Security of Persons and Property				
Services and Supplies	<u>3,780</u>	<u>3,780</u>	<u>0</u>	<u>3,780</u>
Total Expenditures	<u>3,780</u>	<u>3,780</u>	<u>0</u>	<u>3,780</u>
NET CHANGE IN FUND BALANCE	1,060	1,060	4,840	3,780
FUND BALANCE BEGINNING OF YEAR	<u>3,780</u>	<u>3,780</u>	<u>3,780</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$4,840</u>	<u>\$4,840</u>	<u>\$8,620</u>	<u>\$3,780</u>

**CITY OF WILLOUGHBY, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL**  
**OHIO CRIMINAL JUSTICE SERVICES GRANT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	FINAL BUDGET POSITIVE <u>(NEGATIVE)</u>
REVENUES:				
Fines and Forfeitures	<u>\$0</u>	<u>\$2,000</u>	<u>\$2,000</u>	<u>\$0</u>
Total Revenues	<u>0</u>	<u>2,000</u>	<u>2,000</u>	<u>0</u>
EXPENDITURES:				
Judicial -Municipal Court				
General Government				
Personal Services	<u>0</u>	<u>1,750</u>	<u>1,750</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>1,750</u>	<u>1,750</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	0	250	250	0
FUND BALANCE BEGINNING OF YEAR	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$0</u>	<u>\$250</u>	<u>\$250</u>	<u>\$0</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, 2009**

	<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>\$536,735</u>	<u>\$536,735</u>	<u>\$570,389</u>	<u>\$33,654</u>
Total Revenues	<u>536,735</u>	<u>536,735</u>	<u>570,389</u>	<u>33,654</u>
EXPENDITURES:				
Executive-Mayor				
Security of Persons and Property				
Services and Supplies	<u>570,000</u>	<u>570,000</u>	<u>551,166</u>	<u>18,834</u>
Total Expenditures	<u>570,000</u>	<u>570,000</u>	<u>551,166</u>	<u>18,834</u>
NET CHANGE IN FUND BALANCE	(33,265)	(33,265)	19,223	52,488
FUND BALANCE BEGINNING OF YEAR	<u>549,791</u>	<u>549,791</u>	<u>549,791</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$516,526</u>	<u>\$516,526</u>	<u>\$569,014</u>	<u>\$52,488</u>

**CITY OF WILLOUGHBY, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL**  
**FUTURE RETIREMENT RESERVE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<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:				
Other	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXPENDITURES:				
Executive-Mayor				
Personal Services	<u>284,769</u>	<u>284,769</u>	<u>122,672</u>	<u>162,097</u>
Total Expenditures	<u>284,769</u>	<u>284,769</u>	<u>122,672</u>	<u>162,097</u>
Excess of Revenues Over (Under) Expenditures	(284,769)	(284,769)	(122,672)	162,097
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>225,000</u>	<u>225,000</u>	<u>225,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>225,000</u>	<u>225,000</u>	<u>225,000</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	(59,769)	(59,769)	102,328	162,097
FUND BALANCE BEGINNING OF YEAR	<u>1,051,460</u>	<u>1,051,460</u>	<u>1,051,460</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$991,691</u>	<u>\$991,691</u>	<u>\$1,153,788</u>	<u>\$162,097</u>



**CITY OF WILLOUGHBY, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL**  
**FEMA FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<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>
<b>REVENUES:</b>				
Intergovernmental	<u>\$54,370</u>	<u>\$55,583</u>	<u>\$54,365</u>	<u>(\$1,218)</u>
Total Revenues	<u>54,370</u>	<u>55,583</u>	<u>54,365</u>	<u>(1,218)</u>
<b>EXPENDITURES:</b>				
Executive-Mayor				
Security of Persons and Property				
Services and Supplies	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	54,370	55,583	54,365	(1,218)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out	<u>(189,667)</u>	<u>(190,875)</u>	<u>(190,875)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(189,667)</u>	<u>(190,875)</u>	<u>(190,875)</u>	<u>0</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(135,297)</b>	<b>(135,292)</b>	<b>(136,510)</b>	<b>(1,218)</b>
<b>FUND BALANCE BEGINNING OF YEAR</b>	<b>135,297</b>	<b>135,297</b>	<b>135,297</b>	<b>0</b>
Prior Year Encumbrances Appropriated	<u>1,213</u>	<u>1,213</u>	<u>1,213</u>	<u>0</u>
<b>FUND BALANCE END OF YEAR</b>	<b><u>\$1,213</u></b>	<b><u>\$1,218</u></b>	<b><u>\$0</u></b>	<b><u>(\$1,218)</u></b>

**CITY OF WILLOUGHBY, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL**  
**SPECIAL ASSESSMENTS FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<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>\$39,000</u>	<u>\$39,000</u>	<u>\$42,793</u>	<u>\$3,793</u>
Total Revenues	<u>39,000</u>	<u>39,000</u>	<u>42,793</u>	<u>3,793</u>
EXPENDITURES:				
Executive-Mayor				
General Government				
Services and Supplies	10,000	10,000	1,246	8,754
Debt Service				
Principal Retirement	25,000	25,000	25,000	0
Interest	<u>14,625</u>	<u>14,625</u>	<u>14,625</u>	<u>0</u>
Total Expenditures	<u>49,625</u>	<u>49,625</u>	<u>40,871</u>	<u>8,754</u>
NET CHANGE IN FUND BALANCE	(10,625)	(10,625)	1,922	12,547
FUND BALANCE BEGINNING OF YEAR	<u>318,554</u>	<u>318,554</u>	<u>318,554</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$307,929</u>	<u>\$307,929</u>	<u>\$320,476</u>	<u>\$12,547</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, 2009**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES:				
Miscellaneous	<u>\$5,000</u>	<u>\$5,000</u>	<u>\$13,640</u>	<u>\$8,640</u>
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>13,640</u>	<u>8,640</u>
FUND BALANCE BEGINNING OF YEAR	<u>213,032</u>	<u>213,032</u>	<u>213,032</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$218,032</u>	<u>\$218,032</u>	<u>\$226,672</u>	<u>\$8,640</u>



The City of Willoughby™

## *Combining Statements – Agency Funds*

---

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

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

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

**CITY OF WILLOUGHBY, OHIO**  
**COMBINING STATEMENT OF ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**AS OF DECEMBER 31, 2009**

	<u>DEPOSITS &amp; INSPECTIONS</u>	<u>MUNICIPAL COURT</u>	<u>TOTAL 2009</u>
<b>ASSETS</b>			
Equity in City Treasury Cash and Investments	\$1,028,893	\$425,184	\$1,454,077
Accounts Receivable	<u>0</u>	<u>123,000</u>	<u>123,000</u>
<b>TOTAL ASSETS</b>	<u><b>\$1,028,893</b></u>	<u><b>\$548,184</b></u>	<u><b>\$1,577,077</b></u>
<b>LIABILITIES</b>			
Accounts Payable	\$1,028,732	\$84,793	\$1,113,525
Deposits Held and Due to Others	0	209,895	209,895
Due to Other Governments	<u>161</u>	<u>253,496</u>	<u>253,657</u>
<b>TOTAL LIABILITIES</b>	<u><b>\$1,028,893</b></u>	<u><b>\$548,184</b></u>	<u><b>\$1,577,077</b></u>

**CITY OF WILLOUGHBY, OHIO**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>BALANCE</b>			<b>BALANCE</b>
	<u>1/1/2009</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>12/31/2009</u>
<b>DEPOSITS &amp; INSPECTIONS</b>				
ASSETS				
Equity in City Treasury Cash and Investments	\$1,039,309	\$1,031,877	\$1,042,293	\$1,028,893
<b>TOTAL ASSETS</b>	<u>\$1,039,309</u>	<u>\$1,031,877</u>	<u>\$1,042,293</u>	<u>\$1,028,893</u>
LIABILITIES				
Accounts Payable	\$1,039,138	\$983,233	\$993,639	\$1,028,732
Due to Other Governments	<u>171</u>	<u>48,644</u>	<u>48,654</u>	<u>161</u>
<b>TOTAL LIABILITIES</b>	<u>\$1,039,309</u>	<u>\$1,031,877</u>	<u>\$1,042,293</u>	<u>\$1,028,893</u>
<b>MUNICIPAL COURT</b>				
ASSETS				
Equity in City Treasury Cash and Investments	\$412,337	\$5,597,909	\$5,585,062	\$425,184
Accounts Receivable	<u>121,161</u>	<u>123,000</u>	<u>121,161</u>	<u>123,000</u>
<b>TOTAL ASSETS</b>	<u>\$533,498</u>	<u>\$5,720,909</u>	<u>\$5,706,223</u>	<u>\$548,184</u>
LIABILITIES				
Accounts Payable	\$85,090	\$1,686,700	\$1,686,997	\$84,793
Deposits Held and Due to Others	176,276	2,768,959	2,735,340	209,895
Due to Other Governments	<u>272,132</u>	<u>1,265,250</u>	<u>1,283,886</u>	<u>253,496</u>
<b>TOTAL LIABILITIES</b>	<u>\$533,498</u>	<u>\$5,720,909</u>	<u>\$5,706,223</u>	<u>\$548,184</u>
<b>TOTALS - ALL AGENCY FUNDS</b>				
ASSETS				
Equity in City Treasury Cash and Investments	\$1,451,646	\$6,629,786	\$6,627,355	\$1,454,077
Accounts Receivable	<u>121,161</u>	<u>123,000</u>	<u>121,161</u>	<u>123,000</u>
<b>TOTAL ASSETS</b>	<u>\$1,572,807</u>	<u>\$6,752,786</u>	<u>\$6,748,516</u>	<u>\$1,577,077</u>
LIABILITIES				
Accounts Payable	\$1,124,228	\$2,669,933	\$2,680,636	\$1,113,525
Deposits Held and Due to Others	176,276	2,768,959	2,735,340	209,895
Due to Other Governments	<u>272,303</u>	<u>1,313,894</u>	<u>1,332,540</u>	<u>253,657</u>
<b>TOTAL LIABILITIES</b>	<u>\$1,572,807</u>	<u>\$6,752,786</u>	<u>\$6,748,516</u>	<u>\$1,577,077</u>



The City of Willoughby™



THE CITY OF WILLOUGHBY, OHIO



# Statistical *Information*



# Statistical Section

---

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

<u>Contents</u>	<u>Page #</u>
<b><i>Financial Trends</i></b>	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	104-110
<b><i>Revenue Capacity</i></b>	
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.	111-114
<b><i>Debt Capacity</i></b>	
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.	115-119
<b><i>Demographic and Economic Information</i></b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	120-121
<b><i>Operating Information</i></b>	
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.	122-124

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

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008 restated</u>	<u>2009</u>
<b>GOVERNMENTAL ACTIVITIES</b>								
Invested in Capital Assets, Net of Related Debt	\$ 34,929,659	\$ 32,356,271	\$ 32,853,624	\$ 36,274,834	\$ 41,288,394	\$ 41,994,662	\$ 41,374,191	\$ 38,089,025
* Restricted For:								
Capital Projects	8,867,451	10,212,728	8,925,202	4,576,666	3,929,148	3,352,145	3,102,440	6,534,992
Debt Service	3,304,572	3,477,282	3,392,335	3,353,591	3,477,601	3,694,588	3,895,510	4,134,518
Street Construction Maintenance and Repair	529,697	469,487	484,374	441,293	846,662	1,047,185	1,087,511	1,552,301
Security of Persons	846,652	856,306	920,679	1,158,803	1,252,186	1,396,588	1,292,600	1,180,908
Municipal Court	1,112,584	1,257,261	1,526,253	869,500	702,413	613,361	550,538	618,406
Other Purposes	82,663	115,465	177,092	225,428	110,126	13,215	54,720	103,524
Permanent Fund Purpose	158,408	167,340	177,502	185,650	194,057	204,772	213,032	226,792
Unrestricted (Deficit)	<u>8,295,964</u>	<u>8,244,345</u>	<u>7,327,339</u>	<u>8,009,598</u>	<u>7,696,503</u>	<u>8,719,637</u>	<u>10,358,419</u>	<u>7,900,875</u>
Total Governmental Activities Net Assets	<u>58,127,650</u>	<u>57,156,485</u>	<u>55,784,400</u>	<u>55,095,363</u>	<u>59,497,090</u>	<u>61,036,153</u>	<u>61,928,961</u>	<u>60,341,341</u>
<b>BUSINESS-TYPE ACTIVITIES</b>								
Invested in Capital Assets, Net of Related Debt	34,642,111	35,223,998	35,096,164	34,959,081	35,534,234	35,229,071	33,115,680	32,774,856
Restricted For:								
Equipment Replacement	558,381	510,868	456,940	456,973	418,600	292,038	298,591	378,651
Unrestricted (Deficit)	<u>(289,790)</u>	<u>(1,461,194)</u>	<u>(2,322,769)</u>	<u>(2,517,822)</u>	<u>(3,056,030)</u>	<u>(3,357,551)</u>	<u>(2,503,214)</u>	<u>(3,131,664)</u>
Total Business-type Activities Net Assets	<u>34,910,702</u>	<u>34,273,672</u>	<u>33,230,335</u>	<u>32,898,232</u>	<u>32,896,804</u>	<u>32,163,558</u>	<u>30,911,057</u>	<u>30,021,843</u>
<b>PRIMARY GOVERNMENT</b>								
Invested in Capital Assets, Net of Related Debt	69,571,770	67,580,269	67,949,788	71,233,915	76,822,628	77,223,733	74,489,871	70,863,881
Restricted For:								
Capital Projects	8,867,451	10,212,728	8,925,202	4,576,666	3,929,148	3,352,145	3,102,440	6,534,992
Debt Service	3,304,572	3,477,282	3,392,335	3,353,591	3,477,601	3,694,588	3,895,510	4,134,518
Equipment Replacement	558,381	510,868	456,940	456,973	418,600	292,038	298,591	378,651
Street Construction Maintenance and Repair	529,697	469,487	484,374	441,293	846,662	1,047,185	1,087,511	1,552,301
Security of Persons	846,652	856,306	920,679	1,158,803	1,252,186	1,396,588	1,292,600	1,180,908
Municipal Court	1,112,584	1,257,261	1,526,253	869,500	702,413	613,361	550,538	618,406
Other Purposes	82,663	115,465	177,092	225,428	110,126	13,215	54,720	103,524
Permanent Fund Purpose	158,408	167,340	177,502	185,650	194,057	204,772	213,032	226,792
Unrestricted (Deficit)	<u>8,006,174</u>	<u>6,783,151</u>	<u>5,004,570</u>	<u>5,491,776</u>	<u>4,640,473</u>	<u>5,362,086</u>	<u>7,855,205</u>	<u>4,769,211</u>
Total Primary Government Net Assets	<u>\$ 93,038,352</u>	<u>\$ 91,430,157</u>	<u>\$ 89,014,735</u>	<u>\$ 87,993,595</u>	<u>\$ 92,393,894</u>	<u>\$ 93,199,711</u>	<u>\$ 92,840,018</u>	<u>\$ 90,363,184</u>

\* In 2009 all years presentations were expanded to include special revenue funds restricted purpose

**CITY OF WILLOUGHBY, OHIO**

**CHANGES IN NET ASSETS**

**LAST EIGHT YEARS**

*(Accrual Basis of Accounting)*

(continued on following page)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008 restated</u>	<u>2009</u>
<b>PROGRAM REVENUES</b>								
<b>Governmental Activities</b>								
Charges for Services:								
General Government	\$ 1,859,780	\$ 1,808,601	\$ 2,073,794	\$ 1,979,498	\$ 2,329,581	\$ 2,273,281	\$ 2,293,642	\$ 2,557,745
Security of Persons and Property	767,404	774,148	1,133,232	1,595,353	1,464,031	1,635,610	1,620,997	1,631,748
Public Health and Welfare	67,620	69,642	82,227	60,859	57,752	77,460	62,655	89,300
Community Environment	325,590	329,721	731,694	380,138	410,789	350,933	327,925	293,319
Leisure Time Activities	436,663	415,191	408,566	463,156	482,654	465,415	492,257	498,453
Transportation	980	850	1,416	1,360	720	247	375	647
Operating Grants, Contributions and Interest	986,298	78,071	56,572	51,133	358,392	118,956	233,398	93,517
Capital Grants and Contributions	73,232	541,506	143,860	1,183,817	4,165,287	110,980	287,167	681,633
Total Governmental Activities Program Revenues	<u>4,517,567</u>	<u>4,017,730</u>	<u>4,631,361</u>	<u>5,715,314</u>	<u>9,269,206</u>	<u>5,032,882</u>	<u>5,318,416</u>	<u>5,846,362</u>
<b>Business-type Activities:</b>								
Charges for Services:								
Golf Course	793,405	727,217	793,299	882,293	778,425	783,322	648,189	706,651
Sewer	3,185,803	3,320,402	3,532,603	3,858,155	3,849,829	4,352,307	3,961,100	4,424,581
Airport	153,950	164,347	179,783	180,788	187,222	138,123	175,005	136,384
Capital Grants and Contributions	408,749	456,368	102,787	277,783	564,392	247,053	239,440	453,353
Total Business-type Activities Program Revenues	<u>4,541,907</u>	<u>4,668,334</u>	<u>4,608,472</u>	<u>5,199,019</u>	<u>5,379,868</u>	<u>5,520,805</u>	<u>5,023,734</u>	<u>5,720,969</u>
Total Primary Government Program Revenues	<u>9,059,474</u>	<u>8,686,064</u>	<u>9,239,833</u>	<u>10,914,333</u>	<u>14,649,074</u>	<u>10,553,687</u>	<u>10,342,150</u>	<u>11,567,331</u>
<b>EXPENSES</b>								
<b>Governmental Activities</b>								
General Government	5,962,383	6,037,557	6,030,958	6,617,751	6,750,982	7,037,479	7,464,343	7,413,446
Security of Persons and Property	11,538,823	12,011,078	11,987,818	12,910,718	12,743,637	13,355,856	14,184,392	14,372,778
Public Health and Welfare	360,111	381,304	370,060	391,957	448,521	474,422	475,828	503,104
Community Environment	906,903	817,519	867,212	893,576	984,576	1,028,496	985,934	964,906
Leisure Time Activities	2,017,390	2,141,809	2,037,094	2,229,233	2,047,353	2,162,931	2,319,489	2,274,300
Transportation	2,892,787	2,992,462	2,853,179	3,218,135	2,736,148	3,316,323	3,526,993	3,360,716
Basic Utility Services	1,541,443	1,363,511	1,574,874	1,458,202	1,429,110	1,517,825	1,648,956	1,699,706
Interest and Fiscal Charges	700,779	734,157	918,977	938,369	881,977	879,804	842,569	705,001
Total Governmental Activities Expenses	<u>25,920,619</u>	<u>26,479,397</u>	<u>26,640,172</u>	<u>28,657,941</u>	<u>28,022,304</u>	<u>29,773,136</u>	<u>31,448,504</u>	<u>31,293,957</u>
<b>Business-type Activities:</b>								
Golf Course	790,733	885,864	900,161	888,853	867,957	923,882	992,417	1,016,247
Sewer	4,348,504	4,551,402	4,702,286	4,943,662	4,643,517	4,898,045	5,086,763	5,156,297
Airport	570,955	679,595	693,580	508,526	553,560	540,352	558,209	504,073
Total Business-type Activities Expenses	<u>5,710,192</u>	<u>6,116,861</u>	<u>6,296,027</u>	<u>6,341,041</u>	<u>6,065,034</u>	<u>6,362,279</u>	<u>6,637,389</u>	<u>6,676,617</u>
Total Primary Government Expenses	<u>31,630,811</u>	<u>32,596,258</u>	<u>32,936,199</u>	<u>34,998,982</u>	<u>34,087,338</u>	<u>36,135,415</u>	<u>38,085,893</u>	<u>37,970,574</u>
<b>NET (EXPENSE)/REVENUE</b>								
<b>Governmental Activities</b>								
Governmental Activities	(21,403,052)	(22,461,667)	(22,008,811)	(22,942,627)	(18,753,098)	(24,740,254)	(26,130,088)	(25,447,595)
<b>Business-Type Activities:</b>								
Business-type Activities	<u>(1,168,285)</u>	<u>(1,448,527)</u>	<u>(1,687,555)</u>	<u>(1,142,022)</u>	<u>(685,166)</u>	<u>(841,474)</u>	<u>(1,613,655)</u>	<u>(955,648)</u>
Total Primary Government	<u>\$ (22,571,337)</u>	<u>\$ (23,910,194)</u>	<u>\$ (23,696,366)</u>	<u>\$ (24,084,649)</u>	<u>\$ (19,438,264)</u>	<u>\$ (25,581,728)</u>	<u>\$ (27,743,743)</u>	<u>\$ (26,403,243)</u>

**CITY OF WILLOUGHBY, OHIO**

*CHANGES IN NET ASSETS*

*LAST EIGHT YEARS*

*(Accrual Basis of Accounting)*

(continued)

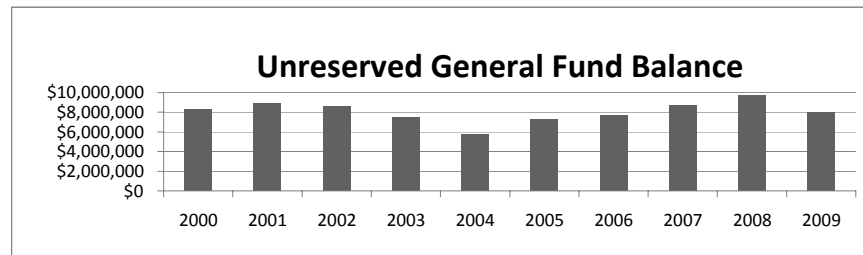
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008 restated</u>	<u>2009</u>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS</b>								
<b>Governmental Activities:</b>								
Property Taxes	\$ 3,542,044	\$ 3,406,795	\$ 3,908,020	\$ 3,694,441	\$ 3,780,557	\$ 4,981,602	\$ 4,544,357	\$ 4,504,172
Income Taxes	13,287,833	12,775,995	12,335,764	13,613,117	13,948,654	15,570,705	16,591,292	14,318,774
Unrestricted Grants, Entitlements and Contributions	3,072,611	3,827,506	3,979,013	4,270,153	4,508,744	4,797,309	5,342,717	4,659,956
Gain on Sale of Capital Assets	0	35,131	42,204	30,798	0	5,093	91,103	882
Investment Earnings	753,337	385,766	347,035	635,182	869,675	990,190	733,253	433,778
Miscellaneous	219,719	11,170	26,945	9,899	47,195	2,418	15,174	4,577
Transfers	0	0	(2,255)	0	0	(68,000)	(295,000)	(62,164)
Total Governmental Activities	<u>20,875,544</u>	<u>20,442,363</u>	<u>20,636,726</u>	<u>22,253,590</u>	<u>23,154,825</u>	<u>26,279,317</u>	<u>27,022,896</u>	<u>23,859,975</u>
<b>Business-type Activities:</b>								
Income Taxes	800,000	750,000	625,000	750,000	625,000	200,000	0	0
Gain on Sale of Capital Assets	0	0	0	0	0	2,039	2,021	100
Investment Earnings	34,317	23,108	14,763	38,817	56,756	53,393	51,342	4,170
Miscellaneous	12,014	38,389	2,200	21,102	1,982	973	12,791	0
Transfers	0	0	2,255	0	0	68,000	295,000	62,164
Total Business-type Activities	<u>846,331</u>	<u>811,497</u>	<u>644,218</u>	<u>809,919</u>	<u>683,738</u>	<u>324,405</u>	<u>361,154</u>	<u>66,434</u>
Total Primary Government	<u>21,721,875</u>	<u>21,253,860</u>	<u>21,280,944</u>	<u>23,063,509</u>	<u>23,838,563</u>	<u>26,603,722</u>	<u>27,384,050</u>	<u>23,926,409</u>
<b>CHANGE IN NET ASSETS</b>								
Governmental Activities	(527,508)	(2,019,304)	(1,372,085)	(689,037)	4,401,727	1,539,063	892,808	(1,587,620)
Business-type Activities	<u>(321,954)</u>	<u>(637,030)</u>	<u>(1,043,337)</u>	<u>(332,103)</u>	<u>(1,428)</u>	<u>(517,069)</u>	<u>(1,252,501)</u>	<u>(889,214)</u>
Total Primary Government	<u>\$ (849,462)</u>	<u>\$ (2,656,334)</u>	<u>\$ (2,415,422)</u>	<u>\$ (1,021,140)</u>	<u>\$ 4,400,299</u>	<u>\$ 1,021,994</u>	<u>\$ (359,693)</u>	<u>\$ (2,476,834)</u>

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

<u>Year</u>	<u>Municipal Income Taxes</u>	<u>Property and Other Local Taxes</u>	<u>Total</u>
2002	\$13,287,833	\$3,542,044	\$16,829,877
2003	\$12,775,995	\$3,406,795	\$16,182,790
2004	\$12,335,764	\$3,908,020	\$16,243,784
2005	\$13,613,117	\$3,694,441	\$17,307,558
2006	\$13,948,654	\$3,780,557	\$17,729,211
2007	\$15,570,705	\$4,981,602	\$20,552,307
2008	\$16,591,292	\$4,544,357	\$21,135,649
2009	\$14,318,774	\$4,504,172	\$18,822,946

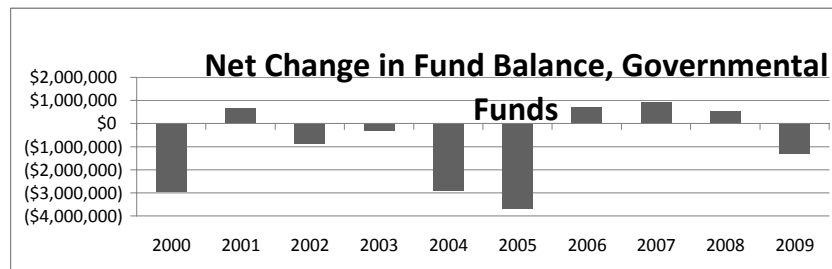
**CITY OF WILLOUGHBY, OHIO**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN YEARS**  
*(Modified Accrual Basis of Accounting)*

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>GENERAL FUND</b>										
Reserved for Encumbrances	\$ 415,673	\$ 284,971	\$ 626,927	\$ 623,957	\$ 737,236	\$ 771,531	\$ 823,806	\$ 882,759	\$ 470,007	\$ 459,869
Reserved for Inventory	78,737	74,236	78,332	69,932	80,453	94,976	92,895	87,616	101,902	123,317
Reserved for Prepaid Items	103,802	257	494	444	4,975	2,176	756	3,583	2,589	2,032
Reserved for Long-Term Loan - Airport	1,326,019	1,326,019	1,326,019	1,326,019	1,326,019	1,326,019	1,326,019	1,326,019	1,325,214	1,325,214
Unreserved	<u>8,352,242</u>	<u>8,901,027</u>	<u>8,569,892</u>	<u>7,538,817</u>	<u>5,789,582</u>	<u>7,240,733</u>	<u>7,671,830</u>	<u>8,683,355</u>	<u>9,781,785</u>	<u>7,952,052</u>
Total General Fund	<u>10,276,473</u>	<u>10,586,510</u>	<u>10,601,664</u>	<u>9,559,169</u>	<u>7,938,265</u>	<u>9,435,435</u>	<u>9,915,306</u>	<u>10,983,332</u>	<u>11,681,497</u>	<u>9,862,484</u>
<b>CAPITAL PROJECTS FUND</b>										
Reserved for Encumbrances	1,645,123	959,118	3,834,942	869,192	4,080,565	1,238,442	1,074,476	801,982	1,164,191	2,944,407
Reserved for Long-Term Loan - Airport	23,176	23,176	23,176	23,176	23,176	23,176	23,176	23,176	23,176	23,176
Unreserved	<u>5,599,781</u>	<u>6,067,075</u>	<u>1,796,861</u>	<u>4,947,920</u>	<u>178,595</u>	<u>(1,624,815)</u>	<u>(2,213,186)</u>	<u>(2,454,931)</u>	<u>(3,240,599)</u>	<u>(5,270,636)</u>
Total Capital Projects Fund	<u>7,268,080</u>	<u>7,049,369</u>	<u>5,654,979</u>	<u>5,840,288</u>	<u>4,282,336</u>	<u>(363,197)</u>	<u>(1,115,534)</u>	<u>(1,629,773)</u>	<u>(2,053,232)</u>	<u>(2,303,053)</u>
<b>GENERAL BOND RETIREMENT FUND</b>										
Reserved for Encumbrances	10,569	11,243	10,342	10,342	10,135	9,786	9,579	9,466	9,466	9,466
Reserved for Debt Service	137,838	149,263	312,866	424,206	264,877	113,013	250,707	361,950	401,984	514,145
Reserved for Long-Term Loan - Airport	<u>1,752,401</u>	<u>1,908,553</u>	<u>2,060,800</u>	<u>2,213,922</u>	<u>2,367,617</u>	<u>2,521,572</u>	<u>2,675,465</u>	<u>2,828,962</u>	<u>2,986,722</u>	<u>3,143,247</u>
Total General Bond Retirement Fund	<u>1,900,808</u>	<u>2,069,059</u>	<u>2,384,008</u>	<u>2,648,470</u>	<u>2,642,629</u>	<u>2,644,371</u>	<u>2,935,751</u>	<u>3,200,378</u>	<u>3,398,172</u>	<u>3,666,858</u>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>										
Reserved for Encumbrances	108,038	171,762	187,584	151,531	165,289	346,559	269,305	420,940	232,134	434,823
Reserved for Inventory	78,861	74,822	90,441	72,295	91,556	89,761	96,601	53,969	99,698	107,802
Reserved for Debt Service	520,772	524,780	501,299	494,498	501,839	407,111	309,313	314,284	318,555	320,476
Reserved for Non-Current Investments	0	135,163	155,414	97,416	0	0	0	0	0	0
Unreserved, Reported in Non-major:										
Special Revenue Funds	1,705,114	2,055,523	2,223,921	2,529,278	2,782,400	2,149,819	3,009,947	2,923,745	3,162,378	3,447,424
Permanent Funds	<u>0</u>	<u>4,670</u>	<u>2,994</u>	<u>69,924</u>	<u>177,502</u>	<u>185,650</u>	<u>194,057</u>	<u>204,772</u>	<u>213,032</u>	<u>226,792</u>
Total All Other Governmental Funds	<u>2,412,785</u>	<u>2,966,720</u>	<u>3,161,653</u>	<u>3,414,942</u>	<u>3,718,586</u>	<u>3,178,900</u>	<u>3,879,223</u>	<u>3,917,710</u>	<u>4,025,797</u>	<u>4,537,317</u>
Total Governmental Funds	<u>\$ 21,858,146</u>	<u>\$ 22,671,658</u>	<u>\$ 21,802,304</u>	<u>\$ 21,462,869</u>	<u>\$ 18,581,816</u>	<u>\$ 14,895,509</u>	<u>\$ 15,614,746</u>	<u>\$ 16,471,647</u>	<u>\$ 17,052,234</u>	<u>\$ 15,763,606</u>



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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>REVENUES:</b>										
Municipal Income Taxes	\$ 14,810,764	\$ 13,354,406	\$ 12,992,665	\$ 12,668,369	\$ 12,397,156	\$ 13,785,433	\$ 14,492,846	\$ 15,409,976	\$ 15,483,415	\$ 14,434,185
Property and Other Local Taxes	3,262,155	3,313,722	3,502,486	3,413,528	3,731,758	3,765,454	3,758,121	5,006,504	4,514,963	4,490,013
Intergovernmental	4,921,733	4,821,165	4,125,294	3,990,786	3,746,018	4,628,339	4,970,308	4,909,115	5,816,651	5,609,863
Charges for Services	465,399	510,914	546,521	653,144	1,247,253	1,494,868	1,501,349	1,419,620	1,453,966	1,663,000
Special Assessments	1,050,957	999,391	940,926	823,953	749,889	804,264	795,111	626,565	653,084	655,811
Fines and Forfeitures	1,743,858	1,792,593	1,960,853	1,919,942	2,206,786	2,093,376	2,413,687	2,479,794	2,392,415	2,610,283
Licenses & Permits	278,782	256,144	267,526	295,391	256,505	295,003	290,084	265,348	259,563	242,715
Interest Income	1,524,249	1,169,800	751,380	383,453	342,562	613,964	868,133	990,190	733,253	433,778
Miscellaneous	705,807	339,659	356,275	122,524	31,540	41,099	53,097	8,304	15,174	4,577
<b>Total Revenues</b>	<b>28,763,704</b>	<b>26,557,794</b>	<b>25,443,926</b>	<b>24,271,090</b>	<b>24,709,467</b>	<b>27,521,800</b>	<b>29,142,736</b>	<b>31,115,416</b>	<b>31,322,484</b>	<b>30,144,225</b>
<b>EXPENDITURES:</b>										
General Government	7,777,078	5,136,145	5,638,762	5,732,459	5,797,111	6,266,850	6,553,602	6,673,545	7,120,266	7,036,369
Security of Persons and Property	8,573,790	10,028,770	10,553,571	10,901,632	11,364,567	11,823,182	11,914,013	12,543,192	13,075,937	13,402,548
Public Health and Welfare	282,611	317,099	343,020	358,299	360,094	365,795	401,034	452,928	470,008	470,782
Community Environment	636,717	776,451	842,798	789,561	842,565	864,530	960,689	1,004,475	963,604	969,309
Leisure Time Activities	1,301,193	1,614,383	1,596,663	1,702,114	1,630,472	1,753,660	1,686,071	1,782,007	1,932,142	1,877,192
Transportation	1,366,847	1,485,855	1,633,448	1,706,108	1,521,732	1,671,763	1,377,708	1,651,544	1,897,053	1,768,755
Basic Utility Services	858,730	856,023	1,198,484	1,019,488	1,225,040	1,044,993	1,079,277	1,097,610	1,229,993	1,278,807
Capital Outlay	9,129,477	4,015,432	2,877,147	7,317,537	3,357,513	5,468,114	3,214,120	3,195,284	2,284,020	3,035,356
Debt Service:										
Principal	998,667	945,723	965,723	892,786	792,787	1,052,787	1,082,786	867,787	822,786	842,787
Interest	830,648	764,140	700,328	712,433	921,710	939,959	883,072	879,325	819,742	734,873
<b>Total Expenditures</b>	<b>31,755,758</b>	<b>25,940,021</b>	<b>26,349,944</b>	<b>31,132,417</b>	<b>27,813,591</b>	<b>31,251,633</b>	<b>29,152,372</b>	<b>30,147,697</b>	<b>30,615,551</b>	<b>31,416,778</b>
Excess of Revenues Over (Under) Expenditures	(2,992,054)	617,773	(906,018)	(6,861,327)	(3,104,124)	(3,729,833)	(9,636)	967,719	706,933	(1,272,553)
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers In	3,893,196	3,594,283	2,332,691	2,408,457	2,282,225	3,187,377	3,052,750	2,229,479	2,643,521	3,021,404
Transfers Out	(3,893,196)	(3,594,283)	(2,332,691)	(2,408,457)	(2,284,480)	(3,187,377)	(2,352,608)	(2,297,479)	(2,938,521)	(3,083,568)
Debt Issued	9,003	15,675	0	6,350,000	0	0	0	0	0	0
Sale of Capital Assets	26,825	48,771	16,949	198,438	195,544	30,798	23,972	5,093	108,639	16,570
<b>Total Other Financing Sources (Uses)</b>	<b>35,828</b>	<b>64,446</b>	<b>16,949</b>	<b>6,548,438</b>	<b>193,289</b>	<b>30,798</b>	<b>724,114</b>	<b>(62,907)</b>	<b>(186,361)</b>	<b>(45,594)</b>
<b>Net Change in Fund Balances</b>	<b>\$ (2,956,226)</b>	<b>\$ 682,219</b>	<b>\$ (889,069)</b>	<b>\$ (312,889)</b>	<b>\$ (2,910,835)</b>	<b>\$ (3,699,035)</b>	<b>\$ 714,478</b>	<b>\$ 904,812</b>	<b>\$ 520,572</b>	<b>\$ (1,318,147)</b>
Debt Service as a Percentage of Noncapital Expenditures	8.08%	7.80%	7.10%	6.74%	7.01%	7.73%	7.58%	6.48%	5.80%	5.56%





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

<u>Year</u>	<u>Municipal Income Taxes</u>	<u>Property &amp; Other Local Taxes</u>	<u>Total</u>
2000	\$14,810,764	\$3,262,155	\$18,072,919
2001	\$13,354,406	\$3,313,722	\$16,668,128
2002	\$12,992,665	\$3,502,486	\$16,495,151
2003	\$12,668,369	\$3,413,528	\$16,081,897
2004	\$12,397,156	\$3,731,758	\$16,128,914
2005	\$13,785,433	\$3,765,454	\$17,550,887
2006	\$14,492,846	\$3,758,121	\$18,250,967
2007	\$15,409,976	\$5,006,504	\$20,416,480
2008	\$15,483,415	\$4,514,963	\$19,998,378
2009	\$14,434,185	\$4,490,013	\$18,924,198

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

<b>Tax Year</b>	<b>Total Tax Collected</b>	<b>Tax from Withholding</b>	<b>Tax from Net Profit</b>	<b>Tax from Individuals</b>	<b>Tax -Other</b>	<b>Tax Rate</b>
2000	\$14,152,448	\$11,045,217	\$1,703,834	\$1,268,210	\$135,187	2.00%
2001	\$14,575,935	\$11,320,953	\$1,755,208	\$1,350,731	\$149,043	2.00%
2002	\$14,112,110	\$10,790,467	\$1,611,113	\$1,577,493	\$133,037	2.00%
2003	\$13,858,306	\$10,857,572	\$1,558,334	\$1,323,022	\$119,378	2.00%
2004	\$13,557,840	\$10,887,838	\$1,283,889	\$1,269,308	\$116,805	2.00%
2005	\$14,329,971	\$11,169,549	\$1,687,379	\$1,290,238	\$182,806	2.00%
2006	\$14,655,158	\$11,338,641	\$1,783,693	\$1,371,068	\$161,756	2.00%
2007	\$15,920,284	\$11,861,141	\$2,384,348	\$1,523,109	\$151,686	2.00%
2008	\$15,659,067	\$11,695,646	\$2,434,001	\$1,486,327	\$43,093	2.00%
2009	\$14,433,270	\$11,332,008	\$1,739,853	\$1,304,280	\$57,129	2.00%

Source: 2008 & 2009 Regional Income Tax Agency, Central Collection Agency Prior to 2008

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

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

<b>2009</b>		<b>2000</b>	
<b>Rank</b>	<b>Name</b>	<b>Rank</b>	<b>Name</b>
1	Lake Health (Lake West)	1	Lake Hospital System
2	Willoughby-Eastlake City Schools	2	Willoughby-Eastlake City Schools
3	City of Willoughby	3	General Electric Co.
4	Ohio Presbyterian - Breckenridge	4	City of Willoughby
5	Momentive Performance/GE Lighting	5	Nupro Company
6	Windsor- Laurelwood Hospital	6	Freightliner Corp/Sterling
7	Marous Brothers Construction	7	Laurelwood Hospital
8	Bescast	8	Metal Seal & Products
9	C-T Consultants	9	Accurate Metal Machining
10	Heartland Employment Services	10	Fusion Inc.

<b>Classification</b>	<b>2009</b>	<b>2000</b>
Government	\$886,557	\$680,264
Commercial, Mfg. & Other	\$4,611,464	\$4,537,208
	\$5,498,022	\$5,217,472

Source: 2009 Regional Income Tax Agency, Central Collection Agency prior to 2008

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

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

<b>Tax Year/ Collection Year</b>	<b>Assessed Value</b>				<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Total Estimated Actual Taxable Value</b>	<b>Assessed Value as a Percentage of Actual Value</b>
	<b>Real Property</b>	<b>Other Real Estate &amp; Public Utility Property</b>	<b>Tangible Personal Property</b>	<b>Less: Tax Exempt Real Property</b>				
1999/2000	\$305,560,840	\$162,392,700	\$88,382,847	\$65,567,120	\$490,769,267	7.19	\$1,320,039,284	37.18%
2000/2001	\$339,572,650	\$180,290,940	\$94,429,869	\$67,543,970	\$546,749,489	6.91	\$1,481,861,856	36.90%
2001/2002	\$349,405,640	\$181,886,770	\$100,628,958	\$70,953,600	\$560,967,768	6.91	\$1,523,217,763	36.83%
2002/2003	\$363,187,500	\$185,031,020	\$108,073,950	\$80,851,260	\$575,441,210	6.89	\$1,563,122,369	36.81%
2003/2004	\$416,371,940	\$204,180,670	\$85,187,771	\$71,339,550	\$634,400,831	6.79	\$1,879,188,798	33.76%
2004/2005	\$421,052,440	\$214,045,810	\$89,138,482	\$70,535,520	\$653,701,212	6.68	\$1,939,600,267	33.70%
2005/2006	\$427,059,970	\$216,085,720	\$68,290,311	\$70,535,520	\$640,900,481	6.58	\$1,880,847,500	34.08%
2006/2007	\$472,614,400	\$231,761,770	\$47,091,463	\$68,324,350	\$683,143,283	8.56	\$2,042,618,094	33.44%
2007/2008	\$480,905,550	\$228,888,060	\$31,602,915	\$65,059,180	\$676,337,345	8.54	\$2,041,574,056	33.13%
2008/2009	\$491,962,870	\$233,402,350	\$1,307,867	\$64,153,050	\$662,520,037	8.54	\$1,854,875,103	35.72%

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

The current assessed valuation is computed at approximately the following percentages of estimated true value: real property - 35%, public utilities - 100%, and tangible personal property and equipment - 6.25%

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

Tax Year/ Collection Year	City of Willoughby Direct Rates							Overlapping Rates		Total Direct & Overlapping Rates
	General Fund	Debt Service Fund	Police Pension Fund	Fire Pension Fund	Recreation Fund	Road & Bridge Fund	Total City Millage	Lake County	Willoughby/ Eastlake, Kirtland School Districts	
1999/2000	3.00	3.09	0.30	0.30	0.50		7.19	15.70	47.73 (1)	70.62
2000/2001	3.16	2.65	0.30	0.30	0.50		6.91	15.70	47.14 (1)	69.75
2001/2002	3.16	2.65	0.30	0.30	0.50		6.91	15.70	47.07 (1)	69.68
2002/2003	3.16	2.63	0.30	0.30	0.50		6.89	15.70	46.89 (1)	69.48
2003/2004	3.50	2.19	0.30	0.30	0.50		6.79	15.70	48.69 (1)	71.18
2004/2005	3.50	2.08	0.30	0.30	0.50		6.68	15.70	51.07 (1)	73.45
2005/2006	3.05	2.43	0.30	0.30	0.50		6.58	15.70	50.70 (1)	72.98
2006/2007	3.48	1.98	0.30	0.30	0.50	2.00	8.56	15.70	49.82 (1)	74.08
2007/2008	3.49	1.95	0.30	0.30	0.50	2.00	8.54	15.80	49.94 (1)	74.28
2008/2009	3.49	1.95	0.30	0.30	0.50	2.00	8.54	15.80	50.05 (1)	74.39

(1) Includes 1.30 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)**

<b>Tax Year/ Collection Year</b>	<b>Net Tax Levy</b>	<b>Current Collections</b>	<b>Percentage of Current Collection to Net Levy</b>	<b>Delinquent Collections</b>	<b>Total Collections</b>	<b>Percentage of Total Collections to Net Levy</b>
1999/2000	\$1,836,700	\$1,822,467	99.2%	\$33,461	\$1,855,928	100.0%
2000/2001	\$1,949,795	\$1,884,905	96.7%	\$34,991	\$1,919,896	98.5%
2001/2002	\$2,042,246	\$1,940,284	95.0%	\$61,636	\$2,103,882	100.0%
2002/2003	\$2,004,503	\$1,941,218	96.8%	\$44,057	\$1,985,275	99.0%
2003/2004	\$2,240,564	\$2,184,322	97.5%	\$50,360	\$2,234,682	99.7%
2004/2005	\$2,255,994	\$2,184,310	96.8%	\$58,281	\$2,242,591	99.4%
2005/2006	\$2,339,615	\$2,270,168	97.0%	\$63,732	\$2,333,900	99.8%
2006/2007	\$3,572,756	\$3,491,172	97.7%	\$82,552	\$3,573,724	100.0%
2007/2008	\$3,577,702	\$3,410,633	95.3%	\$79,475	\$3,490,108	97.6%
2008/2009	\$3,620,455	\$3,506,106	96.8%	\$143,322	\$3,649,428	100.0%

Source: Lake County Auditor's Office

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

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

Year	GOVERNMENTAL ACTIVITIES				BUSINESS-TYPE ACTIVITIES			Total Primary Government	Total Personal Income	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Special Assessment Bonds	OWDA & OPWC	Bond Antic & Notes Payable	Enterprise Bonds w/G.O. Commitment	OWDA & OPWC	Bond Antic & Notes Payable				
2000	\$11,635,716	\$1,645,352	\$9,003	\$225,000	\$3,598,930	\$5,046,849	\$0	\$22,160,850	\$535,054,513	4.14%	980
2001	\$11,027,846	\$1,307,949	\$24,228	\$175,000	\$3,284,203	\$5,624,460	\$0	\$21,443,686	\$535,054,513	4.01%	948
2002	\$10,399,976	\$970,547	\$23,778	\$4,220,000	\$4,754,476	\$6,129,760	\$0	\$26,498,537	\$535,054,513	4.95%	1,171
2003	\$16,107,107	\$721,863	\$22,544	\$4,525,000	\$4,486,029	\$6,967,723	\$0	\$32,830,266	\$535,054,513	6.14%	1,451
2004	\$15,457,842	\$579,575	\$21,310	\$4,650,000	\$4,187,581	\$5,997,457	\$0	\$30,893,765	\$535,054,513	5.77%	1,366
2005	\$14,548,577	\$437,287	\$20,076	\$4,950,000	\$4,241,386	\$5,196,758	\$0	\$29,394,084	\$535,054,513	5.49%	1,299
2006	\$13,609,312	\$295,000	\$18,842	\$5,060,000	\$3,851,926	\$4,330,082	\$0	\$27,165,162	\$535,054,513	5.08%	1,201
2007	\$12,762,760	\$275,000	\$17,607	\$5,000,000	\$3,450,662	\$4,724,594	\$1,350,000	\$27,580,623	\$535,054,513	5.15%	1,219
2008	\$11,966,207	\$250,000	\$16,374	\$5,200,000	\$3,031,117	\$6,247,768	\$1,610,000	\$28,321,466	\$535,054,513	5.29%	1,252
2009	\$11,149,654	\$225,000	\$15,140	\$8,856,000	\$2,599,534	\$6,215,292	\$3,294,000	\$32,354,620	\$535,054,513	6.05%	1,430

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 120 for personal income and population data.

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

<u>Year</u>	<u>General Obligation Bonds(1)</u>	<u>Less: Amount of Assets Restricted for Repayment of Debt</u>	<u>Total</u>	<u>Percent of Estimated Actual Taxable Value of Property (2)</u>	<u>Per Capita (3)</u>
2002	\$11,319,976	\$3,304,572	\$8,015,404	0.53%	\$354
2003	\$16,912,107	\$3,477,282	\$13,434,825	0.86%	\$594
2004	\$16,142,842	\$3,392,335	\$12,750,507	0.68%	\$564
2005	\$15,108,577	\$3,353,591	\$11,754,986	0.61%	\$520
2006	\$14,039,312	\$3,477,601	\$10,561,711	0.56%	\$467
2007	\$13,057,760	\$3,694,588	\$9,363,172	0.46%	\$414
2008	\$12,116,206	\$3,895,510	\$8,220,696	0.40%	\$363
2009	\$11,149,654	\$4,134,518	\$7,015,136	0.38%	\$310

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

- (1) All bonded debt of the City of Willoughby is backed by the full faith and credit of the city. However, those issues that have been in the past and are currently supported by business-type activities or issued by outside agencies are not included in G O Bonds.
- (2) See the schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 112 for property value data.
- (3) Population data can be found in the schedule of Demographic and Economic Statistics on page 120.

**CITY OF WILLOUGHBY, OHIO**  
**DIRECT AND OVERLAPPING DEBT**  
**DECEMBER 31, 2009**  
**(UNAUDITED)**

	<u>Assessed Valuation (1)</u>	<u>Net General Tax Supported Debt (2)</u>	<u>Percent Overlapping</u>	<u>Amount Applicable to City of Willoughby</u>
<b>Direct:</b>				
City of Willoughby	\$ 662,520,037	\$ <u>11,149,654</u>		\$ <u>11,149,654</u>
<b>Overlapping:</b>				
Willoughby-Eastlake City Schools	\$ 1,848,698,670	\$ 630,000	35.18%	\$ 221,634
Kirtland Local School District	\$ 358,533,047	\$ 15,494,992	3.41%	\$ 528,379
Auburn Joint Vocational S.D.	\$ 2,611,065,451	0	0.47%	\$ 0
Lake County	\$ 6,794,899,728	\$ <u>18,992</u>	9.75%	\$ <u>1,852</u>
Total Overlapping		\$ <u>16,143,984</u>		\$ <u>751,865</u>
<b>Total Direct and Overlapping Debt</b>		<b>\$ <u>27,293,638</u></b>		<b>\$ <u>11,901,519</u></b>

Sources: (1) Lake County Auditor's Office.  
(2) Fiscal Officers of Subdivisions (Does not include any balances in Debt Service Funds).



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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Overall Debt Limitation - 10.5% of Assessed Valuation	\$ 51,323,131	\$ 57,408,696	\$ 58,901,616	\$ 60,421,327	\$ 66,612,087	\$ 68,638,627	\$ 67,294,551	\$ 71,730,045	\$ 71,015,421	\$ 69,564,604
Gross Indebtedness	22,160,850	21,443,686	26,498,537	32,830,266	30,893,765	29,394,084	27,165,163	27,580,623	28,321,465	32,354,620
Less:										
OWDA	(4,890,852)	(5,261,783)	(5,777,083)	(6,485,430)	(5,607,043)	(4,830,653)	(3,988,288)	(4,303,686)	(5,839,487)	(5,837,076)
OPWC	(165,000)	(386,905)	(376,455)	(504,837)	(411,724)	(386,181)	(360,637)	(438,515)	(424,655)	(393,356)
Special Assessment Bond & Notes	(1,870,352)	(1,482,949)	(5,190,547)	(5,246,863)	(5,229,575)	(5,387,287)	(5,355,000)	(6,625,000)	(7,060,000)	(12,375,000)
Sewer Debt	(823,930)	(754,203)	(684,476)	(616,029)	(547,581)	(841,386)	(696,926)	(550,662)	(401,117)	(249,534)
Golf Debt	(1,635,000)	(1,500,000)	(3,150,000)	(3,065,000)	(2,955,000)	(2,840,000)	(2,725,000)	(2,605,000)	(2,480,000)	(2,350,000)
	<u>(9,385,134)</u>	<u>(9,385,840)</u>	<u>(15,178,561)</u>	<u>(15,918,159)</u>	<u>(14,750,923)</u>	<u>(14,285,507)</u>	<u>(13,125,851)</u>	<u>(14,522,863)</u>	<u>(16,205,259)</u>	<u>(21,204,966)</u>
Net Debt Within 10.5% Limitations	12,775,716	12,057,846	11,319,976	16,912,107	16,142,842	15,108,577	14,039,312	13,057,760	12,116,206	11,149,654
Legal Debt Margin Within 10.5% Limitation*	<u>\$ 38,547,415</u>	<u>\$ 45,350,850</u>	<u>\$ 47,581,640</u>	<u>\$ 43,509,220</u>	<u>\$ 50,469,245</u>	<u>\$ 53,530,050</u>	<u>\$ 53,255,239</u>	<u>\$ 58,672,285</u>	<u>\$ 58,899,215</u>	<u>\$ 58,414,950</u>
Total Net Debt Applicable to the 10.5% Limitation as a Percentage of the Debt Limit	24.89%	21.00%	19.22%	27.99%	24.23%	22.01%	20.86%	18.20%	17.06%	16.03%
Unvoted Debt Limitation - 5.5% of Assessed Valuation	\$ 26,883,545	\$ 30,071,222	\$ 30,853,227	\$ 31,649,267	\$ 34,892,046	\$ 35,953,567	\$ 35,249,526	\$ 37,572,881	\$ 37,198,554	\$ 36,438,602
Net Debt Within 10.5% Limitations	12,775,716	12,057,846	11,319,976	16,912,107	16,142,842	15,108,577	14,039,312	13,057,760	12,116,206	11,149,654
Less Debt Outside Limitations (Voted)	<u>(6,375,000)</u>	<u>(6,160,000)</u>	<u>(5,940,000)</u>	<u>(5,715,000)</u>	<u>(5,480,000)</u>	<u>(5,240,000)</u>	<u>(4,995,000)</u>	<u>(4,740,000)</u>	<u>(4,555,000)</u>	<u>(4,360,000)</u>
Debt Within 5.5% Limitations	<u>6,400,716</u>	<u>5,897,846</u>	<u>5,379,976</u>	<u>11,197,107</u>	<u>10,662,842</u>	<u>9,868,577</u>	<u>9,044,312</u>	<u>8,317,760</u>	<u>7,561,206</u>	<u>6,789,654</u>
Legal Debt Margin Within 5.5% Limitation*	<u>\$ 20,482,829</u>	<u>\$ 24,173,376</u>	<u>\$ 25,473,251</u>	<u>\$ 20,452,160</u>	<u>\$ 24,229,204</u>	<u>\$ 26,084,990</u>	<u>\$ 26,205,214</u>	<u>\$ 29,255,121</u>	<u>\$ 29,637,348</u>	<u>\$ 29,648,948</u>
Total Debt Applicable to the 5.5% Limitation as a Percentage of the Debt Limit	23.81%	19.61%	17.44%	35.38%	30.56%	27.45%	25.66%	22.14%	20.33%	18.63%

**LEGAL DEBT MARGIN CALCULATION FOR 2009**

Assessed Valuation	\$ 662,520,037
Overall Debt Limitation -(10.5% of Assessed Valuation)	\$ 69,564,604
Gross Indebtedness	32,354,620
Less :	
OWDA/OPWC	(6,230,432)
Special Assessment Bonds & Note	(12,375,000)
Sewer Debt	(249,534)
Recreation- Golf Debt	<u>(2,350,000)</u>
Net Debt Within 10.5% Limitations-General Obligation Bonds	<u>11,149,654</u>
Legal Debt Margin Within 10.5% Limitation	<u>\$ 58,414,950</u>
Unvoted Debt Limitation -(5.5% of Assessed Valuation)	\$ 36,438,602
Gross Indebtedness Authorized by Council	11,149,654
Less Debt Outside Limitations- Voted	<u>(4,360,000)</u>
Debt Within 5.5% Limitations	<u>6,789,654</u>
Legal Debt Margin Within 5.5% Limitation	<u>\$ 29,648,948</u>

\* Calculated without regard to balance in Debt Service funds.

**CITY OF WILLOUGHBY, OHIO**  
**PLEDGED-REVENUE COVERAGE**  
**LAST TEN YEARS**

**SPECIAL ASSESSMENT BONDS**

<b><u>YEAR</u></b>	<b><u>SPECIAL ASSESSMENT COLLECTIONS</u></b>	<b><u>DEBT SERVICE</u></b>		<b><u>COVERAGE</u></b>
		<b><u>PRINCIPAL</u></b>	<b><u>INTEREST</u></b>	
2000	\$532,839	\$361,848	\$164,411	1.01
2001	\$488,793	\$337,403	\$131,265	1.04
2002	\$426,697	\$337,403	\$99,901	0.98
2003	\$320,762	\$248,683	\$68,530	1.01
2004	\$204,149	\$142,288	\$48,261	1.07
2005	\$191,240	\$142,288	\$37,946	1.06
2006	\$177,310	\$142,288	\$27,612	1.04
2007	\$43,612	\$20,000	\$17,257	1.17
2008	\$47,068	\$25,000	\$16,088	1.15
2009	\$42,793	\$25,000	\$14,625	1.08

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

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

<b>Year</b>	<b>Total Population (1)</b>	<b>Total Personal Income (2)</b>	<b>Per Capita Personal Income (1)</b>	<b>Median Household Income (1)</b>	<b>Median Age (1)</b>	<b>Education Attainment: Bachelor's Degree or Higher (1)</b>	<b>School Enrollment (4)</b>	<b>Unemployment Rate (3)</b>	<b>Population in Group Quarters (1)</b>	<b>Total Dwelling Units</b>	<b>Occupied Dwelling Units Households</b>	<b>Persons Per/Owner Households</b>	<b>Owner Occupied Housing Units (%)</b>	<b>Occupied County Population</b>
2000	22,621	\$535,054,513	\$23,653	\$43,387	39.1	23.8%	3,412	3.6%	351	10,700	10,265	2.40	59.8	227,511
2001	22,621	\$535,054,513	\$23,653	\$43,387	39.1	23.8%	3,383	4.2%	351	10,700	10,265	2.40	59.8	227,511
2002	22,621	\$535,054,513	\$23,653	\$43,387	39.1	23.8%	3,367	6.1%	351	10,700	10,265	2.40	59.8	227,511
2003	22,621	\$535,054,513	\$23,653	\$43,387	39.1	23.8%	3,416	5.6%	351	10,700	10,265	2.40	59.8	227,511
2004	22,621	\$535,054,513	\$23,653	\$43,387	39.1	23.8%	3,471	5.4%	351	10,700	10,265	2.40	59.8	227,511
2005	22,621	\$535,054,513	\$23,653	\$43,387	39.1	23.8%	3,563	5.1%	351	10,700	10,265	2.40	59.8	227,511
2006	22,621	\$535,054,513	\$23,653	\$43,387	39.1	23.8%	3,734	5.4%	351	10,700	10,265	2.40	59.8	227,511
2007	22,621	\$535,054,513	\$23,653	\$43,387	39.1	23.8%	3,848	5.6%	351	10,700	10,265	2.40	59.8	227,511
2008	22,621	\$535,054,513	\$23,653	\$43,387	39.1	23.8%	3,853	6.6%	351	10,700	10,265	2.40	59.8	227,511
2009	22,621	\$535,054,513	\$23,653	\$43,387	39.1	23.8%	3,968	8.9%	351	10,700	10,265	2.40	59.8	227,511

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

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

(3) Source: Ohio Bureau of Employment Statistics for 2006 and prior, 2007 to 2009 U.S Bureau of Labor Statistics

(4) Source: Willoughby-Eastlake Board of Administration

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

<b>Employer</b>	<b>2009</b>			<b>2000</b>		
	<b>Employees(2)</b>	<b>Rank</b>	<b>Percentage of Total City Employment(3)</b>	<b>Employees(1)</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
Lake Health (Lake West)	669	1	4.05%	549	1	NA
Willoughby-Eastlake City Schools	458	2	2.77%	390	2	NA
Ohio Presbyterian -Breckenridge	450	3	2.72%	380	3	NA
Momentive Performance/G E Lighting	377	4	2.28%	300	4	NA
Marous Bros. Construction	263	5	1.59%			
City of Willoughby	237	6	1.43%	236	7	NA
Windsor-Laurelwood Hospital	225	7	1.36%	300	4	NA
Deepwood Sheltered Industries	205	8	1.24%	200	9	NA
Giant Eagle	180	9	1.09%			
Bescast	141	10	0.85%			
Metal Seal & Products				250	6	NA
CT Consultants, Inc.				212	8	NA
Sterling Truck				180	10	NA
<b>Total</b>	<u>3205</u>			<u>2997</u>		NA
<b>Citywide (3)</b>			<u>16532</u>			

Source:

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

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

**FULL-TIME EMPLOYEES AS OF DECEMBER 31**

<u>FUNCTION/PROGRAM</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b><u>Governmental</u></b>										
<b>General Government</b>										
Council	8	8	8	8	8	8	8	8	8	8
Mayor	2	2	2	2	2	2	2	2	2	2
Law	3	3	3	3	3	3	3	3	3	3
Personnel	1	1	1	1	1	1	1	1	1	1
Court	24	25	26	25	26	26	26	27	26	27
Building & Grounds	8	6	8	8	8	8	7	7	7	7
Finance	11	10	9	9	9	9	9	9	9	9
Service	6	6	6	6	6	6	6	5	5	5
Vehicle Maintenance	6	5	5	5	5	5	5	5	5	5
<b>Security of Persons and Property</b>										
Police	59	60	60	60	60	60	59	59	59	59
Fire	44	43	44	44	42	41	40	41	41	41
<b>Public Health and Welfare</b>										
Cemetery	3	3	3	3	2	2	3	3	3	3
<b>Community Environment</b>										
Building	8	8	8	8	8	8	8	8	8	8
Community Development	2	2	2	2	2	2	2	2	2	2
<b>Leisure Time Activities</b>										
Parks	5	4	5	5	5	5	5	5	5	5
Recreation	7	7	7	7	7	7	7	7	7	7
<b>Transportation</b>										
Street	16	16	15	15	13	12	12	12	12	11
Traffic	3	3	3	3	2	2	2	2	2	2
Total Governmental	<u>216</u>	<u>212</u>	<u>215</u>	<u>214</u>	<u>209</u>	<u>207</u>	<u>205</u>	<u>206</u>	<u>205</u>	<u>205</u>
<b><u>Business-Type</u></b>										
<b>Sewer</b>										
Sewer	7	7	7	7	7	7	7	7	7	7
WPCC	23	23	23	23	23	22	21	22	22	21
<b>Airport</b>	1	1	1	1	1	1	1	1	1	1
<b>Golf Course</b>	4	4	4	4	3	3	3	3	3	3
Total Business-Type	<u>35</u>	<u>35</u>	<u>35</u>	<u>35</u>	<u>34</u>	<u>33</u>	<u>32</u>	<u>33</u>	<u>33</u>	<u>32</u>
<b>Totals</b>	<u>251</u>	<u>247</u>	<u>250</u>	<u>249</u>	<u>243</u>	<u>240</u>	<u>237</u>	<u>239</u>	<u>238</u>	<u>237</u>

Source: City of Willoughby Finance Dept.

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

<b><u>OPERATING INDICATORS BY FUNCTION/PROGRAM</u></b>	<b><u>2000</u></b>	<b><u>2001</u></b>	<b><u>2002</u></b>	<b><u>2003</u></b>	<b><u>2004</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>
<b><u>Governmental</u></b>										
<b>General Government</b>										
Council - Ordinances & Resolutions	214	215	221	169	159	190	177	155	165	152
Personnel - Civil Service Exams (taken)	110	133	178	71	139	156	137	30	34	126
Court - Number of cases	18,537	17,367	20,096	20,059	21,089	18,984	18,735	17,811	18,653	17,516
Finance										
Number of A/P checks processed	8,814	9,691	8,308	8,301	7,739	7,244	7,076	7,047	6,785	6,780
Number of purchase orders issued	1,116	1,126	1,046	1,058	856	837	945	963	980	963
<b>Security of Persons and Property</b>										
Police										
Total Arrests & other Citations	5,405	7,048	7,391	6,296	6,632	5,886	5,548	5,436	5,347	4,901
Parking Citations	1,707	NA	1,745	1,543	1,696	1,552	1,554	1,567	1,637	2,068
Fire										
Total Number of Calls	4,112	3,999	4,213	4,467	4,375	4,526	4,543	4,555	4,643	4,522
<b>Public Health and Welfare</b>										
Cemetery (plots sold)	43	59	68	72	90	60	55	84	52	84
<b>Community Environment</b>										
Building										
Building Permits Issued	1,039	961	1,065	1,100	1,010	978	993	897	836	715
Inspections - Residential	4,373	4,057	4,218	4,696	3,490	3,438	5,150	4,340	3,417	2,888
- Industrial	1,983	1,544	1,652	1,572	994	1,260	1,113	606	853	669
<b>Leisure Time Activities</b>										
Parks - Bus Rides	6,188	6,244	4,048	5,236	5,378	5,616	8,746	7,343	8,780	8,736
- Program Participants	488	511	432	368	488	312	307	301	361	356
Pools - Bus Rides	1,776	1,887	1,165	1,448	discontinued					
- Attendance	62,094	75,260	74,414	60,705	53,860	71,466	66,868	68,544	70,656	63,634
Senior Center - Membership	1,517	1,285	1,426	1,219	1,133	1,095	1,316	1,346	1,200	1,253
- Attendance	20,620	21,134	22,786	23,316	22,481	24,948	26,329	27,503	27,523	29,581
<b><u>Business-Type</u></b>										
<b>Sewer</b>										
Sewer - Point of Sale Inspections	360	298	325	295	330	319	324	268	237	188
<b>WPCC</b>										
Flow Data MG (millions of gallons)	2,556	2,369	2,446	28	2,558	2,624	2,705	2,365	2,628	2,370
<b>Golf Course</b>										
Rounds of golf	50,673	51,009	44,610	41,856	41,842	44,930	39,623	38,698	33,853	35,536

Source: Various Willoughby Departments

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

<b>FUNCTION/PROGRAM</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Governmental Capital Assets</b>										
<b>General Government</b>										
Other Departmental Vehicles	44	43	43	40	40	40	42	43	43	43
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
<b>Security of Persons and Property</b>										
<b>Police</b>										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Number of Vehicles	25	28	29	31	31	32	32	32	33	34
Square Footage of Building	28,924	28,924	28,924	28,924	28,924	28,924	28,924	28,924	28,924	28,924
<b>Fire</b>										
Number of Stations	2	2	2	2	2	2	2	2	2	2
Number of Vehicles	17	17	15	15	16	16	17	18	18	18
Square Footage of Buildings	27,886	37,878	37,878	37,878	37,878	37,878	37,878	37,878	37,878	37,878
<b>Public Health and Welfare</b>										
<b>Cemetery</b>										
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
<b>Community Environment</b>										
<b>Building &amp; Zoning</b>										
Number of Vehicles	5	5	5	5	5	5	5	5	5	5
<b>Leisure Time Activities</b>										
Number of Parks	12	12	12	13	14	14	14	14	14	14
Parks Acreage	153	153	153	186	186	186	186	186	152	152
Number of Swimming Pools	2 large / 1sm	2 large / 1sm	2 large / 1sm	2 large / 1sm	2 large / 1sm	2 large / 1sm	2 large / 1sm	2 large / 1sm	2 large / 1sm	2 large / 1sm
Number of Ballfields	15	15	15	14	14	14	14	14	15	15
Recreation - Senior Center	1	1	1	1	1	1	1	1	1	1
Senior Center Square Footage	31,974	31,974	31,974	31,974	31,974	31,974	31,974	31,974	31,974	31,974
Number of Vehicles	14	14	14	13	13	13	13	14	15	15
<b>Transportation</b>										
Miles of Streets	80	80	80	89	89	89	89	89	89	89
Number of Street Lights	2,875	2,875	2,920	2,920	2,920	2,920	2,920	2,920	2,920	2,920
Number of Traffic Lights	354	354	354	354	354	354	354	354	354	354
<b>Business-Type Capital Assets</b>										
<b>Sewers</b>										
Miles of Sanitary Sewers	93	93	93	93	93	93	93	93	93	93
Miles of Storm Sewers	92	92	92	92	92	92	92	92	92	92
<b>Airport</b>										
Number of Runways	2	2	2	2	2	2	2	2	2	2
<b>Golf Course</b>										
Number of Holes	18	18	18	18	18	18	18	18	18	18
Number of Acres	141	141	141	141	141	141	141	141	141	141
Number of Vehicles	1	1	1	1	1	1	1	2	3	3

Sources: Various Willoughby Departments  
Municipal Court completed 2005

THE CITY OF WILLOUGHBY, OHIO



*History – Family – Fun – Progress*



PRINTED ON RECYCLED PAPER



**CITY OF WILLOUGHBY, OHIO**

**AUDIT REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2009**

**CITY OF WILLOUGHBY, OHIO  
AUDIT REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2009**

---

---

TABLE OF CONTENTS

	<u>PAGE</u>
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1-2

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

*Certified Public Accountants*

*5240 East 98<sup>th</sup> Street*

*Garfield Hts., Ohio 44125*

---

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

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

To the Members of City Council  
City of Willoughby, Ohio

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Willoughby, Lake County, Ohio, as of and for the year ended December 31, 2009, which collectively comprise the City of Willoughby, Ohio's basic financial statements and have issued our report thereon dated May 3, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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

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



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

May 3, 2010



**Mary Taylor, CPA**  
Auditor of State

**CITY OF WILLOUGHBY**

**LAKE COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JUNE 17, 2010**