

CITY OF WILLOUGHBY, OHIO

AUDIT REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2011**

James G. Zupka, CPA, Inc.

Certified Public Accountants



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of Willoughby, Lake County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2011 through December 31, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

July 5, 2012

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CITY OF WILLOUGHBY, OHIO
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2011

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Certified Public Accountants

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**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, 2011, which collectively comprise the City of Willoughby, Ohio's basic financial statements and have issued our report thereon dated April 27, 2012. 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

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

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

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

Compliance and Other Matters

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

We noted a certain matter that we reported to management of the City of Willoughby, Ohio, in a separate letter dated April 27, 2012.

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


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

April 27, 2012

CITY OF WILLOUGHBY, OHIO
STATUS OF PRIOR FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2011

The prior audit report, as of December 31, 2010, included no findings. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.



The City of Willoughby, Ohio

2011

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended December 31, 2011



2011

COMPREHENSIVE ANNUAL FINANCIAL REPORT

for the year ended December 31, 2011

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 A. Cook

Finance Staff
Nancy Kukoleck
Veronica Novotney
Christine Pedersen
Debbie Schreibman

The City of
Willoughby, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2011

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City Of Willoughby

David E. Anderson
Mayor and Safety Director

May 1, 2012

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, 2011, 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, 2011, 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, 2011, are fairly presented in conformity with GAAP. The independent auditor's report is presented at the front of the financial section of this report.

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

PROFILE OF THE GOVERNMENT

The Village of Willoughby was incorporated in 1853 under laws of the State of Ohio. On June 19, 1951, a voter-approved charter became effective establishing the City of Willoughby and a Mayor-Council form of government. The City is 9.9 square miles and serves a population of 22,268. The City, a suburb of Cleveland, is located in Lake County within Northeastern Ohio.

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

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

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

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

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

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

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

LOCAL ECONOMY

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

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

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

MAJOR INITIATIVES

The City completed the purchase of a new radio system for Police, Fire and Service departments. This was accomplished with grants and capital funds. This improves and updates communications for the safety services and continues with a county-wide upgraded communication system.

The City continued its work on various sewer projects throughout the City. Among these projects was the construction for the Kirtland Road Sanitary Sewer Project. Planning for the Madison-Skiff project began and will be constructed in late 2012. The City also completed an SSES Project (Sewer System Evaluation Study). The project was submitted to the EPA in 2011 and sets a blueprint for sewer improvements over the next twenty years.

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

RELEVANT FINANCIAL POLICIES

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

LONG TERM FINANCIAL PLANNING

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

AWARDS & ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement of Excellence in Financial Reporting to the City of Willoughby for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2010. This was the 25th 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.

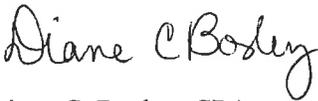
The preparation of the Comprehensive Annual Financial Report, on a timely basis, was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

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

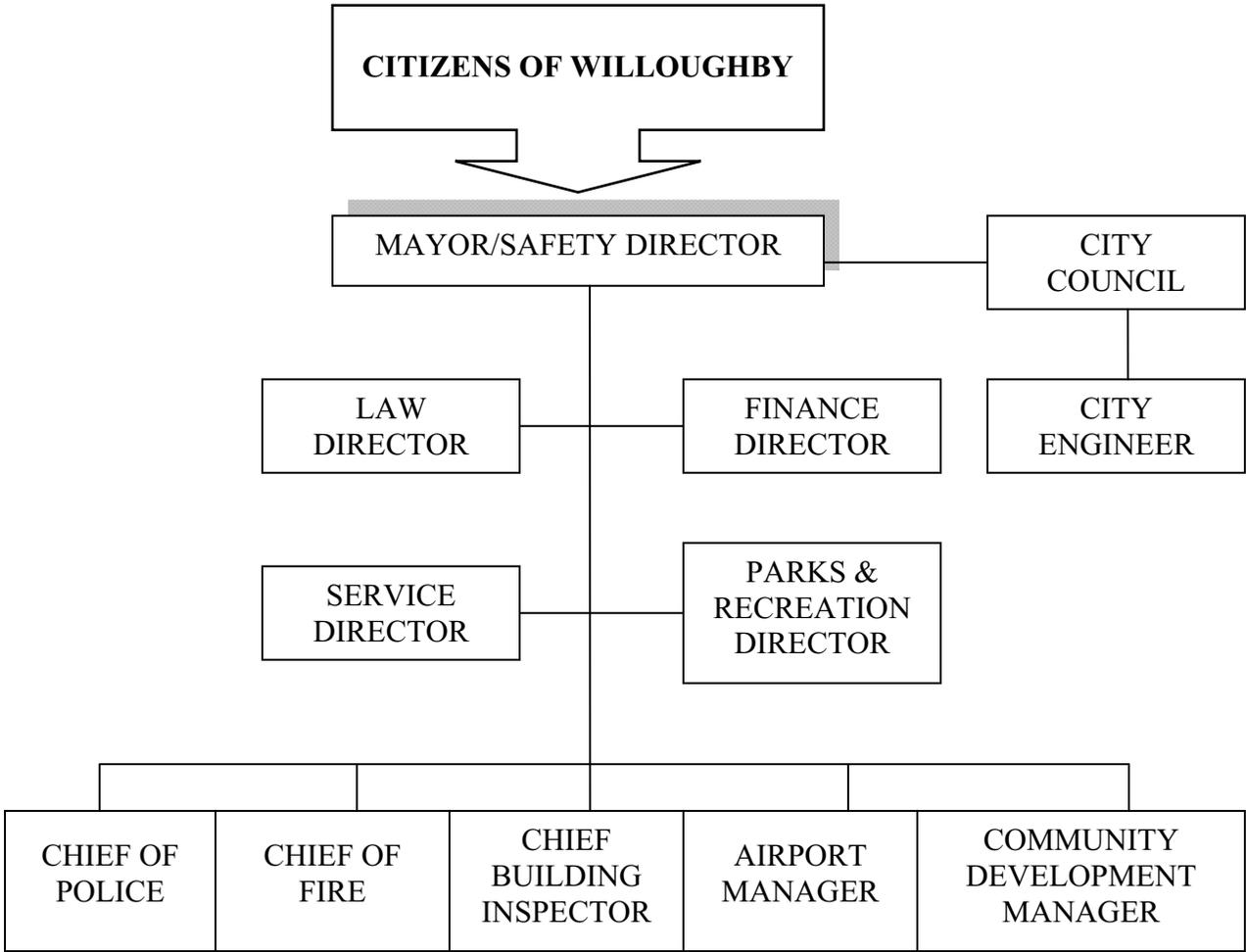
Enriched by its History

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, 2010

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.



Linda C. Danison

President

Jeffrey R. Emer

Executive Director



The City of Willoughby™



The City of Willoughby, Ohio

FINANCIAL INFORMATION



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

Certified Public Accountants

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Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of City Council
City of Willoughby, Ohio

The Honorable David Yost
Auditor of State
State of Ohio

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Willoughby, Lake County, Ohio, as of and for the year ended December 31, 2011, 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, 2011, 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 April 27, 2012, on our consideration of the City of Willoughby, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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


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

April 27, 2012

**CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

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, 2011. 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 \$96,128,240. Assets in Governmental activities exceeded liabilities by \$67,195,751 and \$28,932,489 in Business-Type activities.

Total liabilities of the City of Willoughby decreased \$2,219,350 as compared to 2010. Total liabilities of governmental activities decreased by \$2,094,622 with repayment of debt and reduction in long term liabilities as a result of payouts of accrued sick and vacation time from multiple personnel retirements. Total liabilities of business type-activities decreased by \$124,728, primarily due to repayment of OWDA sewer debt.

The total unrestricted net assets of the City is \$3,983,870, an increase of \$36,080 from 2010.

The overall financial condition of the City did not materially change from 2010 to 2011.

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, 2011**

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 24 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 of governmental funds.

**CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

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 63 of this report.

**CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

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 (83%) 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 2011 compared to 2010.

	City of Willoughby's Net Assets					
	Governmental Activities		Business-type Activities		Total Government	
	2011	2010	2011	2010-Restated	2011	2010-Restated
Current and other assets	32,254,140	31,666,510	(2,107,709)	(1,765,045)	30,146,431	29,901,465
Capital assets	65,497,770	68,053,784	44,606,919	44,910,839	110,104,689	112,964,623
Total Assets	97,751,910	99,720,294	42,499,210	43,145,794	140,251,120	142,866,088
Current and other liabilities	14,396,340	15,335,346	4,009,246	4,068,157	18,405,586	19,403,503
Long term liabilities outstanding	16,159,819	17,315,435	9,557,475	9,623,292	25,717,294	26,938,727
Total Liabilities	30,556,159	32,650,781	13,566,721	13,691,449	44,122,880	46,342,230
Net Assets:						
Invested in capital assets, net of debt	47,342,597	48,774,106	32,318,695	32,076,339	79,661,292	80,850,445
Restricted	12,190,644	11,426,102	292,434	299,521	12,483,078	11,725,623
Unrestricted (deficit)	7,662,510	6,869,305	(3,678,640)	(2,921,515)	3,983,870	3,947,790
Total Net Assets	67,195,751	67,069,513	28,932,489	29,454,345	96,128,240	96,523,858

An additional portion of the City's net assets (13%) represents resources that have been restricted on how they may be used. The remaining balance of unrestricted net assets (\$3,983,870) 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

**CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

of \$3,678,640 which is primarily attributable to liabilities of the Airport fund consisting of amounts that are due to other funds.

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

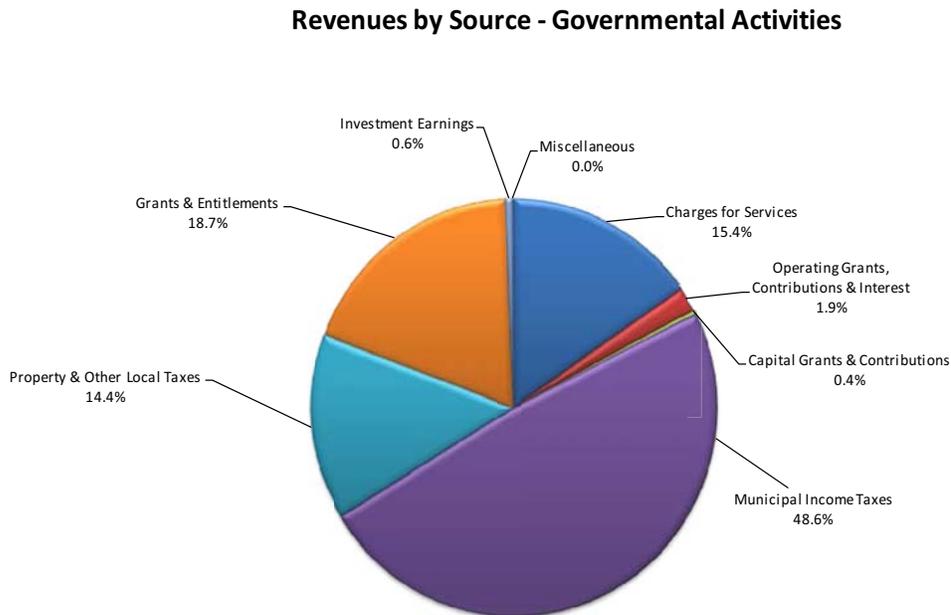
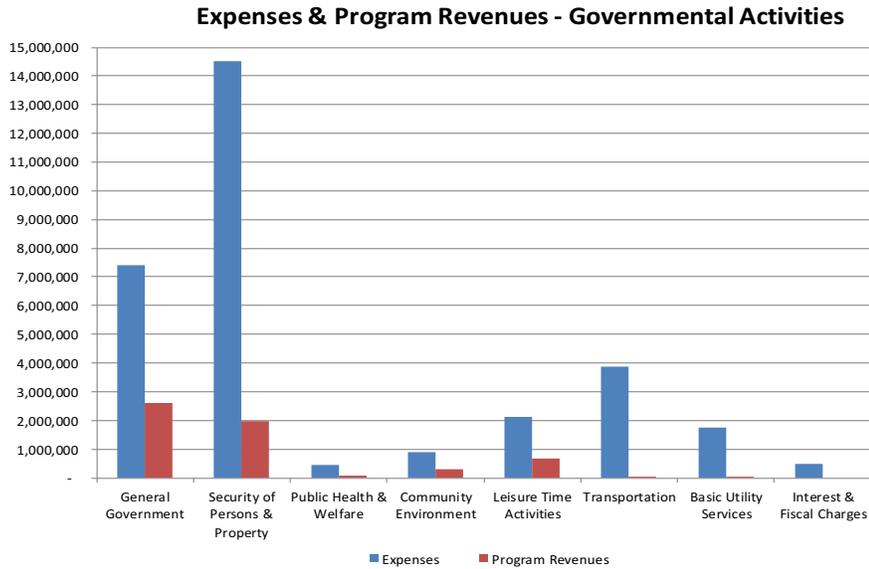
City of Willoughby's Change in Net Assets						
	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010-Restated	2011	2010-Restated
Revenues						
Program Revenues						
Charges for Services	4,885,432	5,108,310	5,618,111	5,103,047	10,503,543	10,211,357
Operating Grants, Contributions & Interest	593,812	112,956			593,812	112,956
Capital Grants & Contributions	119,678	8,963,623	470,256	966,346	589,934	9,929,969
General Revenues						
Municipal Income Taxes	15,419,498	14,209,122			15,419,498	14,209,122
Property & Other Local Taxes	4,576,797	4,377,809			4,576,797	4,377,809
Grants & Entitlements	5,936,611	4,795,991			5,936,611	4,795,991
Investment Earnings	194,153	236,115	2,537	1,378	196,690	237,493
Miscellaneous	13,115	54,897	5,354	8,845	18,469	63,742
Total Revenues	31,739,096	37,858,823	6,096,258	6,079,616	37,835,354	43,938,439
Expenses						
General Government	7,422,339	7,349,232			7,422,339	7,349,232
Security of Persons & Property	14,533,487	14,401,962			14,533,487	14,401,962
Public Health & Welfare	445,762	503,663			445,762	503,663
Community Environment	892,978	945,027			892,978	945,027
Leisure Time Activities	2,129,458	2,265,276			2,129,458	2,265,276
Transportation	3,875,203	3,331,613			3,875,203	3,331,613
Basic Utility Services	1,747,166	1,666,146			1,747,166	1,666,146
Interest & Fiscal Charges	491,465	522,732			491,465	522,732
Golf Course			997,471	998,249	997,471	998,249
Sewer			5,245,572	5,324,757	5,245,572	5,324,757
Airport			450,071	469,108	450,071	469,108
Total Expenses	31,537,858	30,985,651	6,693,114	6,792,114	38,230,972	37,777,765
Excess(Deficiency) Prior to Transfers	201,238	6,873,172	(596,856)	(712,498)	(395,618)	6,160,674
Transfers	(75,000)	(145,000)	75,000	145,000	0	0
Change in Net Assets	126,238	6,728,172	(521,856)	(567,498)	(395,618)	6,160,674
Net Assets Beginning of Year -Restated	67,069,513	60,341,341	29,454,345	30,021,843	96,523,858	90,363,184
Net Assets End of Year	67,195,751	67,069,513	28,932,489	29,454,345	96,128,240	96,523,858

Governmental Activities

Income tax in governmental funds was up 8.5%. Property and other local taxes were also slightly higher in 2011. Grants and entitlements increased by 2.4% mainly from an increase in estate taxes. Investment earnings were down 17.8% in a continued declining interest rate environment. There was an overall decrease in revenue of 16.2%. This is mainly attributable to infrastructure projects placed into service in 2010 utilizing federal and state grants.

CITY OF WILLOUGHBY, OHIO MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2011

Expenses in governmental activity were up slightly in 2011. Full time employment at the City was reduced in 2011 but the increase was the result of retirement payouts for sick and vacation accruals.

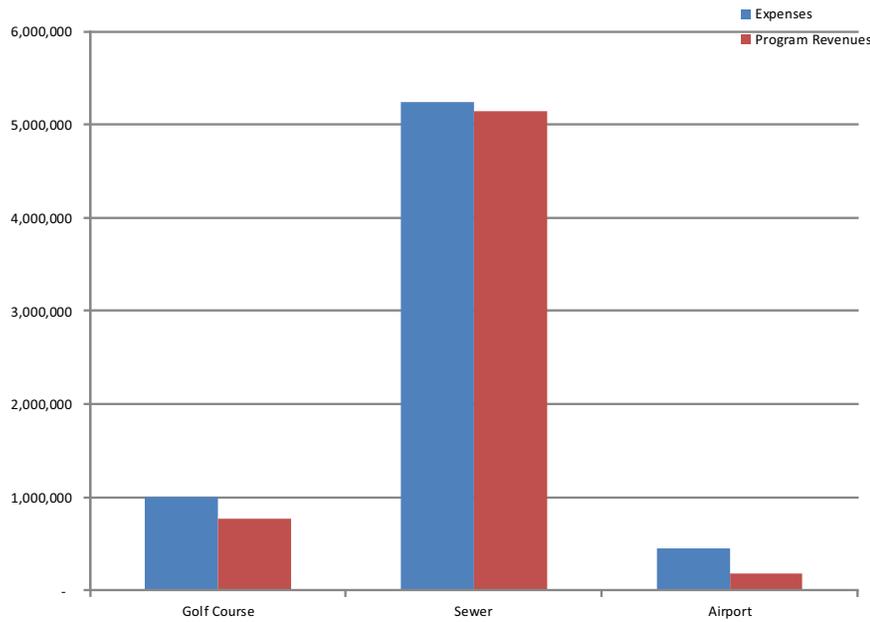


**CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

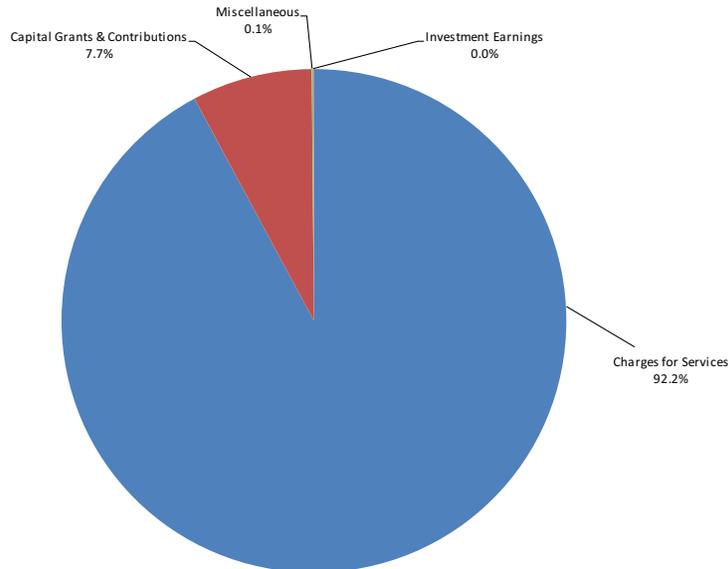
Business-Type Activities

Business-type activities account for 30.1% of the City of Willoughby's total net assets. Most revenues were stable in 2011. The City saw a decrease in Capital grants for Sewer projects that received ARRA funds. Expenses decreased by 1.5% in 2011 compared to 2010.

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, 2011**

Financial Analysis of the City of Willoughby's Funds

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

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

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

At the end of the current fiscal year, the City of Willoughby's governmental funds report combined ending fund balances of \$13,105,467. Nonspendable fund balance of \$1,860,215 includes interfund loans, prepaids, inventory, and cemetery investments. Fund balances in the amount of \$7,165,950 are restricted primarily for roads and infrastructure, municipal court purposes, police and fire department operations, and debt service. The General Bond Retirement fund balance increase is primarily because of the change in due from other funds, related to payment of a portion of Golf Course debt for the year. Committed fund balance of \$314,038 is for capital improvements and is slightly less than in 2010. Assigned fund balance of \$2,018,544 includes future severance payments and other amounts for all of the program functions of government in the General Fund. Unassigned fund balance of \$1,746,720 represents all of the remaining funds, \$7,081,821 of the General Fund reduced by the deficit unassigned balance (\$5,335,101) of the Capital Projects fund.

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

Unrestricted net assets of the Golf Course fund reflect a deficit of (\$785,451) compared to (\$670,972) in 2010. The amount due to other funds is \$725,702 and is most significantly for debt payments.

Unrestricted net assets of the Sewer fund decreased from \$2,246,087 to \$1,603,441. The decrease in unrestricted net assets is primarily in the Current Assets-Cash and Investments.

Unrestricted net assets of the Airport fund carry a deficit balance of (\$4,496,630). The accumulated deficit is caused by past advances and debt payments that had to be made for the airport from other funds and this year's increase in the note payable.

**CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

General Fund Budgetary Highlights – Adjustments to total budget required to be made for the General Fund in 2011 were for transfers to the Golf Course, Future Retirement and Capital Funds. The year saw revenues exceeding forecasts by \$223,107 and expenditures over \$1.6 million under the amounts requested. Income tax exceeded forecasts and other revenue had mixed results but in total revenues were close to forecasts. 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, 2011, was \$110,104,689 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, as well as infrastructure including roads, sidewalks, bridges, traffic signals, street lights, storm sewers, curbs and gutters.

The City's investment in capital assets reflects an increase of less than 1% over the prior year for governmental activities and 1.3% over for business-type activities. These changes are calculated before depreciation.

	City of Willoughby's Capital Assets					
	Governmental		Business-type		Total	
	Activities		Activities			
	2011	2010	2011	2010	2011	2010
Land	7,747,042	7,747,432	10,008,483	10,009,383	17,755,525	17,756,815
Construction in Progress	4,693,514	4,681,457	1,137,796	1,215,996	5,831,310	5,897,453
Buildings	22,248,284	22,187,333	19,364,211	19,266,174	41,612,495	41,453,507
Improvements	13,797,763	14,465,837	44,976,821	44,049,946	58,774,584	58,515,783
Machinery & Equipment	10,648,585	10,473,710	4,753,136	4,692,400	15,401,721	15,166,110
Infrastructure	47,599,320	46,926,820			47,599,320	46,926,820
Total Capital Assets	106,734,508	106,482,589	80,240,447	79,233,899	186,974,955	185,716,488
Accumulated Depreciation	(41,236,738)	(38,428,805)	(35,633,528)	(34,323,060)	(76,870,266)	(72,751,865)
Capital Assets (Net)	65,497,770	68,053,784	44,606,919	44,910,839	110,104,689	112,964,623

Major capital asset events during 2011 were as follows:

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

The City purchased three new patrol cruisers for the police department.

Sewer Projects included completion of the Vine/Orchard and Trunk Sanitary Sewer Improvements. The Vine Street Sanitary Sewer Lining was finalized. Construction began on the Kirtland Road Sanitary Sewer.

Although these items did not meet the criteria for capitalization, we feel it is important to note the significant grant money the City received from a Federal grant and NOPEC grant to purchase new radio systems for our Police, Fire and Service Departments.

**CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Additional information regarding capital assets can be found starting on page 47 of the notes to the financial statements.

Outstanding Debt - The City's outstanding debt decreased by \$1,112,306.

City of Willoughby's Outstanding Debt at December 31						
	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010- Restated	2011	2010- Restated
General Obligation Bonds	9,449,500	10,348,972			9,449,500	10,348,972
Special Assessment Bonds	170,000	200,000			170,000	200,000
Enterprise Bonds w/ G.O. Commitment			2,148,450	2,356,898	2,148,450	2,356,898
OWDA & OPWC-restated	12,673	14,523	6,702,774	6,502,612	6,715,447	6,517,135
Capital Notes Payable	8,693,000	8,916,183	3,437,000	3,383,817	12,130,000	12,300,000
Police Pension Liability	109,125	111,823			109,125	111,823
TOTAL	18,434,298	19,591,501	12,288,224	12,243,327	30,722,522	31,834,828

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 \$653,051,450 at the end of 2011. The City has borrowed 44.8% 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 decreased by \$170,000. The City has outstanding notes of \$8,693,000 for the Riverside Commons Special Assessment and City Hall Renovation Projects and a \$3,437,000 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 55 of the notes to the financial statements.

Economic Factors and Next Year's Budget

The City of Willoughby has remained strong despite a challenging environment of the state and national economy. The City has not reduced its commitment to provide services. With the leadership of the Mayor and Council, a task force on fiscal strategies was assembled. This group of interested citizens guided and recommended several changes and adjustments in the operations of the City. The Mayor and Council have adopted several of the ideas in 2011 and continue to explore ways to provide services with resources being reduced. The City has done necessary capital improvements and continued to maintain the roads with the help of the recently renewed road and bridge levy.

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, 2011

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Equity in City Treasury Cash and Investments	\$ 14,803,614	\$ 991,236	\$ 15,794,850
Inventory	220,308	56,843	277,151
Accrued Interest Receivable	32,065	2,587	34,652
Accounts Receivable	175,438	188,577	364,015
Prepaid Items	2,125	2,597	4,722
Intergovernmental Receivable	2,304,776	1,276,838	3,581,614
Taxes Receivable	8,581,408	0	8,581,408
Internal Balances	5,211,256	(5,211,256)	-
Restricted Assets -Cash	0	584,869	584,869
Special Assessments Receivable	824,134	0	824,134
Unamortized Bond Issuance Costs	99,016	0	99,016
Nondepreciable Capital Assets	12,440,556	11,146,279	23,586,835
Depreciable Capital Assets, Net	53,057,214	33,460,640	86,517,854
TOTAL ASSETS	97,751,910	42,499,210	140,251,120
LIABILITIES			
Accounts Payable	301,475	334,750	636,225
Matured Compensated Absences Payable	82,176	0	82,176
Salaries, Wages and Benefits Payable	1,647,650	87,846	1,735,496
Accrued Interest Payable	48,276	129,227	177,503
Property Taxes Payable	0	4,738	4,738
Intergovernmental Payable	17,482	15,685	33,167
Notes Payable	8,693,000	3,437,000	12,130,000
Unearned Revenue	3,603,341	0	3,603,341
Matured Bonds and Interest Payable	2,940	0	2,940
Long-Term Liabilities:			
Due Within One Year	2,352,453	949,760	3,302,213
Due In More Than One Year	13,807,366	8,607,715	22,415,081
TOTAL LIABILITIES	30,556,159	13,566,721	44,122,880
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	47,342,597	32,318,695	79,661,292
Restricted for:			
Capital Projects	3,694,234	0	3,694,234
Debt Service	4,383,732	0	4,383,732
Equipment Replacement	0	292,434	292,434
Street Construction Maintenance and Repair	1,885,412	0	1,885,412
Security of Persons	1,221,784	0	1,221,784
Municipal Court	671,589	0	671,589
Other Purposes	84,501	0	84,501
Permanent Fund Purpose:			
Nonexpendable - Cemetery Fund	249,392	0	249,392
Unrestricted (Deficit)	7,662,510	(3,678,640)	3,983,870
TOTAL NET ASSETS	\$ 67,195,751	\$ 28,932,489	\$ 96,128,240

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS		
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES							
General Government	\$ 7,422,339	\$ 2,351,564	\$ 250,539	\$ 0	\$ (4,820,236)		\$ (4,820,236)
Security of Persons and Property	14,533,487	1,619,538	338,273	0	(12,575,676)		(12,575,676)
Public Health and Welfare	445,762	82,620	0	0	(363,142)		(363,142)
Community Environment	892,978	292,869	5,000	0	(595,109)		(595,109)
Leisure Time Activities	2,129,458	537,580	0	115,807	(1,476,071)		(1,476,071)
Transportation	3,875,203	1,211	0	0	(3,873,992)		(3,873,992)
Basic Utility Services	1,747,166	50	0	3,871	(1,743,245)		(1,743,245)
Interest and Fiscal Charges	491,465	0	0	0	(491,465)		(491,465)
TOTAL GOVERNMENTAL ACTIVITIES	31,537,858	4,885,432	593,812	119,678	(25,938,936)		(25,938,936)
BUSINESS-TYPE ACTIVITIES							
Golf Course	997,471	772,561	0	0		\$ (224,910)	(224,910)
Sewer	5,245,572	4,668,672	0	470,256		(106,644)	(106,644)
Airport	450,071	176,878	0	0		(273,193)	(273,193)
TOTAL BUSINESS-TYPE ACTIVITIES	6,693,114	5,618,111	0	470,256		(604,747)	(604,747)
TOTAL	\$38,230,972	\$10,503,543	\$593,812	\$589,934	(25,938,936)	(604,747)	(26,543,683)
GENERAL REVENUES							
Property Taxes Levied for:							
					1,878,093		1,878,093
					1,612,617		1,612,617
					973,639		973,639
					112,448		112,448
Income Taxes Levied for:							
					15,419,498		15,419,498
					5,936,611		5,936,611
					194,153	2,537	196,690
					13,115	5,354	18,469
TOTAL GENERAL REVENUE					26,140,174	7,891	26,148,065
Transfers					(75,000)	75,000	0
TOTAL GENERAL REVENUES AND TRANSFERS					26,065,174	82,891	26,148,065
CHANGE IN NET ASSETS					126,238	(521,856)	(395,618)
NET ASSETS BEGINNING OF YEAR- Restated					67,069,513	29,454,345	96,523,858
NET ASSETS END OF YEAR					\$ 67,195,751	\$ 28,932,489	\$ 96,128,240

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2011

ASSETS	<u>GENERAL</u>	<u>CAPITAL PROJECTS</u>	<u>GENERAL BOND RETIREMENT</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
Assets:					
Equity in City Treasury Cash and Investments	\$7,385,865	\$3,706,310	\$51,466	\$3,659,973	\$14,803,614
Inventory-Supplies	107,981	0	0	112,327	220,308
Accrued Interest Receivable	20,159	11,906	0	0	32,065
Accounts Receivable	165,073	1,028	0	9,337	175,438
Prepaid Items	2,125	0	0	0	2,125
Due from Other Governments	1,661,195	15,079	40,200	588,302	2,304,776
Taxes Receivable	5,801,934	0	1,061,547	1,717,927	8,581,408
Due from Other Funds	1,360,214	28,176	3,828,949	0	5,217,339
Special Assessments Receivable	<u>0</u>	<u>0</u>	<u>0</u>	<u>824,134</u>	<u>824,134</u>
TOTAL ASSETS	<u>\$16,504,546</u>	<u>\$3,762,499</u>	<u>\$4,982,162</u>	<u>\$6,912,000</u>	<u>\$32,161,207</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$110,808	\$47,307	\$0	\$143,360	\$301,475
Matured Compensated Absences Payable	82,176	0	0	0	82,176
Salaries, Wages, and Benefits Payable	1,548,485	0	0	99,165	1,647,650
Due to Other Governments	1,443	0	0	16,039	17,482
Due to Other Funds	6,083	0	0	0	6,083
Notes Payable	0	8,693,000	0	0	8,693,000
Deferred Revenue	4,184,866	0	1,101,747	3,018,321	8,304,934
Matured Bonds & Interest Payable	<u>0</u>	<u>0</u>	<u>2,940</u>	<u>0</u>	<u>2,940</u>
TOTAL LIABILITIES	<u>5,933,861</u>	<u>8,740,307</u>	<u>1,104,687</u>	<u>3,276,885</u>	<u>19,055,740</u>
Fund Balances:					
Nonspendable	1,470,320	28,176	0	361,719	1,860,215
Restricted	0	15,079	3,877,475	3,273,396	7,165,950
Committed	0	314,038	0	0	314,038
Assigned	2,018,544	0	0	0	2,018,544
Unassigned (Deficit)	<u>7,081,821</u>	<u>(5,335,101)</u>	<u>0</u>	<u>0</u>	<u>1,746,720</u>
TOTAL FUND BALANCES	<u>10,570,685</u>	<u>(4,977,808)</u>	<u>3,877,475</u>	<u>3,635,115</u>	<u>13,105,467</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$16,504,546</u>	<u>\$3,762,499</u>	<u>\$4,982,162</u>	<u>\$6,912,000</u>	<u>\$32,161,207</u>

See accompanying notes to the basic financial statements.

<p>CITY OF WILLOUGHBY, OHIO RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET ASSETS OF GOVERNMENTAL ACTIVITIES AS OF DECEMBER 31, 2011</p>
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TOTAL GOVERNMENTAL FUND BALANCES	\$13,105,467
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Amounts reported for government activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	65,497,770
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Other long-term assets are not available to pay for current-period expenditures and therefore are not revenue in the funds.

Property Taxes	444,616	
Grants and Entitlements	1,580,943	
Municipal Income Taxes	1,716,531	
Special Assessments	824,134	
Charges for Services	111,591	
Fines and Forfeitures	23,778	
Total		4,701,593

Bond issuance costs are being amortized over the life of the bonds in the statement of net assets.	99,016
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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	(9,449,500)	
OPWC Loans	(12,673)	
Special Assessments	(170,000)	
Police Pension Liability	(109,125)	
Landfill Post Closure Care Liability	(775,437)	
Compensated Absences	(5,643,084)	
Accrued Interest Payable	(48,276)	
Total		(16,208,095)

NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 67,195,751</u>
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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, 2011

	<u>GENERAL</u>	<u>CAPITAL PROJECTS</u>	<u>GENERAL BOND RETIREMENT</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
REVENUES:					
Municipal Income Taxes	\$15,125,338	\$0	\$0	\$0	\$15,125,338
Property and Other Local Taxes	1,847,162	112,448	939,870	1,550,262	4,449,742
Intergovernmental	4,572,852	284,479	190,934	1,354,189	6,402,454
Charges for Services	1,384,431	0	0	281,461	1,665,892
Special Assessments	0	0	0	644,076	644,076
Fines and Forfeitures	1,973,322	0	0	425,190	2,398,512
Licenses & Permits	235,241	0	0	0	235,241
Interest	118,227	3,144	72,782	0	194,153
Miscellaneous	<u>0</u>	<u>246,162</u>	<u>0</u>	<u>13,115</u>	<u>259,277</u>
TOTAL REVENUES	<u>25,256,573</u>	<u>646,233</u>	<u>1,203,586</u>	<u>4,268,293</u>	<u>31,374,685</u>
EXPENDITURES:					
Current:					
General Government	6,398,968	419,771	24,697	245,374	7,088,810
Security of Persons and Property	11,507,178	252,888	0	2,050,738	13,810,804
Public Health and Welfare	478,626	0	0	0	478,626
Community Environment	859,222	0	0	44,947	904,169
Leisure Time Activities	799,319	26,766	0	940,572	1,766,657
Transportation	94,754	869	0	1,383,269	1,478,892
Basic Utility Services	1,283,005	0	0	0	1,283,005
Capital Outlay	47,637	529,603	0	1,325,157	1,902,397
Debt Service:					
Principal	0	0	898,404	30,000	928,404
Interest	<u>0</u>	<u>111,452</u>	<u>371,179</u>	<u>11,700</u>	<u>494,331</u>
TOTAL EXPENDITURES	<u>21,468,709</u>	<u>1,341,349</u>	<u>1,294,280</u>	<u>6,031,757</u>	<u>30,136,095</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,787,864	(695,116)	(90,694)	(1,763,464)	1,238,590
OTHER FINANCING SOURCES (USES):					
Transfers In	0	1,300,000	200,000	2,025,000	3,525,000
Transfers Out	(3,400,000)	0	0	(200,000)	(3,600,000)
Sale of Assets	<u>0</u>	<u>390</u>	<u>0</u>	<u>0</u>	<u>390</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(3,400,000)</u>	<u>1,300,390</u>	<u>200,000</u>	<u>1,825,000</u>	<u>(74,610)</u>
NET CHANGE IN FUND BALANCES	387,864	605,274	109,306	61,536	1,163,980
FUND BALANCE BEGINNING OF YEAR	10,194,040	(5,583,082)	3,768,169	3,564,060	11,943,187
INCREASE (DECREASE) IN RESERVE FOR INVENTORY	(11,219)	0	0	9,519	(1,700)
FUND BALANCES END OF YEAR	<u>\$10,570,685</u>	<u>(\$4,977,808)</u>	<u>\$3,877,475</u>	<u>\$3,635,115</u>	<u>\$13,105,467</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, 2011

NET CHANGES IN FUND BALANCES-TOTAL GOVERNMENTAL FUNDS \$ 1,163,980

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 depreciation exceeded capital outlays in the current period.

Capital Asset Additions	1,902,397	
Current Year Depreciation	<u>(4,458,021)</u>	
Total		(2,555,624)

The net effect of other transactions involving capital assets is a decrease to net assets.

Disposal-net	<u>(390)</u>	
Total		(390)

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

Property Taxes	127,055	
Grants and Entitlements	(2,387)	
Municipal Income Taxes	294,160	
Special Assessments	(49,291)	
Charges for Services	(10,300)	
Fines and Forfeitures	<u>5,173</u>	
Total		364,410

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

	<u>973,573</u>	
		973,573

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

Compensated Absences	179,123	
Accrued Interest	9,874	
Amortization of Premium	2,920	
Bond Issuance Costs	(9,928)	
Change in Inventory	<u>(1,700)</u>	
Total		<u>180,289</u>

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES **\$ 126,238**

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, 2011

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
REVENUES:				
Municipal Income Taxes	\$14,677,915	\$14,677,915	\$15,002,901	\$324,986
Property and Other Local Taxes	1,787,104	1,787,104	1,811,476	24,372
Intergovernmental	3,017,436	4,817,436	4,726,880	(90,556)
Charges for Services	1,191,350	1,191,350	1,263,114	71,764
Fines and Forfeitures	2,089,700	2,089,700	1,999,102	(90,598)
Licenses and Permits	234,000	234,000	236,291	2,291
Interest Income	125,000	125,000	113,348	(11,652)
Other	<u>120,000</u>	<u>120,000</u>	<u>112,500</u>	<u>(7,500)</u>
Total Revenues	<u>23,242,505</u>	<u>25,042,505</u>	<u>25,265,612</u>	<u>223,107</u>
EXPENDITURES:				
Legislative- Council	280,529	280,529	263,693	16,836
Judicial- Municipal Court	2,112,571	2,112,571	1,842,445	270,126
Executive-Mayor	<u>21,211,509</u>	<u>21,485,344</u>	<u>20,100,248</u>	<u>1,385,096</u>
Total Expenditures	<u>23,604,609</u>	<u>23,878,444</u>	<u>22,206,386</u>	<u>1,672,058</u>
Excess of Revenues Over (Under) Expenditures	(362,104)	1,164,061	3,059,226	1,895,165
OTHER FINANCING SOURCES (USES):				
Transfers Out	(2,025,000)	(3,400,000)	(3,400,000)	0
Other	<u>55,000</u>	<u>55,000</u>	<u>277,841</u>	<u>222,841</u>
Total Other Financing Sources (Uses)	<u>(1,970,000)</u>	<u>(3,345,000)</u>	<u>(3,122,159)</u>	<u>222,841</u>
NET CHANGE IN FUND BALANCE	(2,332,104)	(2,180,939)	(62,933)	2,118,006
FUND BALANCE BEGINNING OF YEAR	5,377,097	5,377,097	5,377,097	0
Prior Year Encumbrances Appropriated	<u>25,510</u>	<u>25,510</u>	<u>25,510</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$3,070,503</u>	<u>\$3,221,668</u>	<u>\$5,339,674</u>	<u>\$2,118,006</u>

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
AS OF DECEMBER 31, 2011

BUSINESS-TYPE ACTIVITIES

	<u>GOLF COURSE</u>	<u>SEWER</u>	<u>AIRPORT</u>	<u>TOTAL 2011</u>
ASSETS				
CURRENT ASSETS				
Equity in City Treasury Cash and Investments	\$55,453	\$784,933	\$150,850	\$991,236
Inventory	6,193	50,650	0	56,843
Accrued Interest Receivable	0	2,587	0	2,587
Accounts Receivable	1	170,924	17,652	188,577
Prepaid Expenses	0	0	2,597	2,597
Due from Other Funds	831	163,751	238	164,820
Due from Other Governments	<u>0</u>	<u>1,276,838</u>	<u>0</u>	<u>1,276,838</u>
TOTAL CURRENT ASSETS	<u>62,478</u>	<u>2,449,683</u>	<u>171,337</u>	<u>2,683,498</u>
NONCURRENT ASSETS				
Restricted Assets:				
Cash Investments	0	584,869	0	584,869
Land and Construction in Progress	2,273,366	1,537,537	7,335,376	11,146,279
Depreciable Capital Assets, Net	<u>2,330,298</u>	<u>30,281,410</u>	<u>848,932</u>	<u>33,460,640</u>
TOTAL NONCURRENT ASSETS	<u>4,603,664</u>	<u>32,403,816</u>	<u>8,184,308</u>	<u>45,191,788</u>
TOTAL ASSETS	<u>4,666,142</u>	<u>34,853,499</u>	<u>8,355,645</u>	<u>47,875,286</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable	3,633	329,891	1,226	334,750
Salaries, Wages & Benefits Payable	27,782	237,713	7,144	272,639
Accrued Interest Payable	11,687	117,169	371	129,227
Property Taxes Payable	0	0	4,738	4,738
Note Payable	1,703,000	1,580,000	154,000	3,437,000
Due to Other Funds	725,702	0	158,737	884,439
Due to Other Governments	0	15,685	0	15,685
Bonds Payable	<u>145,000</u>	<u>619,967</u>	<u>0</u>	<u>764,967</u>
TOTAL CURRENT LIABILITIES	<u>2,616,804</u>	<u>2,900,425</u>	<u>326,216</u>	<u>5,843,445</u>
NONCURRENT LIABILITIES				
Salaries, Wages & Benefits Payable	79,125	438,219	4,114	521,458
Due to Other Funds	0	0	4,491,637	4,491,637
Bonds Payable	<u>1,935,000</u>	<u>6,151,257</u>	<u>0</u>	<u>8,086,257</u>
TOTAL NONCURRENT LIABILITIES	<u>2,014,125</u>	<u>6,589,476</u>	<u>4,495,751</u>	<u>13,099,352</u>
TOTAL LIABILITIES	<u>4,630,929</u>	<u>9,489,901</u>	<u>4,821,967</u>	<u>18,942,797</u>
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	820,664	23,467,723	8,030,308	32,318,695
Restricted for:				
Equipment Replacement	0	292,434	0	292,434
Unrestricted (Deficit)	<u>(785,451)</u>	<u>1,603,441</u>	<u>(4,496,630)</u>	<u>(3,678,640)</u>
TOTAL NET ASSETS	<u>\$35,213</u>	<u>\$25,363,598</u>	<u>\$3,533,678</u>	<u>\$28,932,489</u>

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

BUSINESS-TYPE ACTIVITIES

	<u>GOLF COURSE</u>	<u>SEWER</u>	<u>AIRPORT</u>	<u>TOTAL</u> <u>2011</u>
OPERATING REVENUES:				
Charges for Services	\$772,561	\$4,668,672	\$22,769	\$5,464,002
Rentals	<u>0</u>	<u>0</u>	<u>154,109</u>	<u>154,109</u>
Total Operating Revenues	<u>772,561</u>	<u>4,668,672</u>	<u>176,878</u>	<u>5,618,111</u>
OPERATING EXPENSES:				
Personal Services	410,021	2,343,968	122,461	2,876,450
Contractual Services	105,971	468,017	19,457	593,445
Materials & Supplies	163,282	120,383	21,688	305,353
Heat, Light & Power	29,349	403,481	11,672	444,502
Other Expenses	5,218	14,043	2,240	21,501
Depreciation	<u>167,755</u>	<u>1,627,177</u>	<u>270,726</u>	<u>2,065,658</u>
Total Operating Expenses	<u>881,596</u>	<u>4,977,069</u>	<u>448,244</u>	<u>6,306,909</u>
Net Income (Loss) from Operations	<u>(109,035)</u>	<u>(308,397)</u>	<u>(271,366)</u>	<u>(688,798)</u>
NON-OPERATING REVENUES (EXPENSES):				
Interest - Income	41	2,474	22	2,537
- Expense	(115,875)	(268,503)	(1,827)	(386,205)
Other - Income	<u>820</u>	<u>4,534</u>	<u>0</u>	<u>5,354</u>
Total Non-Operating Revenues (Expenses)	<u>(115,014)</u>	<u>(261,495)</u>	<u>(1,805)</u>	<u>(378,314)</u>
Net Income (Loss) Before Contributions and Transfers	<u>(224,049)</u>	<u>(569,892)</u>	<u>(273,171)</u>	<u>(1,067,112)</u>
Capital Contributions	0	470,256	0	470,256
Transfers In	<u>75,000</u>	<u>0</u>	<u>0</u>	<u>75,000</u>
CHANGE IN NET ASSETS	<u>(149,049)</u>	<u>(99,636)</u>	<u>(273,171)</u>	<u>(521,856)</u>
NET ASSETS BEGINNING OF YEAR- Restated	<u>184,262</u>	<u>25,463,234</u>	<u>3,806,849</u>	<u>29,454,345</u>
NET ASSETS END OF YEAR	<u>\$35,213</u>	<u>\$25,363,598</u>	<u>\$3,533,678</u>	<u>\$28,932,489</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, 2011

(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	\$773,436	\$4,223,276	\$174,550	\$5,171,262
Receipts from other fund	96,040	0	0	96,040
Payments to suppliers	(304,609)	(1,066,048)	(56,570)	(1,427,227)
Payments to employees	<u>(399,500)</u>	<u>(2,478,925)</u>	<u>(118,603)</u>	<u>(2,997,028)</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>165,367</u>	<u>678,303</u>	<u>(623)</u>	<u>843,047</u>
Cash flows from noncapital financing activities:				
Transfers from other funds	<u>75,000</u>	<u>0</u>	<u>0</u>	<u>75,000</u>
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	<u>75,000</u>	<u>0</u>	<u>0</u>	<u>75,000</u>
Cash flows from capital and related financing activities:				
Net proceeds from sale of debt/notes	24,706	692,472	2,693	719,871
Acquisition and construction of capital assets	(17,891)	(1,743,847)	0	(1,761,738)
Principal reduction on long-term debt	(140,000)	(534,974)	0	(674,974)
Interest paid on long-term debt	(115,875)	(268,503)	(1,827)	(386,205)
Contribution of capital from grants	0	394,893	0	394,893
Contributions from customers	<u>820</u>	<u>79,897</u>	<u>0</u>	<u>80,717</u>
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(248,240)</u>	<u>(1,380,062)</u>	<u>866</u>	<u>(1,627,436)</u>
Cash flows from investing activities:				
Interest on investments	<u>41</u>	<u>2,474</u>	<u>22</u>	<u>2,537</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>41</u>	<u>2,474</u>	<u>22</u>	<u>2,537</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(7,832)	(699,285)	265	(706,852)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>63,285</u>	<u>2,069,087</u>	<u>150,585</u>	<u>2,282,957</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$55,453</u>	<u>\$1,369,802</u>	<u>\$150,850</u>	<u>\$1,576,105</u>

Sewer Fund includes \$ 584,869 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, 2011

(continued)

Business-Type Activities

	<u>Golf</u>	<u>Sewer</u>	<u>Airport</u>	<u>Total</u>
	<u>Course</u>			
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:				
Operating income (loss)	(\$109,035)	(\$308,397)	(\$271,366)	(\$688,798)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation	167,755	1,627,177	270,726	\$2,065,658
Change in assets and liabilities:				
(Increase) decrease in inventory of supplies	(905)	(12,517)	0	(13,422)
(Increase) decrease in accounts receivable	8	(4,279)	(2,547)	(6,818)
(Increase) decrease in accrued interest receivable	0	3,695	0	3,695
(Increase) decrease in prepaid expense	0	0	43	43
(Increase) decrease in due from other funds	790	3,791	219	4,800
(Increase) decrease in due from other govts	77	(448,603)	0	(448,526)
Increase (decrease) in accounts payable	1,260	80,244	(1,605)	79,899
Increase (decrease) in accrued salaries, wages, and benefits	10,521	(134,957)	3,858	(120,578)
Increase (decrease) in accrued interest payable	(1,144)	10,989	(64)	9,781
Increase (decrease) in property tax liabilities	0	0	113	113
Increase (decrease) in due to other funds	96,040	0	0	96,040
Increase (decrease) in due to other governments	0	(138,840)	0	(138,840)
TOTAL ADJUSTMENTS	<u>274,402</u>	<u>986,700</u>	<u>270,743</u>	<u>1,531,845</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>\$165,367</u>	<u>\$678,303</u>	<u>(\$623)</u>	<u>\$843,047</u>

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
AS OF DECEMBER 31, 2011

	AGENCY
ASSETS	
Equity in City Treasury Cash and Investments	\$3,364,167
Accounts Receivable	<u>207,510</u>
TOTAL ASSETS	<u>\$3,571,677</u>
LIABILITIES	
Accounts Payable	\$3,061,607
Deposits Held and Due to Others	172,053
Due to Other Governments	<u>338,017</u>
TOTAL LIABILITIES	<u>\$3,571,677</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, 2011

NOTE 1: REPORTING ENTITY

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

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

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

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

The City is associated with one jointly governed organization, the Northeast Ohio Public Energy Council. Information about the organization is presented in Note 21 to the basic financial statements.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

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.

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.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

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, 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.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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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 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.

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

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

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

Property taxes for which there is an enforceable legal claim as of December 31, 2011 but which were levied to finance year 2012 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.

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."

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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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, 2011:

- The portfolio includes the State Treasury Asset Reserve of Ohio (STAROhio).
- 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. In 2011, there is none.

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 2011 amounted to \$118,227 which includes \$68,676 assigned from other City funds.

F. Receivables

Receivables at December 31, 2011 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.

CITY OF WILLOUGHBY, OHIO
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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, 2011 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.

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.

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Depreciation is computed using the straight-line method over the following useful lives:

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

J. Interfund Balances

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

K. Compensated Absences

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

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

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

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

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

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

M. Fund Balance

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

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

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

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

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

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

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

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

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

N. **Net Assets**

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

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

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
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P. Operating Revenues and Expenses

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

Q. Contributions of Capital

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

R. Interfund Activity

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

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

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence; neither occurred in 2011.

T. Estimates

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

U. Budgetary Data

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources,

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is Council’s authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The primary level of budgetary control for those funds paying wages is at the branch level (legislative, judicial, executive) and within each branch at the account classification level of personal services and benefits as required by Ohio law. For other account classifications including services and supplies, capital and transfers the level of control selected by Council is at the fund level. Budgetary modifications may only be made by resolution of the City Council at the legal level of control.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during 2011.

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. Restatement of Net Assets

The City had several sanitary sewer projects where there was a change in the scope of the contract resulting in a reduction in the amount borrowed from OWDA and an accounting error in Due from other Governments. The results of this are presented in the following table.

	Sewer	Total Business-Type	Total Government
Net Assets Dec 31, 2010	\$ 25,538,129	\$ 29,529,240	\$ 96,598,753
Reduction in Due from other Governments	(666,068)	(666,068)	(666,068)
Reduction in Bonds Payable	<u>591,173</u>	<u>591,173</u>	<u>591,173</u>
Adjusted Net Assets, Dec 31, 2010	<u>\$ 25,463,234</u>	<u>\$ 29,454,345</u>	<u>\$ 96,523,858</u>

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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B. Fund Deficits

At December 31, 2011, the Airport fund had deficit unrestricted net assets of \$4,496,630. 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 \$785,451. The "Due to Other Funds" amount includes \$629,662 of advances from the General, General Bond Retirement and Capital Projects funds.

The Capital Projects fund had a deficit unassigned fund balance of \$5,335,101. The Notes Payable liability of \$8,693,000 remains.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 4: FUND BALANCE

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

FUND BALANCE	General Fund	Capital Projects	General Bond Retirement	Nonmajor Governmental Funds	Total
<u>Nonspendable</u>					
Interfund loans	\$ 1,360,214	\$ 28,176	\$ 0	\$ 0	\$ 1,388,390
Inventory	107,981	0	0	112,327	220,308
Prepays	2,125	0	0	0	2,125
Cemetery	<u>0</u>	<u>0</u>	<u>0</u>	<u>249,392</u>	<u>249,392</u>
Total Nonspendable	1,470,320	28,176	0	361,719	1,860,215
<u>Restricted for</u>					
Road and infrastructure	0	0	0	1,320,202	1,320,202
Recreation	0	0	0	143,129	143,129
Municipal Court	0	0	0	359,363	359,363
Police and Fire departments	0	0	0	133,098	133,098
Law Enforcement	0	0	0	68,900	68,900
Drug and Alcohol enforcement	0	0	0	329,783	329,783
Sidewalks and Trees	0	0	0	122,629	122,629
Street Lighting	0	0	0	472,863	472,863
Capital grant	0	15,079	0	0	15,079
Debt Service	<u>0</u>	<u>0</u>	<u>3,877,475</u>	<u>323,429</u>	<u>4,200,904</u>
Total Restricted	0	15,079	3,877,475	3,273,396	7,165,950
<u>Committed to</u>					
Capital improvements	<u>0</u>	<u>314,038</u>	<u>0</u>	<u>0</u>	<u>314,038</u>
Total Committed	0	314,038	0	0	314,038
<u>Assigned to</u>					
Compensated Absences	1,281,864	0	0	0	1,281,864
General Govt	379,801	0	0	0	379,801
Security of Persons	241,382	0	0	0	241,382
Public Health & Welfare	4,422	0	0	0	4,422
Community Environment	29,481	0	0	0	29,481
Leisure Activities	32,364	0	0	0	32,364
Basic Utilities	<u>49,230</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>49,230</u>
Total Assigned	2,018,544	0	0	0	2,018,544
Unassigned (Deficits)	<u>7,081,821</u>	<u>(5,335,101)</u>	<u>0</u>	<u>0</u>	<u>1,746,720</u>
Total Fund Balances	<u>\$ 10,570,685</u>	<u>\$ (4,977,808)</u>	<u>\$ 3,877,475</u>	<u>\$ 3,635,115</u>	<u>\$ 13,105,467</u>

CITY OF WILLOUGHBY, OHIO
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NOTE 5: DEPOSITS AND INVESTMENTS

A. Deposits

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

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

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

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

B. Investments

The Finance Director is permitted to invest in any security authorized by the Ohio Revised Code, Section 135.14, or other relevant sections as amended. All investment procedures are conducted as specified in the Ohio Revised Code including, but not limited to, the collateralization of deposits and repurchase agreements. The maximum final maturity of any investment will be five years from the date of purchase. The City's investment practices have consistently protected the portfolio from unnecessary credit risk (safety) and market risks (liquidity) while providing a competitive yield. Generally only eligible investments with remaining terms of two years or less are purchased. Average days to maturity of the City's investments at December 31, 2011 was one (1).

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

Investments are permitted in the following securities:

- United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;

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- 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, 2011, the City had \$6,020 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 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, 2011, the carrying amount of the City's deposits was \$19,533,791 including restricted cash of \$584,869 and the bank balance was \$20,833,872. \$12,651,674 of the City's

CITY OF WILLOUGHBY, OHIO
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bank balance was covered by Federal Depository Insurance. \$8,182,198 was uninsured and collateralized with securities held by the pledging financial institutions trust department or agent in the City's name. Although the securities were held by the pledging institution's trust department and all statutory requirements for the investments of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

Investments

As of December 31, 2011, the City had the following investments and maturities:

Investment Type	S&P Rating	Fair Value	Investment Maturities
			Less than 1 Year
STAROhio	AAAm	\$ 204,075	\$ 204,075
		\$ 204,075	\$ 204,075

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

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

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

Concentration of Credit Risk: The City Investment Policy places no limit on the amount it may invest in any one issuer. In 2011, 100% of the City's other investments at year end was StarOhio, which is not specifically guaranteed by the U.S. government.

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NOTE 6: INTERFUND TRANSFERS AND BALANCES

As of December 31, 2011, interfund transfers were as follows:

<u>Transfer To</u>	<u>Transfer From</u>		<u>Total</u>
	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	
Capital Projects Fund	\$ 1,300,000	\$ 0	\$ 1,300,000
General Bond Retirement Fund	0	200,000	200,000
Golf Course	75,000	0	75,000
Nonmajor Governmental Funds	2,025,000	0	2,025,000
Total	<u>\$ 3,400,000</u>	<u>\$ 200,000</u>	<u>\$ 3,600,000</u>

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

As of December 31, 2011, 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	\$ 6,083
Capital Projects	28,176	0
General Bond Retirement	3,828,949	0
Golf Course	831	725,702
Sewer	163,751	0
<u>Airport</u>	238	4,650,374
	<u>\$ 5,382,159</u>	<u>\$ 5,382,159</u>

Internal balances of \$5,211,256 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.

NOTE 7: BUDGETARY BASIS OF ACCOUNTING

While the City is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures, and

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Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual for the General fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

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

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

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

Net Change in Fund Balance	
GAAP Basis	\$ 387,864
Net Adjustment for Revenue Accruals	(73,994)
Net Adjustment for Expenditure Accruals	(70,041)
Encumbrances	(624,936)
Current Expense Against Prior Year Encumbrances	318,174
Budget Basis	<u>\$ (62,933)</u>

NOTE 8: RECEIVABLES

Receivables at December 31, 2011 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.

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 2011 for real and public property taxes represents collections of 2010 taxes. Property tax payments received during 2011 for tangible personal property (other than public utility property) are for 2011 taxes.

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2011 real property taxes are levied after October 1, 2011, on the assessed value as of January 1, 2011, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2011 real property taxes are collected in and intended to finance 2012 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. 2011 public utility property taxes which became a lien December 31, 2010, are levied after October 1, 2011, and are collected in 2012 with real property taxes.

2011 tangible personal property taxes are levied after October 1, 2010, on the value as of December 31, 2010. Collections are made in 2011. Beginning in tax year 2009, all tangible personal property of general (non-public utilities) became exempt with the exception of telephone companies.

The full tax rate for all City operations for the year ended December 31, 2011, was \$8.53 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2011 property tax receipts were based are as follows:

Real Property	\$642,082,060
Public Utility Tangible	\$10,969,390
Total	\$653,051,450

Real property taxes are payable annually or semiannually. The due date for the 2011 levy was February 15, 2012, for all or one half of the taxes due. The second half due date is July 15, 2012.

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.

Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2011 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 2011 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.

CITY OF WILLOUGHBY, OHIO
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B. Municipal Income Taxes

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

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

C. Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

Governmental Activities:	
Property & Other Local Taxes	\$ 13,071
Estate Tax	300,000
Gasoline & Motor Vehicle Tax	492,075
Local Government	1,099,692
Charges for Service	66,050
Homestead and Rollback	151,305
Grants	9,078
Fines	173,505
Total Governmental	<u>2,304,776</u>
Business-Type Activities:	
Charges for Service	496,756
Grants	113,394
OWDA and OPWC	666,688
Total Business-Type	<u>1,276,838</u>
Total Intergovernmental Receivables	<u>\$ 3,581,614</u>

CITY OF WILLOUGHBY, OHIO
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NOTE 9: CAPITAL ASSETS

A summary of changes in capital assets during 2011 follows:

	Balance 01/01/11	Additions	Deletions	Balance 12/31/11
Governmental Activities				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$7,747,432	\$0	(\$390)	\$7,747,042
Construction in Progress	4,681,457	73,998	(\$61,941)	4,693,514
<i>Total Capital Assets Not Being Depreciated</i>	<u>12,428,889</u>	<u>73,998</u>	<u>(62,331)</u>	<u>12,440,556</u>
<i>Capital Assets Being Depreciated</i>				
Buildings	22,187,333	111,977	(51,026)	22,248,284
Improvements	14,465,837	99,256	(767,330)	13,797,763
Machinery and Equipment	10,473,710	294,665	(119,790)	10,648,585
Infrastructure:				
Roads	31,658,550	1,384,442	(711,942)	32,331,050
Sidewalks	1,152,961	0	0	1,152,961
Curbs & Gutters	985,795	0	0	985,795
Storm Sewers	10,799,774	0	0	10,799,774
Street Lights	41,948	0	0	41,948
Traffic Signals	1,754,581	0	0	1,754,581
Bridges	533,211	0	0	533,211
<i>Total Capital Assets Being Depreciated</i>	<u>94,053,700</u>	<u>1,890,340</u>	<u>(1,650,088)</u>	<u>94,293,952</u>
<i>Less Accumulated Depreciation</i>				
Buildings	(7,037,114)	(653,012)	51,026	(7,639,100)
Improvements	(8,694,711)	(472,611)	767,330	(8,399,992)
Machinery and Equipment	(6,695,652)	(777,616)	119,790	(7,353,478)
Infrastructure:				
Roads	(9,920,445)	(2,120,702)	711,942	(11,329,205)
Sidewalks	(628,858)	(39,655)	0	(668,513)
Curbs & Gutters	(553,428)	(34,589)	0	(588,017)
Storm Sewers	(3,442,550)	(300,614)	0	(3,743,164)
Street Lights	(36,356)	(2,797)	0	(39,153)
Traffic Signals	(1,304,609)	(45,761)	0	(1,350,370)
Bridges	(115,082)	(10,664)	0	(125,746)
<i>Total Accumulated Depreciation</i>	<u>(38,428,805)</u>	<u>(4,458,021)</u>	<u>1,650,088</u>	<u>(41,236,738)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>55,624,895</u>	<u>(2,567,681)</u>	<u>0</u>	<u>53,057,214</u>
Total Government Activities Capital Assets, Net	<u><u>\$68,053,784</u></u>	<u><u>(\$2,493,683)</u></u>	<u><u>(\$62,331)</u></u>	<u><u>\$65,497,770</u></u>

CITY OF WILLOUGHBY, OHIO
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NOTE 9: CAPITAL ASSETS (CONTINUED)

	Balance 01/01/11	Additions	Deletions	Balance 12/31/11
Business-Type Activities				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$10,009,383	\$0	(\$900)	\$10,008,483
Construction in Progress	<u>1,215,996</u>	<u>1,073,962</u>	<u>(1,152,162)</u>	<u>1,137,796</u>
<i>Total Capital Assets Not Being Depreciated</i>	<u>11,225,379</u>	<u>1,073,962</u>	<u>(1,153,062)</u>	<u>11,146,279</u>
<i>Capital Assets Being Depreciated</i>				
Buildings	19,266,174	98,037	0	19,364,211
Improvements	44,049,946	1,674,685	(747,810)	44,976,821
Machinery and Equipment	<u>4,692,400</u>	<u>68,116</u>	<u>(7,380)</u>	<u>4,753,136</u>
<i>Total Capital Assets Being Depreciated</i>	<u>68,008,520</u>	<u>1,840,838</u>	<u>(755,190)</u>	<u>69,094,168</u>
<i>Less Accumulated Depreciation</i>				
Buildings	(11,098,031)	(532,666)	0	(11,630,697)
Improvements	(20,504,188)	(1,309,713)	747,810	(21,066,091)
Machinery and Equipment	<u>(2,720,841)</u>	<u>(223,279)</u>	<u>7,380</u>	<u>(2,936,740)</u>
<i>Total Accumulated Depreciation</i>	<u>(34,323,060)</u>	<u>(2,065,658)</u>	<u>755,190</u>	<u>(35,633,528)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>33,685,460</u>	<u>(224,820)</u>	<u>0</u>	<u>33,460,640</u>
Total Business-Type Capital Assets, Net	<u><u>\$44,910,839</u></u>	<u><u>\$849,142</u></u>	<u><u>(\$1,153,062)</u></u>	<u><u>\$44,606,919</u></u>
*Depreciation expense was charged to governmental functions as follows:				
General Government				\$418,531
Security of Persons and Property				708,460
Public Health and Welfare				12,498
Community Environment				14,345
Leisure Time Activities				380,313
Transportation				2,459,713
Basic Utility Service				464,161
Total				<u>\$4,458,021</u>
Depreciation expense was charged to business-type activities as follows:				
Golf				\$167,755
Sewer				1,627,177
Airport				270,726
Total				<u>\$2,065,658</u>

CITY OF WILLOUGHBY, OHIO
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NOTE 10: PENSION PLANS

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

A. Ohio Public Employees Retirement System (OPERS)

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

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

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

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

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2011, member and employer contribution rates were consistent across all three plans (TP, MD and CO).

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Plan members, other than those engaged in law enforcement and public safety, are required to contribute 10 percent of their annual covered salary to fund pension obligations. For 2011, 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 2011, 2010, and 2009 were \$1,227,368, \$ 1,259,319, and \$ 1,268,283 respectively. As of December 31, 2011, 90 percent of 2011's required contributions had been paid out, and 100 percent for the years 2010 and 2009.

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 2011, 2010 and 2009 were \$687,087, \$ 714,847 and \$708,182 for police and \$758,125, \$751,647, and \$737,934 for firefighters, respectively. As of December 31, 2011, only 74 percent of 2011's required contributions for both police and firefighters had been paid and 100 percent for the years 2010 and 2009.

NOTE 11: POST-EMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System (OPERS)

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

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

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

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

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2011, local government employer units contributed at 14% of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for state and local employer units. Active members do not make contributions to the OPEB Plan.

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

For 2011, the employer contributions allocated to the health care plan for members of the Traditional Plan was 4%. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05%. The City's actual contributions for 2011 which were used to fund post-employment benefits were \$350,659. 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

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Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

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

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

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

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

Both are within the defined benefit pension plan under the authority granted to the OP&F Board of Trustees by the Ohio Revised Code. The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account for retiree health care benefits. For the year 2011, 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, 2011, 2010, and 2009 were \$687,087, \$714,847, and \$708,182 for police and \$758,125, \$751,647, and \$737,934 for firefighters, respectively. The portion of the City's contributions that was used to pay post-employment benefits for 2011, 2010 and 2009 was \$244,688, \$246,595, and \$ 245,031 for police and \$220,546, \$211,260 and \$207,359 for

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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 2009, 2010 and 2011.

NOTE 12: OTHER EMPLOYEE BENEFITS – COMPENSATED ABSENCES

A. Accumulated Unpaid Vacation

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

B. Accumulated Unpaid Sick Leave

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

C. Accumulated Unpaid Compensatory Time

Firefighters may accrue compensatory time to a maximum of 96 hours and police officers may accrue to a maximum of 180 hours. Communications clerks and operators may accrue a maximum of 120 hours of compensatory time.

NOTE 13: CONTRACTUAL COMMITMENTS

At December 31, 2011, the City's significant contractual commitments consisted of:

Project	Contract Amount	Amount Paid	Remaining on Contract
·Magic Mile Bikeway Project	\$142,486	\$ 17,703	\$124,783
·Kirtland Road Sanitary Sewer Project	818,244	751,858	66,386
·Poplar Pump Station	83,700	0	83,700
·WPCC Influent Bar Screen Bldg Project	<u>178,791</u>	<u>138,583</u>	<u>40,208</u>
Total	\$1,223,221	\$908,144	\$315,077

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 14: CONTINGENCIES, CLAIMS AND JUDGMENTS

A. Litigation

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

B. Special Assessment/Enterprise Bonds

Special assessment bonds are being retired by assessments against the affected property owners. Special assessment bonds are nonetheless backed by the full faith and credit of the City. However, management does not foresee any circumstances that would change the source of funding for these bonds. In addition, options exist in the law to assist in protecting general tax dollars from the special assessment obligations should those assessed default.

General obligation bonds in the enterprise funds are being retired by use of revenues generated by those funds. As a result of lower golf revenues, a portion of the Golf Course debt is currently being paid by the General Bond Retirement Fund.

NOTE 15: OTHER COMMITMENTS

Water/Sewer Billing Agreement

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

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 16: LONG-TERM OBLIGATIONS

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

	Original Issue Date	Maturity Date	Interest Rate	Original Issue Amount
Governmental Activities:				
<u>General Obligation Bonds Voted</u>				
Fire Station Refunding	2010	2024	2.0%-4.0%	4,160,000
<u>General Obligation Bonds Unvoted</u>				
Lost Nation Road Improvement	1990	2011	6.25%-7.40%	2,600,000
Landfill and Erosion Control	1992	2012	3.0%-6.375%	1,601,148
Various Purpose Bond Refunding	2010	2016	1.5%-4.0%	1,075,000
Municipal Building Improvement	2003	2023	3.94%	6,350,000
<u>OPWC</u>				
Karen Isle Watermains	2001	2020	Interest Free	9,003
Brown Avenue Watermains	2001	2022	Interest Free	15,675
<u>Special Assessment Bonds</u>				
Billmore Place	1995	2016	5.66%	464,000
<u>Other General Long - Term Liabilities</u>				
Police Pension Liability	1968	2035	4.25%	148,460
Landfill Postclosure Care	1994	2024		1,227,640
Business-Type Activities:				
<u>Enterprise Fund G.O. Debt Sewer Bonds</u>				
Sewer 1992	1992	2012	3.0%-6.375%	1,343,852
<u>OPWC</u>				
Waldamere- Glenwood Sanitary Sewer	1997	2017	Interest Free	200,000
Vine Street Area Sanitary Sewer	2001	2022	Interest Free	223,351
Center- Wood Sanitary Sewer	2003	2024	Interest Free	78,505
Lakeshore Blvd	2007	2028	Interest Free	115,102
River Road Sanitary Sewer	2010	2030	Interest Free	57,574
Kirtland Road Sanitary Sewer	2011	2031	Interest Free	68,527
<u>OWDA</u>				
Grove- Erie Sanitary Sewer	1994	2013	4.8%	639,009
Waldamere- Glenwood Sanitary Sewer	1997	2017	4.04%	305,320
Downtown Sanitary Sewer	2001	2020	3.91%	1,372,534
Highland- Maple- Wood Sanitary Sewer	2002	2022	3.53-3.99%	1,734,234
Center- Wood Sanitary Sewer	2003	2023	3.65%	974,020
Van Gorder Sewer Lining	2003	2023	4.78%	88,505
Lakeshore Blvd	2007	2027	3.34%	544,207
River Road Sanitary Sewer	2008	2029	3.30%	1,998,678
Vine and Trunk Sanitary Sewers	2010	2030	3.25%	327,067
WPCC SSES Facilities Plan Update	2010	2016	3.20%	435,235
Kirtland Road Sanitary Sewer	2011	2031	4.45%	532,944
<u>Golf Bonds</u>				
Golf Course Improvement	2002	2022	4.179%	3,150,000

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

Long-Term Obligations (cont)

Changes in long-term obligations of the City during 2011 were as follows:

	<u>Balance 01/01/11</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 12/31/11</u>	<u>Amounts Due Within One Year</u>
<u>Governmental Activities:</u>					
<u>General Obligation Bonds Voted</u>					
Fire Station Refunding	4,160,000	0	230,000	3,930,000	260,000
Unamortized Premium	40,870	0	2,920	37,950	0
<i>Subtotal - General Obligation Bonds Voted</i>	<u>4,200,870</u>	<u>0</u>	<u>232,920</u>	<u>3,967,950</u>	<u>260,000</u>
<u>General Obligation Bonds Unvoted</u>					
Lost Nation Road Improvement	130,000	0	130,000	0	0
Landfill and Erosion Control	163,102	0	81,552	81,550	81,550
Various Purpose Bond Refunding	1,075,000	0	170,000	905,000	175,000
Municipal Building Improvement OPWC	4,780,000	0	285,000	4,495,000	295,000
Karen Isle Watermains	4,726	0	675	4,051	450
Brown Avenue Watermains	9,797	0	1,175	8,622	784
<i>Subtotal - General Obligation Bonds Unvoted</i>	<u>6,162,625</u>	<u>0</u>	<u>668,402</u>	<u>5,494,223</u>	<u>552,784</u>
Total Government Fund General Obligation Bonds	<u>10,363,495</u>	<u>0</u>	<u>901,322</u>	<u>9,462,173</u>	<u>812,784</u>
<u>Special Assessment Bonds</u>					
Biltmore Place	200,000	0	30,000	170,000	30,000
<i>Subtotal - Special Assessment Bonds</i>	<u>200,000</u>	<u>0</u>	<u>30,000</u>	<u>170,000</u>	<u>30,000</u>
<u>Other General Long Term Liabilities</u>					
Police Pension Liability	111,823	0	2,698	109,125	2,815
Landfill Postclosure Care	817,910	0	42,473	775,437	44,618
Compensated Absences	5,822,207	1,288,388	1,467,511	5,643,084	1,462,236
<i>Subtotal - Other General Long - Term Liabilities</i>	<u>6,751,940</u>	<u>1,288,388</u>	<u>1,512,682</u>	<u>6,527,646</u>	<u>1,509,669</u>
Subtotal Governmental Activities	<u>\$ 17,315,435</u>	<u>\$ 1,288,388</u>	<u>\$ 2,444,004</u>	<u>\$ 16,159,819</u>	<u>\$ 2,352,453</u>

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

Long-Term Obligations (cont)

	Balance 01/01/11 Restated	Increases	Decreases	Balance 12/31/11	Amounts Due Within One Year
<u>Business-Type Activities:</u>					
<u>Enterprise Fund General Obligation</u>					
<u>Debt - Sewer Bonds</u>					
Sewer 1992	\$ 136,898	\$ 0	\$ 68,448	\$ 68,450	\$ 68,450
<u>OPWC</u>					
Waldamere- Glenwood Sanitary Sewer	65,000	0	10,000	55,000	10,000
Vine Street Area Sanitary Sewer	124,606	0	10,384	114,222	10,384
Center- Wood Sanitary Sewer	54,954	0	3,925	51,029	3,925
Lakeshore Blvd	103,591	0	5,755	97,836	5,755
River Road Sanitary Sewer	57,574	0	2,879	54,695	4,318
Kirtland Road Sanitary Sewer	0	68,527	0	68,527	3,750
<u>OWDA</u>					
Grove- Erie Sanitary Sewer	138,334	0	43,938	94,396	46,073
Waldamere- Glenwood Sanitary Sewer	126,940	0	17,447	109,493	18,159
Downtown Sanitary Sewer	817,501	0	68,254	749,247	70,949
Highland- Maple- Wood Sanitary Sewer	1,199,629	0	79,781	1,119,848	82,982
Center- Wood Sanitary Sewer	709,621	0	43,537	666,084	45,141
Van Gorder Sewer Lining	66,444	0	3,791	62,653	3,973
Lakeshore Blvd	469,452	0	22,999	446,453	23,774
River Road Sanitary Sewer	1,871,881	0	75,879	1,796,002	78,404
Vine and Trunk Sanitary Sewers	261,850	65,217	24,191	302,876	24,983
WPCC SSES Facilities Plan Update	435,235	0	53,766	381,469	110,126
Kirtland Road Sanitary Sewer	0	532,944	0	532,944	8,821
<u>Subtotal - Sewer Bonds</u>	6,639,510	666,688	534,974	6,771,224	619,967
<u>Golf Bonds</u>					
Golf Course Improvement	2,220,000	0	140,000	2,080,000	145,000
Total Bonds Payable	8,859,510	666,688	674,974	8,851,224	764,967
<u>Other Liabilities</u>					
Compensated Absences	763,782	158,064	215,595	706,251	184,793
Subtotal Business-Type Activities	9,623,292	824,752	890,569	9,557,475	949,760
Total Long-Term Liabilities	\$ 26,938,727	\$ 2,113,140	\$ 3,334,573	\$ 25,717,294	\$ 3,302,213

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

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

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

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
2012	811,550	310,909	213,450	95,328
2013	745,000	287,560	150,000	85,528
2014	770,000	268,730	160,000	79,714
2015	790,000	248,790	165,000	73,314
2016	815,000	227,127	175,000	66,508
2017-2021	3,500,000	747,258	1,035,000	209,394
2022-2024	1,980,000	125,980	250,000	12,000
Total	\$ 9,411,550	\$ 2,216,354	\$ 2,148,450	\$ 621,786

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
2012	30,000	9,946
2013	35,000	8,190
2014	35,000	6,142
2015	35,000	4,096
2016	35,000	2,048
Total	\$ 170,000	\$ 30,422

Other Long-Term Obligations – Compensated absences will be paid from the fund in which the employee’s salary is paid. The General fund pays the most significant amounts. Enterprise funds pay for all of their employee costs including retirements. Police Pension liability is paid from the Police Pension fund. See Note 19 for further detail on landfill liability.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

The City's legal debt margin at December 31, 2011 was \$68,570,402. 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
2012	2,815	4,608	1,234	551,518	233,842
2013	2,935	4,487	1,234	577,927	226,945
2014	3,062	4,362	1,234	547,527	207,281
2015	3,192	4,230	1,234	485,306	188,695
2016	3,331	4,093	1,234	460,349	169,423
2017-2021	18,925	18,188	5,719	2,298,522	600,020
2022-2026	23,355	13,761	784	1,262,027	258,378
2027-2031	28,820	8,297	0	519,598	63,918
2032-2035	22,690	1,882	0	0	0
Total	\$ 109,125	\$ 63,908	\$ 12,673	\$ 6,702,774	\$ 1,948,502

NOTE 17: CONDUIT DEBT

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

TYPE	ON BEHALF OF	ORIGINAL AMOUNT	OUTSTANDING BALANCE	YEAR OF ISSUE
Multi-Family Housing Mortgage Revenue Bonds	Oakhill Village	\$5,955,000	\$5,955,000	2002A
	Oakhill Village	\$3,395,000	\$2,065,000	2002B
Industrial Development Revenue Bonds	Kennedy Group	\$6,500,000	\$2,055,000	1998
Industrial Development Revenue Refunding Bonds	Ohio Presbyterian Retirement Services	\$8,200,000	\$3,140,000	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 18: NOTES PAYABLE

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

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

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, 2011:

Notes	Maturity Date	Balance December 31, 2010	Issued	Retired	Balance December 31, 2011
Capital Projects Note Payable: 1%	Oct. 4, 2012	\$8,916,183	\$8,693,000	\$8,916,183	\$8,693,000
Golf Improvement Note Payable: 1%	Oct. 4, 2012	\$1,678,294	\$1,703,000	\$1,678,294	\$1,703,000
Sewer Improvement Note Payable: 1%	Oct. 4, 2012	\$1,554,216	\$1,580,000	\$1,554,216	\$1,580,000
Airport Improvement Note Payable: 1%	Oct. 4, 2012	\$151,307	\$154,000	\$151,307	\$154,000
Total Notes Payable		<u>\$12,300,000</u>	<u>\$12,130,000</u>	<u>\$12,300,000</u>	<u>\$12,130,000</u>

NOTE 19: LANDFILL CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations require the City to perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. The City's landfill placed its final cover in 1995. The \$775,437 reported as Landfill Postclosure Care at December 31, 2011 represents estimated cost of maintenance and monitoring through 2024. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

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

NOTE 20: INSURANCE AND RISK MANAGEMENT

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

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

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

Coverage	Company	Claim Limit	Deductible
General Liability	Selective Insurance	\$1,000,000	\$ 0
Public Officials Liability	Scottsdale Indemnity Company	2,000,000	25,000
Law Enforcement Liability	Scottsdale Indemnity Company	1,000,000	10,000
Commercial Property	Selective Insurance	72,260,703	25,000
Commercial Crime	Selective Insurance	10,000	250
Equipment Breakdown	Selective Insurance	72,260,703	25,000
Automobile Liability	Selective Insurance	1,000,000	0
Automobile Comprehensive	Selective Insurance	Per Schedule	1,000/2,000
Automobile Collision	Selective Insurance	Per Schedule	1,000/2,000
Excess General Liability (Umbrella)	Merchants Mutual Insurance	10,000,000	10,000
Fire Errors and Omissions	Selective Insurance	1,000,000	0
Ambulance Malpractice	Selective Insurance	1,000,000	0
Blanket Bond	Selective Insurance	100,000	2,500
Bond-Finance Director	State Automobile Mutual Insurance Company	40,000	0

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

NOTE 21: JOINT ORGANIZATION

Northeast Ohio Public Energy Council

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

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

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 2011. Financial information can be obtained by contacting Joseph Migliorini, Board Chairman, 31320 Solon Road, Suite 20, Solon, Ohio 44139.

NOTE 22: CHANGE IN ACCOUNTING PRINCIPLE

Change in Accounting Principle

For fiscal year 2011, the City has implemented GASB Statement No. 59, "Financial Instruments Omnibus."

GASB Statement No. 59 updates and improves guidance for financial reporting and disclosure requirements of certain financial instruments and external investment pools. The implementation of the Statement did not have an effect on the City's financial statements.

*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, 2011

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>FINAL BUDGET</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
REVENUES:				
Municipal Income Taxes	\$ 14,677,915	\$ 14,677,915	\$ 15,002,901	\$ 324,986
Property and Other Local Taxes	1,787,104	1,787,104	1,811,476	24,372
Intergovernmental	3,017,436	4,817,436	4,726,880	(90,556)
Charges for Services	1,191,350	1,191,350	1,263,114	71,764
Fines and Forfeitures	2,089,700	2,089,700	1,999,102	(90,598)
Licenses and Permits	234,000	234,000	236,291	2,291
Interest	125,000	125,000	113,348	(11,652)
Miscellaneous	120,000	120,000	112,500	(7,500)
Total Revenues	23,242,505	25,042,505	25,265,612	223,107
EXPENDITURES:				
Government:				
Legislative -Council				
Personal Services	263,304	263,304	253,934	9,370
Services and Supplies	17,225	17,225	9,759	7,466
Total Legislative -Council	280,529	280,529	263,693	16,836
Judicial -Municipal Court				
Personal Services	1,984,071	1,984,071	1,749,190	234,881
Services and Supplies	118,500	118,500	93,255	25,245
Other	10,000	10,000	0	10,000
Total Judicial-Municipal Court	2,112,571	2,112,571	1,842,445	270,126
Executive-Mayor				
Personal Services	15,655,291	15,929,126	15,004,710	924,416
Services and Supplies	5,466,218	5,466,218	5,037,336	428,882
Other	90,000	90,000	58,202	31,798
Total Executive-Mayor	21,211,509	21,485,344	20,100,248	1,385,096
Total Expenditures	23,604,609	23,878,444	22,206,386	1,672,058
Excess of Revenues Over (Under) Expenditures	(362,104)	1,164,061	3,059,226	1,895,165
OTHER FINANCING SOURCES (USES):				
Transfers Out	(2,025,000)	(3,400,000)	(3,400,000)	0
Other	55,000	55,000	277,841	222,841
Total Other Financing Sources (Uses)	(1,970,000)	(3,345,000)	(3,122,159)	222,841
NET CHANGE IN FUND BALANCE	(2,332,104)	(2,180,939)	(62,933)	2,118,006
FUND BALANCE BEGINNING OF YEAR	5,377,097	5,377,097	5,377,097	0
Prior Year Encumbrances Appropriated	25,510	25,510	25,510	0
FUND BALANCE END OF YEAR	\$ 3,070,503	\$ 3,221,668	\$ 5,339,674	\$ 2,118,006

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, 2011

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>(NEGATIVE)</u>
REVENUES:				
Property and Other Local Taxes	\$105,000	\$105,000	\$111,980	\$6,980
Intergovernmental	203,277	208,547	278,114	69,567
Interest Income	0	0	833	833
Other	<u>260,000</u>	<u>260,000</u>	<u>244,102</u>	<u>(15,898)</u>
Total Revenues	<u>568,277</u>	<u>573,547</u>	<u>635,029</u>	<u>61,482</u>
EXPENDITURES:				
Executive-Mayor				
Capital Outlay	3,203,287	3,207,287	1,274,663	1,932,624
Debt Service				
Principal Retirement	8,916,183	8,916,183	8,916,183	0
Interest	<u>111,452</u>	<u>111,452</u>	<u>111,452</u>	<u>0</u>
Total Expenditures	<u>12,230,922</u>	<u>12,234,922</u>	<u>10,302,298</u>	<u>1,932,624</u>
Excess of Revenues Over (Under) Expenditures	(11,662,645)	(11,661,375)	(9,667,269)	1,994,106
OTHER FINANCING SOURCES (USES):				
Notes Issued	9,016,500	9,066,750	8,693,000	(373,750)
Other	26,228	26,228	5,848	(20,380)
Transfers In	<u>0</u>	<u>1,300,000</u>	<u>1,300,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>9,042,728</u>	<u>10,392,978</u>	<u>9,998,848</u>	<u>(394,130)</u>
NET CHANGE IN FUND BALANCE	(2,619,917)	(1,268,397)	331,579	1,599,976
FUND BALANCE BEGINNING OF YEAR	2,957,944	2,957,944	2,957,944	<u>0</u>
Prior Year Encumbrances Appropriated	<u>55,441</u>	<u>55,441</u>	<u>55,441</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$393,468</u>	<u>\$1,744,988</u>	<u>\$3,344,964</u>	<u>\$1,599,976</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, 2011

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
REVENUES:				
Property and Other Local Taxes	\$925,687	\$925,687	\$939,870	\$14,183
Intergovernmental	181,062	181,062	190,934	9,872
Interest Income	<u>0</u>	<u>0</u>	<u>72,782</u>	<u>72,782</u>
Total Revenues	<u>1,106,749</u>	<u>1,106,749</u>	<u>1,203,586</u>	<u>96,837</u>
EXPENDITURES:				
Executive-Mayor				
Personal Services	13,000	13,000	13,000	0
Services and Supplies	23,000	23,000	11,697	11,303
Debt Service				
Principal Retirement	899,021	899,021	897,787	1,234
Interest	<u>467,219</u>	<u>467,219</u>	<u>467,219</u>	<u>0</u>
Total Expenditures	<u>1,402,240</u>	<u>1,402,240</u>	<u>1,389,703</u>	<u>12,537</u>
Excess of Revenues Over (Under) Expenditures	(295,491)	(295,491)	(186,117)	109,374
OTHER FINANCING SOURCES (USES):				
Transfer In	<u>300,000</u>	<u>300,000</u>	<u>200,000</u>	<u>(100,000)</u>
Total Other Financing Sources (Uses)	<u>300,000</u>	<u>300,000</u>	<u>200,000</u>	<u>(100,000)</u>
NET CHANGE IN FUND BALANCE	4,509	4,509	13,883	9,374
FUND BALANCE BEGINNING OF YEAR	<u>28,117</u>	<u>28,117</u>	<u>28,117</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$32,626</u>	<u>\$32,626</u>	<u>\$42,000</u>	<u>\$9,374</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, 2011

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>FINAL BUDGET</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
REVENUES:				
Charges for Services	\$837,500	\$762,500	\$774,580	\$12,080
Interest Income	0	0	49	49
Other	<u>0</u>	<u>0</u>	<u>158</u>	<u>158</u>
Total Revenues	<u>837,500</u>	<u>762,500</u>	<u>774,787</u>	<u>12,287</u>
EXPENSES:				
Executive-Mayor				
Leisure Time Activities				
Personal Services	401,618	400,418	400,331	87
Services and Supplies	304,752	305,952	305,395	557
Capital Outlay	37,642	37,642	17,012	20,630
Debt Service				
Principal Retirement	1,818,294	1,818,294	1,818,294	0
Interest	<u>20,979</u>	<u>20,979</u>	<u>20,979</u>	<u>0</u>
Total Expenses	<u>2,583,285</u>	<u>2,583,285</u>	<u>2,562,011</u>	<u>21,274</u>
Excess of Revenues Over (Under) Expenses	(1,745,785)	(1,820,785)	(1,787,224)	33,561
OTHER FINANCING SOURCES (USES):				
Sale of Notes	1,703,000	1,703,000	1,703,000	0
Transfer In	0	75,000	75,000	0
Other	<u>0</u>	<u>0</u>	<u>3,370</u>	<u>3,370</u>
Total Other Financing Sources (Uses)	<u>1,703,000</u>	<u>1,778,000</u>	<u>1,781,370</u>	<u>3,370</u>
NET CHANGE IN FUND EQUITY	(42,785)	(42,785)	(5,854)	36,931
FUND EQUITY BEGINNING OF YEAR	58,313	58,313	58,313	0
Prior Year Encumbrances Appropriated	<u>790</u>	<u>790</u>	<u>790</u>	<u>0</u>
FUND EQUITY END OF YEAR	<u>\$16,318</u>	<u>\$16,318</u>	<u>\$53,249</u>	<u>\$36,931</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, 2011

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES:				
Intergovernmental	\$523,592	\$573,592	\$281,499	(\$292,093)
Charges for Services	4,448,750	4,448,750	4,379,675	(69,075)
Interest Income	2,500	2,500	877	(1,623)
Other	<u>155,000</u>	<u>155,000</u>	<u>177,865</u>	<u>22,865</u>
Total Revenues	<u>5,129,842</u>	<u>5,179,842</u>	<u>4,839,916</u>	<u>(339,926)</u>
EXPENSES:				
Executive-Mayor				
Basic Utility Service				
Personal Services	2,544,127	2,494,127	2,484,213	9,914
Services and Supplies	1,116,975	1,116,975	1,005,179	111,796
Other	150,000	150,000	150,000	0
Capital Outlay	1,928,090	2,211,090	1,606,568	604,522
Debt Service				
Principal Retirement	2,011,235	2,066,235	2,089,189	(22,954)
Interest	<u>226,732</u>	<u>236,732</u>	<u>257,514</u>	<u>(20,782)</u>
Total Expenses	<u>7,977,159</u>	<u>8,275,159</u>	<u>7,592,663</u>	<u>682,496</u>
Excess of Revenues Over (Under) Expenses	(2,847,317)	(3,095,317)	(2,752,747)	342,570
OTHER FINANCING SOURCES (USES):				
Other	0	0	900	900
Sale of Debt	2,057,517	2,057,517	566,523	(1,490,994)
Sale of Note	<u>1,580,000</u>	<u>1,580,000</u>	<u>1,580,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>3,637,517</u>	<u>3,637,517</u>	<u>2,147,423</u>	<u>(1,490,094)</u>
NET CHANGE IN FUND EQUITY	790,200	542,200	(605,324)	(1,147,524)
FUND EQUITY BEGINNING OF YEAR	909,300	909,300	909,300	0
Prior Year Encumbrances Appropriated	<u>115,823</u>	<u>115,823</u>	<u>115,823</u>	<u>0</u>
FUND EQUITY END OF YEAR	<u>\$1,815,323</u>	<u>\$1,567,323</u>	<u>\$419,799</u>	<u>(\$1,147,524)</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, 2011

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES:				
Charges for Services	\$23,350	\$23,350	\$22,730	(\$620)
Interest Income	0	0	25	25
Rental	<u>150,000</u>	<u>150,000</u>	<u>152,802</u>	<u>2,802</u>
Total Revenues	<u>173,350</u>	<u>173,350</u>	<u>175,557</u>	<u>2,207</u>
EXPENSES:				
Executive-Mayor				
Transportation				
Personal Services	124,972	124,972	118,841	6,131
Services and Supplies	77,525	77,525	55,398	22,127
Capital Outlay	25,000	25,000	410	24,590
Debt Service				
Principal Retirement	151,307	151,307	151,307	0
Interest	<u>1,891</u>	<u>1,891</u>	<u>1,891</u>	<u>0</u>
Total Expenses	<u>380,695</u>	<u>380,695</u>	<u>327,847</u>	<u>52,848</u>
Excess of Revenues Over (Under) Expenses	<u>(207,345)</u>	<u>(207,345)</u>	<u>(152,290)</u>	<u>55,055</u>
OTHER FINANCING SOURCES (USES):				
Sale of Notes	154,000	154,000	154,000	0
Other	<u>0</u>	<u>0</u>	<u>126</u>	<u>126</u>
Total Other Financing Sources (Uses)	<u>154,000</u>	<u>154,000</u>	<u>154,126</u>	<u>126</u>
NET CHANGE IN FUND EQUITY	(53,345)	(53,345)	1,836	55,181
FUND EQUITY BEGINNING OF YEAR	134,731	134,731	134,731	0
Prior Year Encumbrances Appropriated	<u>5,894</u>	<u>5,894</u>	<u>5,894</u>	<u>0</u>
FUND EQUITY END OF YEAR	<u>\$87,280</u>	<u>\$87,280</u>	<u>\$142,461</u>	<u>\$55,181</u>

Combining Statements and Individual Fund Schedules

Combining Statements – Nonmajor Funds

NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Street Lighting Fund – to account for the .8 mill rate the City assesses on all real property to provide city wide public street lights. These funds are collected in the same manner as other assessments by the Lake County Treasurer.

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 2011.

NONMAJOR DEBT SERVICE FUND

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

PERMANENT FUND

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

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

CITY OF WILLOUGHBY, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2011

	NONMAJOR SPECIAL REVENUE FUNDS	SPECIAL ASSESSMENTS DEBT SERVICE FUND	CEMETERY CARE PERMANENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS				
Equity in City Treasury Cash and Investments	\$3,087,152	\$323,429	\$249,392	\$3,659,973
Inventory - Supplies	\$112,327	0	0	112,327
Accounts Receivable	\$9,337	0	0	9,337
Due from Other Governments	\$588,302	0	0	588,302
Taxes Receivable	\$1,717,927	0	0	1,717,927
Special Assessments Receivable	<u>\$601,472</u>	<u>222,662</u>	<u>0</u>	<u>824,134</u>
TOTAL ASSETS	<u>\$6,116,517</u>	<u>\$546,091</u>	<u>\$249,392</u>	<u>\$6,912,000</u>
LIABILITIES				
Accounts Payable	\$143,360	0	0	143,360
Salaries, Wages & Benefits Payable	\$99,165	0	0	99,165
Due to Other Governments	\$16,039	0	0	16,039
Deferred Revenue	<u>\$2,795,659</u>	<u>222,662</u>	<u>0</u>	<u>3,018,321</u>
TOTAL LIABILITIES	<u>3,054,223</u>	<u>222,662</u>	<u>0</u>	<u>3,276,885</u>
FUND BALANCES				
Nonspendable	112,327	0	249,392	361,719
Restricted	<u>2,949,967</u>	<u>323,429</u>	<u>0</u>	<u>3,273,396</u>
TOTAL FUND BALANCES	<u>3,062,294</u>	<u>323,429</u>	<u>249,392</u>	<u>3,635,115</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$6,116,517</u>	<u>\$546,091</u>	<u>\$249,392</u>	<u>\$6,912,000</u>

CITY OF WILLOUGHBY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	NONMAJOR SPECIAL REVENUE <u>FUNDS</u>	SPECIAL ASSESSMENTS DEBT SERVICE <u>FUND</u>	CEMETERY CARE PERMANENT <u>FUND</u>	TOTAL NONMAJOR GOVERNMENTAL <u>FUNDS</u>
REVENUES:				
Property and Other Local Taxes	\$1,550,262	\$0	\$0	\$1,550,262
Intergovernmental	1,354,189	0	0	1,354,189
Charges for Services	269,701	0	11,760	281,461
Special Assessments	602,860	41,216	0	644,076
Fines and Forfeitures	425,190	0	0	425,190
Miscellaneous	<u>13,115</u>	<u>0</u>	<u>0</u>	<u>13,115</u>
Total Revenues	<u>4,215,317</u>	<u>41,216</u>	<u>11,760</u>	<u>4,268,293</u>
EXPENDITURES:				
Current:				
General Government	244,173	1,201	0	245,374
Security of Persons and Property	2,050,738	0	0	2,050,738
Community Environment	44,947	0	0	44,947
Leisure Time Activities	940,572	0	0	940,572
Transportation	1,383,269	0	0	1,383,269
Capital Outlay	1,325,157	0	0	1,325,157
Debt Service:				
Principal	0	30,000	0	30,000
Interest	<u>0</u>	<u>11,700</u>	<u>0</u>	<u>11,700</u>
Total Expenditures	<u>5,988,856</u>	<u>42,901</u>	<u>0</u>	<u>6,031,757</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,773,539)	(1,685)	11,760	(1,763,464)
OTHER FINANCING SOURCES (USES):				
Transfers In	2,025,000	0	0	2,025,000
Transfers (Out)	<u>(200,000)</u>	<u>0</u>	<u>0</u>	<u>(200,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,825,000</u>	<u>0</u>	<u>0</u>	<u>1,825,000</u>
NET CHANGE IN FUND BALANCES	51,461	(1,685)	11,760	61,536
FUND BALANCES BEGINNING OF YEAR	3,001,314	325,114	237,632	3,564,060
INCREASE IN RESERVE				
FOR INVENTORY	<u>9,519</u>	<u>0</u>	<u>0</u>	<u>9,519</u>
FUND BALANCES END OF YEAR	<u>\$3,062,294</u>	<u>\$323,429</u>	<u>\$249,392</u>	<u>\$3,635,115</u>

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CITY OF WILLOUGHBY, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2011

	<u>FIRE</u>	<u>POLICE</u>	<u>LAW</u>		<u>STREET</u>		<u>ROAD &</u>	<u>CORPORATE</u>	<u>ENFORCEMENT</u>
	<u>PENSION</u>	<u>PENSION</u>	<u>ENFORCEMENT</u>	<u>RECREATION</u>	<u>CONSTRUCTION</u>	<u>STATE</u>	<u>BRIDGE</u>	<u>MAINTENANCE</u>	<u>& EDUCATION</u>
					<u>MAINTENANCE</u>	<u>HIGHWAY</u>			
					<u>AND REPAIR</u>				
ASSETS									
Equity in City Treasury Cash and Investments	\$50,128	\$112,357	\$68,900	\$167,103	\$530,954	\$17,296	\$808,724	\$56,905	\$17,462
Inventory - Supplies	0	0	0	0	112,327	0	0	0	0
Accounts Receivable	0	0	0	143	140	0	0	9,054	0
Due from Other Governments	7,309	7,309	0	2,720	459,526	36,906	46,602	0	95
Taxes Receivable	195,557	195,557	0	74,143	0	0	1,252,670	0	0
Special Assessments Receivable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>19,977</u>	<u>0</u>
TOTAL ASSETS	<u>\$252,994</u>	<u>\$315,223</u>	<u>\$68,900</u>	<u>\$244,109</u>	<u>\$1,102,947</u>	<u>\$54,202</u>	<u>\$2,107,996</u>	<u>\$85,936</u>	<u>\$17,557</u>
LIABILITIES									
Accounts Payable	\$0	\$0	\$0	\$4,617	\$17,655	\$0	\$64,125	\$0	\$0
Salaries, Wages & Benefits Payable	29,022	25,774	0	19,500	23,205	0	0	0	0
Due to Other Governments	0	0	0	0	0	16,039	0	0	0
Deferred Revenue	<u>202,866</u>	<u>202,866</u>	<u>0</u>	<u>76,863</u>	<u>381,396</u>	<u>30,924</u>	<u>1,299,272</u>	<u>19,977</u>	<u>0</u>
TOTAL LIABILITIES	<u>231,888</u>	<u>228,640</u>	<u>0</u>	<u>100,980</u>	<u>422,256</u>	<u>46,963</u>	<u>1,363,397</u>	<u>19,977</u>	<u>0</u>
FUND BALANCES									
Nonspendable	0	0	0	0	112,327	0	0	0	0
Restricted	<u>21,106</u>	<u>86,583</u>	<u>68,900</u>	<u>143,129</u>	<u>568,364</u>	<u>7,239</u>	<u>744,599</u>	<u>65,959</u>	<u>17,557</u>
TOTAL FUND BALANCES	<u>21,106</u>	<u>86,583</u>	<u>68,900</u>	<u>143,129</u>	<u>680,691</u>	<u>7,239</u>	<u>744,599</u>	<u>65,959</u>	<u>17,557</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$252,994</u>	<u>\$315,223</u>	<u>\$68,900</u>	<u>\$244,109</u>	<u>\$1,102,947</u>	<u>\$54,202</u>	<u>\$2,107,996</u>	<u>\$85,936</u>	<u>\$17,557</u>



<u>INDIGENT DRIVERS TREATMENT</u>	<u>COURT COMPUTER</u>	<u>GENERAL SPECIAL PROJECTS</u>	<u>SPECIAL PROJECTS DUI</u>	<u>URBAN FOREST MANAGEMENT</u>	<u>VICTIMS ASSISTANCE</u>	<u>POLICE CONTINUING PROFESSIONAL TRAINING</u>	<u>OHIO CRIMINAL JUSTICE SERVICES GRANT</u>	<u>STREET LIGHTING</u>	<u>TOTAL 2011</u>
\$313,354	\$243,668	\$23,996	\$76,700	\$56,670	\$14,659	\$9,760	\$0	\$518,516	\$3,087,152
0	0	0	0	0	0	0	0	0	112,327
0	0	0	0	0	0	0	0	0	9,337
2,397	11,835	10,191	699	0	2,713	0	0	0	588,302
0	0	0	0	0	0	0	0	0	1,717,927
<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>581,495</u>	<u>601,472</u>
<u>\$315,751</u>	<u>\$255,503</u>	<u>\$34,187</u>	<u>\$77,399</u>	<u>\$56,670</u>	<u>\$17,372</u>	<u>\$9,760</u>	<u>\$0</u>	<u>\$1,100,011</u>	<u>\$6,116,517</u>
\$3,525	\$7,488	\$238	\$0	\$0	\$59	\$0	\$0	\$45,653	\$143,360
0	0	0	0	0	1,664	0	0	0	99,165
0	0	0	0	0	0	0	0	0	16,039
<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>581,495</u>	<u>2,795,659</u>
<u>3,525</u>	<u>7,488</u>	<u>238</u>	<u>0</u>	<u>0</u>	<u>1,723</u>	<u>0</u>	<u>0</u>	<u>627,148</u>	<u>3,054,223</u>
0	0	0	0	0	0	0	0	0	112,327
<u>312,226</u>	<u>248,015</u>	<u>33,949</u>	<u>77,399</u>	<u>56,670</u>	<u>15,649</u>	<u>9,760</u>	<u>0</u>	<u>472,863</u>	<u>2,949,967</u>
<u>312,226</u>	<u>248,015</u>	<u>33,949</u>	<u>77,399</u>	<u>56,670</u>	<u>15,649</u>	<u>9,760</u>	<u>0</u>	<u>472,863</u>	<u>3,062,294</u>
<u>\$315,751</u>	<u>\$255,503</u>	<u>\$34,187</u>	<u>\$77,399</u>	<u>\$56,670</u>	<u>\$17,372</u>	<u>\$9,760</u>	<u>\$0</u>	<u>\$1,100,011</u>	<u>\$6,116,517</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, 2011

	FIRE PENSION	POLICE PENSION	LAW ENFORCEMENT	RECREATION	STREET CONSTRUCTION MAINTENANCE AND REPAIR	STATE HIGHWAY	ROAD & BRIDGE	CORPORATE MAINTENANCE	ENFORCEMENT & EDUCATION
REVENUES:									
Property and Other Local Taxes	\$170,890	\$170,885	\$0	\$65,640	\$56,224	\$0	\$1,086,623	\$0	\$0
Intergovernmental	39,143	39,143	0	127,452	919,026	74,516	120,326	0	0
Charges for Services	0	0	0	261,890	1,211	0	0	0	0
Special Assessments	0	0	0	0	0	0	0	46,110	0
Fines and Forfeitures	0	0	7,597	0	0	0	0	0	2,294
Miscellaneous	0	0	0	0	13,115	0	0	0	0
Total Revenues	<u>210,033</u>	<u>210,028</u>	<u>7,597</u>	<u>454,982</u>	<u>989,576</u>	<u>74,516</u>	<u>1,206,949</u>	<u>46,110</u>	<u>2,294</u>
EXPENDITURES:									
Current:									
General Government	2,127	2,127	0	0	0	0	13,617	267	0
Security of Persons and Property	757,051	688,958	0	0	0	0	0	0	0
Community Environment	0	0	0	0	0	0	0	40,572	0
Leisure Time Activities	0	0	0	940,572	0	0	0	0	0
Transportation	0	0	0	0	1,298,464	84,348	457	0	0
Capital Outlay	0	0	0	0	0	0	1,316,424	0	0
Total Expenditures	<u>759,178</u>	<u>691,085</u>	<u>0</u>	<u>940,572</u>	<u>1,298,464</u>	<u>84,348</u>	<u>1,330,498</u>	<u>40,839</u>	<u>0</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(549,145)	(481,057)	7,597	(485,590)	(308,888)	(9,832)	(123,549)	5,271	2,294
OTHER FINANCING SOURCES (USES):									
Transfers In	560,000	500,000	0	470,000	480,000	0	0	0	0
Transfers (Out)	0	0	0	0	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	<u>560,000</u>	<u>500,000</u>	<u>0</u>	<u>470,000</u>	<u>480,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET CHANGE IN FUND BALANCES	10,855	18,943	7,597	(15,590)	171,112	(9,832)	(123,549)	5,271	2,294
FUND BALANCES BEGINNING OF YEAR	10,251	67,640	61,303	158,719	500,060	17,071	868,148	60,688	15,263
INCREASE IN RESERVE									
FOR INVENTORY	0	0	0	0	9,519	0	0	0	0
FUND BALANCES END OF YEAR	<u>\$21,106</u>	<u>\$86,583</u>	<u>\$68,900</u>	<u>\$143,129</u>	<u>\$680,691</u>	<u>\$7,239</u>	<u>\$744,599</u>	<u>\$65,959</u>	<u>\$17,557</u>

<u>INDIGENT DRIVERS TREATMENT</u>	<u>COURT COMPUTER</u>	<u>GENERAL SPECIAL PROJECTS</u>	<u>SPECIAL PROJECTS DUI</u>	<u>URBAN FOREST MANAGEMENT</u>	<u>VICTIMS ASSISTANCE</u>	<u>POLICE CONTINUING PROFESSIONAL TRAINING</u>	<u>OHIO CRIMINAL JUSTICE SERVICES GRANT</u>	<u>STREET LIGHTING</u>	<u>TOTAL 2011</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,550,262
0	0	0	0	0	30,206	0	4,377	0	1,354,189
0	0	0	0	6,600	0	0	0	0	269,701
0	0	0	0	0	0	0	0	556,750	602,860
47,152	179,967	160,256	27,924	0	0	0	0	0	425,190
<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>13,115</u>
<u>47,152</u>	<u>179,967</u>	<u>160,256</u>	<u>27,924</u>	<u>6,600</u>	<u>30,206</u>	<u>0</u>	<u>4,377</u>	<u>556,750</u>	<u>4,215,317</u>
38,415	149,881	15,930	0	0	0	0	4,726	17,083	244,173
0	0	0	0	0	44,918	0	0	559,811	2,050,738
0	0	0	0	4,375	0	0	0	0	44,947
0	0	0	0	0	0	0	0	0	940,572
0	0	0	0	0	0	0	0	0	1,383,269
<u>0</u>	<u>8,733</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,325,157</u>
<u>38,415</u>	<u>158,614</u>	<u>15,930</u>	<u>0</u>	<u>4,375</u>	<u>44,918</u>	<u>0</u>	<u>4,726</u>	<u>576,894</u>	<u>5,988,856</u>
8,737	21,353	144,326	27,924	2,225	(14,712)	0	(349)	(20,144)	(1,773,539)
0	0	0	0	0	15,000	0	0	0	2,025,000
<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>(200,000)</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>1,825,000</u>
8,737	21,353	(55,674)	27,924	2,225	288	0	(349)	(20,144)	51,461
303,489	226,662	89,623	49,475	54,445	15,361	9,760	349	493,007	3,001,314
<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>9,519</u>
<u>\$312,226</u>	<u>\$248,015</u>	<u>\$33,949</u>	<u>\$77,399</u>	<u>\$56,670</u>	<u>\$15,649</u>	<u>\$9,760</u>	<u>\$0</u>	<u>\$472,863</u>	<u>\$3,062,294</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, 2011

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>FINAL BUDGET</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
REVENUES:				
Property and Other Local Taxes	\$168,306	\$168,306	\$170,890	\$2,584
Intergovernmental	<u>37,518</u>	<u>37,518</u>	<u>39,143</u>	<u>1,625</u>
Total Revenues	<u>205,824</u>	<u>205,824</u>	<u>210,033</u>	<u>4,209</u>
EXPENDITURES:				
Executive-Mayor				
Security of Persons and Property				
Personal Services	787,094	787,094	755,839	31,255
Services and Supplies	<u>3,000</u>	<u>3,000</u>	<u>2,127</u>	<u>873</u>
Total Expenditures	<u>790,094</u>	<u>790,094</u>	<u>757,966</u>	<u>32,128</u>
Excess of Revenues Over (Under) Expenditures	(584,270)	(584,270)	(547,933)	36,337
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>560,000</u>	<u>560,000</u>	<u>560,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>560,000</u>	<u>560,000</u>	<u>560,000</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	(24,270)	(24,270)	12,067	36,337
FUND BALANCE BEGINNING OF YEAR	<u>38,061</u>	<u>38,061</u>	<u>38,061</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$13,791</u>	<u>\$13,791</u>	<u>\$50,128</u>	<u>\$36,337</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, 2011

	<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	\$168,306	\$168,306	\$170,885	\$2,579
Intergovernmental	<u>37,518</u>	<u>37,518</u>	<u>39,143</u>	<u>1,625</u>
Total Revenues	<u>205,824</u>	<u>205,824</u>	<u>210,028</u>	<u>4,204</u>
EXPENDITURES:				
Executive-Mayor				
Security of Persons and Property				
Personal Services	770,368	770,368	688,840	81,528
Services and Supplies	<u>3,000</u>	<u>3,000</u>	<u>2,127</u>	<u>873</u>
Total Expenditures	<u>773,368</u>	<u>773,368</u>	<u>690,967</u>	<u>82,401</u>
Excess of Revenues Over (Under) Expenditures	(567,544)	(567,544)	(480,939)	86,605
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	(67,544)	(67,544)	19,061	86,605
FUND BALANCE BEGINNING OF YEAR	<u>93,296</u>	<u>93,296</u>	<u>93,296</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$25,752</u>	<u>\$25,752</u>	<u>\$112,357</u>	<u>\$86,605</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, 2011

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>(NEGATIVE)</u>
REVENUES:				
Fines and Forfeitures	<u>\$500</u>	<u>\$500</u>	<u>\$7,597</u>	<u>\$7,097</u>
Total Revenues	<u>500</u>	<u>500</u>	<u>7,597</u>	<u>7,097</u>
EXPENDITURES:				
Executive-Mayor				
Security of Persons and Property				
Services and Supplies	<u>60,000</u>	<u>60,000</u>	<u>0</u>	<u>60,000</u>
Total Expenditures	<u>60,000</u>	<u>60,000</u>	<u>0</u>	<u>60,000</u>
NET CHANGE IN FUND BALANCE	(59,500)	(59,500)	7,597	67,097
FUND BALANCE BEGINNING OF YEAR	<u>61,303</u>	<u>61,303</u>	<u>61,303</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$1,803</u>	<u>\$1,803</u>	<u>\$68,900</u>	<u>\$67,097</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, 2011

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET
	<u>ORIGINAL</u>	<u>FINAL</u>		POSITIVE (NEGATIVE)
REVENUES:				
Property and Other Local Taxes	\$62,665	\$62,665	\$65,640	\$2,975
Intergovernmental	103,609	103,609	127,452	23,843
Charges for Services	<u>220,000</u>	<u>220,000</u>	<u>262,008</u>	<u>42,008</u>
Total Revenues	<u>386,274</u>	<u>386,274</u>	<u>455,100</u>	<u>68,826</u>
EXPENDITURES:				
Executive-Mayor				
Leisure Time Activities				
Personal Services	676,598	676,598	669,725	6,873
Services and Supplies	<u>313,969</u>	<u>313,969</u>	<u>270,133</u>	<u>43,836</u>
Total Expenditures	<u>990,567</u>	<u>990,567</u>	<u>939,858</u>	<u>50,709</u>
Excess of Revenues Over (Under) Expenditures	(604,293)	(604,293)	(484,758)	119,535
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>470,000</u>	<u>470,000</u>	<u>470,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>470,000</u>	<u>470,000</u>	<u>470,000</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	(134,293)	(134,293)	(14,758)	119,535
FUND BALANCE BEGINNING OF YEAR	160,611	160,611	160,611	0
Prior Year Encumbrances Appropriated	<u>849</u>	<u>849</u>	<u>849</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$27,167</u>	<u>\$27,167</u>	<u>\$146,702</u>	<u>\$119,535</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, 2011

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES:				
Property and Other Local Taxes	\$55,000	\$55,000	\$55,990	\$990
Intergovernmental	935,000	935,000	920,177	(14,823)
Charges for Services	<u>250</u>	<u>250</u>	<u>1,211</u>	<u>961</u>
Total Revenues	<u>990,250</u>	<u>990,250</u>	<u>977,378</u>	<u>(12,872)</u>
EXPENDITURES:				
Executive-Mayor				
Transportation				
Personal Services	966,724	966,724	840,776	125,948
Services and Supplies	<u>625,575</u>	<u>625,575</u>	<u>445,019</u>	<u>180,556</u>
Total Expenditures	<u>1,592,299</u>	<u>1,592,299</u>	<u>1,285,795</u>	<u>306,504</u>
Excess of Revenues Over (Under) Expenditures	(602,049)	(602,049)	(308,417)	293,632
OTHER FINANCING SOURCES (USES):				
Transfers In	480,000	480,000	480,000	0
Other	<u>0</u>	<u>0</u>	<u>13,115</u>	<u>13,115</u>
Total Other Financing Sources (Uses)	<u>480,000</u>	<u>480,000</u>	<u>493,115</u>	<u>13,115</u>
NET CHANGE IN FUND BALANCE	(122,049)	(122,049)	184,698	306,747
FUND BALANCE BEGINNING OF YEAR	253,110	253,110	253,110	0
Prior Year Encumbrances Appropriated	<u>1,065</u>	<u>1,065</u>	<u>1,065</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$132,126</u>	<u>\$132,126</u>	<u>\$438,873</u>	<u>\$306,747</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, 2011

	<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>\$74,609</u>	<u>(\$391)</u>
Total Revenues	<u>75,000</u>	<u>75,000</u>	<u>74,609</u>	<u>(391)</u>
EXPENDITURES:				
Executive-Mayor				
Transportation				
Services and Supplies	<u>80,000</u>	<u>85,100</u>	<u>85,039</u>	<u>61</u>
Total Expenditures	<u>80,000</u>	<u>85,100</u>	<u>85,039</u>	<u>61</u>
NET CHANGE IN FUND BALANCE	(5,000)	(10,100)	(10,430)	(330)
FUND BALANCE BEGINNING OF YEAR	<u>27,726</u>	<u>27,726</u>	<u>27,726</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$22,726</u>	<u>\$17,626</u>	<u>\$17,296</u>	<u>(\$330)</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, 2011

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>FINAL BUDGET</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
REVENUES:				
Property and Other Local Taxes	\$1,104,319	\$1,104,319	\$1,086,623	(\$17,696)
Intergovernmental	<u>93,205</u>	<u>93,205</u>	<u>120,326</u>	<u>27,121</u>
Total Revenues	<u>1,197,524</u>	<u>1,197,524</u>	<u>1,206,949</u>	<u>9,425</u>
EXPENDITURES:				
Executive-Mayor				
Transportation				
Services and Supplies	18,000	18,000	13,617	4,383
Capital Outlay	<u>1,600,000</u>	<u>1,600,000</u>	<u>1,385,225</u>	<u>214,775</u>
Total Expenditures	<u>1,618,000</u>	<u>1,618,000</u>	<u>1,398,842</u>	<u>219,158</u>
NET CHANGE IN FUND BALANCE	(420,476)	(420,476)	(191,893)	228,583
FUND BALANCE BEGINNING OF YEAR	758,657	758,657	758,657	0
Prior Year Encumbrances Appropriated	<u>41,339</u>	<u>41,339</u>	<u>41,339</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$379,520</u>	<u>\$379,520</u>	<u>\$608,103</u>	<u>\$228,583</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, 2011

	<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>\$25,500</u>	<u>\$25,500</u>	<u>\$37,056</u>	<u>\$11,556</u>
Total Revenues	<u>25,500</u>	<u>25,500</u>	<u>37,056</u>	<u>11,556</u>
EXPENDITURES:				
Executive-Mayor				
Community Environment				
Services and Supplies	<u>43,000</u>	<u>43,000</u>	<u>34,214</u>	<u>8,786</u>
Total Expenditures	<u>43,000</u>	<u>43,000</u>	<u>34,214</u>	<u>8,786</u>
NET CHANGE IN FUND BALANCE	(17,500)	(17,500)	2,842	20,342
FUND BALANCE BEGINNING OF YEAR	29,501	29,501	29,501	0
Prior Year Encumbrances Appropriated	<u>11,972</u>	<u>11,972</u>	<u>11,972</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$23,973</u>	<u>\$23,973</u>	<u>\$44,315</u>	<u>\$20,342</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, 2011

	<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>\$2,344</u>	<u>\$344</u>
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>2,344</u>	<u>344</u>
EXPENDITURES:				
Executive-Mayor				
Security of Persons and Property				
Capital Outlay	<u>15,000</u>	<u>15,000</u>	<u>0</u>	<u>15,000</u>
Total Expenditures	<u>15,000</u>	<u>15,000</u>	<u>0</u>	<u>15,000</u>
NET CHANGE IN FUND BALANCE	(13,000)	(13,000)	2,344	15,344
FUND BALANCE BEGINNING OF YEAR	<u>15,118</u>	<u>15,118</u>	<u>15,118</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$2,118</u>	<u>\$2,118</u>	<u>\$17,462</u>	<u>\$15,344</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, 2011

	<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>\$40,000</u>	<u>\$40,000</u>	<u>\$46,955</u>	<u>\$6,955</u>
Total Revenues	<u>40,000</u>	<u>40,000</u>	<u>46,955</u>	<u>6,955</u>
EXPENDITURES:				
Judicial -Municipal Court				
General Government				
Services and Supplies	<u>150,000</u>	<u>150,000</u>	<u>123,000</u>	<u>27,000</u>
Total Expenditures	<u>150,000</u>	<u>150,000</u>	<u>123,000</u>	<u>27,000</u>
NET CHANGE IN FUND BALANCE	(110,000)	(110,000)	(76,045)	33,955
FUND BALANCE BEGINNING OF YEAR	<u>257,803</u>	<u>257,803</u>	<u>257,803</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$147,803</u>	<u>\$147,803</u>	<u>\$181,758</u>	<u>\$33,955</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, 2011

	<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>\$175,000</u>	<u>\$175,000</u>	<u>\$181,790</u>	<u>\$6,790</u>
Total Revenues	<u>175,000</u>	<u>175,000</u>	<u>181,790</u>	<u>6,790</u>
EXPENDITURES:				
Judicial -Municipal Court				
General Government				
Personal Services	0	61,000	60,210	790
Services and Supplies	150,000	119,000	90,874	28,126
Capital Outlay	<u>50,000</u>	<u>20,000</u>	<u>8,733</u>	<u>11,267</u>
Total Expenditures	<u>200,000</u>	<u>200,000</u>	<u>159,817</u>	<u>40,183</u>
NET CHANGE IN FUND BALANCE	(25,000)	(25,000)	21,973	46,973
FUND BALANCE BEGINNING OF YEAR	184,687	184,687	184,687	0
Prior Year Encumbrances Appropriated	<u>3,922</u>	<u>3,922</u>	<u>3,922</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$163,609</u>	<u>\$163,609</u>	<u>\$210,582</u>	<u>\$46,973</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, 2011

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Fines and Forfeitures	\$180,000	\$180,000	\$162,475	(\$17,525)
Total Revenues	<u>180,000</u>	<u>180,000</u>	<u>162,475</u>	<u>(17,525)</u>
EXPENDITURES:				
Judicial -Municipal Court				
General Government				
Services and Supplies	<u>25,000</u>	<u>25,000</u>	<u>8,519</u>	<u>16,481</u>
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>8,519</u>	<u>16,481</u>
Excess of Revenues Over (Under) Expenditures	155,000	155,000	153,956	(1,044)
OTHER FINANCING SOURCES (USES):				
Transfers Out	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	(45,000)	(45,000)	(46,044)	(1,044)
FUND BALANCE BEGINNING OF YEAR	69,015	69,015	69,015	0
Prior Year Encumbrances Appropriated	<u>1,025</u>	<u>1,025</u>	<u>1,025</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$25,040</u>	<u>\$25,040</u>	<u>\$23,996</u>	<u>(\$1,044)</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, 2011

	<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>\$15,000</u>	<u>\$15,000</u>	<u>\$28,924</u>	<u>\$13,924</u>
Total Revenues	<u>15,000</u>	<u>15,000</u>	<u>28,924</u>	<u>13,924</u>
EXPENDITURES:				
Judicial -Municipal Court				
General Government				
Services and Supplies	<u>17,000</u>	<u>17,000</u>	<u>0</u>	<u>17,000</u>
Total Expenditures	<u>17,000</u>	<u>17,000</u>	<u>0</u>	<u>17,000</u>
NET CHANGE IN FUND BALANCE	(2,000)	(2,000)	28,924	30,924
FUND BALANCE BEGINNING OF YEAR	<u>47,776</u>	<u>47,776</u>	<u>47,776</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$45,776</u>	<u>\$45,776</u>	<u>\$76,700</u>	<u>\$30,924</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, 2011

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Charges for Services	<u>\$5,000</u>	<u>\$5,000</u>	<u>\$6,600</u>	<u>\$1,600</u>
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>6,600</u>	<u>1,600</u>
EXPENDITURES:				
Executive-Mayor				
Community Environment				
Services and Supplies	<u>25,000</u>	<u>25,000</u>	<u>4,075</u>	<u>20,925</u>
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>4,075</u>	<u>20,925</u>
NET CHANGE IN FUND BALANCE	(20,000)	(20,000)	2,525	22,525
FUND BALANCE BEGINNING OF YEAR	<u>54,145</u>	<u>54,145</u>	<u>54,145</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$34,145</u>	<u>\$34,145</u>	<u>\$56,670</u>	<u>\$22,525</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, 2011

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
REVENUES:				
Intergovernmental	<u>\$31,000</u>	<u>\$31,000</u>	<u>\$29,320</u>	<u>(\$1,680)</u>
Total Revenues	<u>31,000</u>	<u>31,000</u>	<u>29,320</u>	<u>(1,680)</u>
EXPENDITURES:				
Executive-Mayor				
Security of Persons and Property				
Personal Services	44,000	44,000	42,694	1,306
Services and Supplies	<u>2,300</u>	<u>2,300</u>	<u>1,970</u>	<u>330</u>
Total Expenditures	<u>46,300</u>	<u>46,300</u>	<u>44,664</u>	<u>1,636</u>
Excess of Revenues Over (Under) Expenditures	(15,300)	(15,300)	(15,344)	(44)
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	(300)	(300)	(344)	(44)
FUND BALANCE BEGINNING OF YEAR	<u>14,971</u>	<u>14,971</u>	<u>14,971</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$14,671</u>	<u>\$14,671</u>	<u>\$14,627</u>	<u>(\$44)</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, 2011

	<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>\$2,000</u>	<u>\$2,000</u>	<u>\$0</u>	<u>(\$2,000)</u>
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>0</u>	<u>(2,000)</u>
EXPENDITURES:				
Executive-Mayor				
Security of Persons and Property				
Services and Supplies	<u>8,600</u>	<u>8,600</u>	<u>0</u>	<u>8,600</u>
Total Expenditures	<u>8,600</u>	<u>8,600</u>	<u>0</u>	<u>8,600</u>
NET CHANGE IN FUND BALANCE	(6,600)	(6,600)	0	6,600
FUND BALANCE BEGINNING OF YEAR	<u>9,760</u>	<u>9,760</u>	<u>9,760</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$3,160</u>	<u>\$3,160</u>	<u>\$9,760</u>	<u>\$6,600</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, 2011

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Intergovernmental	\$6,813	\$6,813	\$6,813	\$0
Total Revenues	<u>6,813</u>	<u>6,813</u>	<u>6,813</u>	<u>0</u>
EXPENDITURES:				
Judicial -Municipal Court				
General Government				
Personal Services	5,270	5,270	5,270	0
Total Expenditures	<u>5,270</u>	<u>5,270</u>	<u>5,270</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	1,543	1,543	1,543	0
FUND BALANCE BEGINNING OF YEAR	<u>(1,543)</u>	<u>(1,543)</u>	<u>(1,543)</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL
STREET LIGHTING FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	<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>\$519,916</u>	<u>\$519,916</u>	<u>\$556,750</u>	<u>\$36,834</u>
Total Revenues	<u>519,916</u>	<u>519,916</u>	<u>556,750</u>	<u>36,834</u>
EXPENDITURES:				
Executive-Mayor				
Security of Persons and Property				
Services and Supplies	<u>670,000</u>	<u>670,000</u>	<u>583,900</u>	<u>86,100</u>
Total Expenditures	<u>670,000</u>	<u>670,000</u>	<u>583,900</u>	<u>86,100</u>
NET CHANGE IN FUND BALANCE	(150,084)	(150,084)	(27,150)	122,934
FUND BALANCE BEGINNING OF YEAR	<u>545,666</u>	<u>545,666</u>	<u>545,666</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$395,582</u>	<u>\$395,582</u>	<u>\$518,516</u>	<u>\$122,934</u>

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL
SPECIAL ASSESSMENTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES:				
Special Assessments	<u>\$40,015</u>	<u>\$40,015</u>	<u>\$41,216</u>	<u>\$1,201</u>
Total Revenues	<u>40,015</u>	<u>40,015</u>	<u>41,216</u>	<u>1,201</u>
EXPENDITURES:				
Executive-Mayor				
General Government				
Services and Supplies	10,000	10,000	1,201	8,799
Debt Service				
Principal Retirement	30,000	30,000	30,000	0
Interest	<u>11,700</u>	<u>11,700</u>	<u>11,700</u>	<u>0</u>
Total Expenditures	<u>51,700</u>	<u>51,700</u>	<u>42,901</u>	<u>8,799</u>
Excess of Revenues Over				
(Under) Expenditures	(11,685)	(11,685)	(1,685)	10,000
OTHER FINANCING SOURCES (USES):				
Transfer Out	<u>(100,000)</u>	<u>(100,000)</u>	<u>0</u>	<u>100,000</u>
Total Other Financing Sources (Uses)	<u>(100,000)</u>	<u>(100,000)</u>	<u>0</u>	<u>100,000</u>
NET CHANGE IN FUND BALANCE	(111,685)	(111,685)	(1,685)	110,000
FUND BALANCE BEGINNING OF YEAR	<u>325,114</u>	<u>325,114</u>	<u>325,114</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$213,429</u>	<u>\$213,429</u>	<u>\$323,429</u>	<u>\$110,000</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, 2011

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
REVENUES:				
Miscellaneous	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$11,760</u>	<u>\$1,760</u>
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>11,760</u>	<u>1,760</u>
FUND BALANCE BEGINNING OF YEAR	<u>237,632</u>	<u>237,632</u>	<u>237,632</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$247,632</u>	<u>\$247,632</u>	<u>\$249,392</u>	<u>\$1,760</u>

Combining Statements – Agency Funds

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

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

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

CITY OF WILLOUGHBY, OHIO
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
AS OF DECEMBER 31, 2011

	<u>DEPOSITS & INSPECTIONS</u>	<u>MUNICIPAL COURT</u>	<u>TOTAL 2011</u>
ASSETS			
Equity in City Treasury Cash and Investments	\$3,000,187	\$363,980	\$3,364,167
Accounts Receivable	<u>0</u>	<u>207,510</u>	<u>207,510</u>
Due from Other Funds	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL ASSETS	<u>\$3,000,187</u>	<u>\$571,490</u>	<u>\$3,571,677</u>
LIABILITIES			
Accounts Payable	\$3,000,020	\$61,587	\$3,061,607
Deposits Held and Due to Others	0	172,053	172,053
Due to Other Governments	<u>167</u>	<u>337,850</u>	<u>338,017</u>
TOTAL LIABILITIES	<u>\$3,000,187</u>	<u>\$571,490</u>	<u>\$3,571,677</u>

CITY OF WILLOUGHBY, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	BALANCE			BALANCE
	<u>1/1/2011</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>12/31/2011</u>
DEPOSITS & INSPECTIONS				
ASSETS				
Equity in City Treasury Cash and Investments	\$1,095,654	\$2,760,489	\$855,956	\$3,000,187
TOTAL ASSETS	<u>\$1,095,654</u>	<u>\$2,760,489</u>	<u>\$855,956</u>	<u>\$3,000,187</u>
LIABILITIES				
Accounts Payable	\$1,095,576	\$2,713,793	\$809,349	\$3,000,020
Due to Other Governments	78	46,820	46,731	167
TOTAL LIABILITIES	<u>\$1,095,654</u>	<u>\$2,760,613</u>	<u>\$856,080</u>	<u>\$3,000,187</u>
MUNICIPAL COURT				
ASSETS				
Equity in City Treasury Cash and Investments	\$376,318	\$5,259,410	\$5,271,748	\$363,980
Accounts Receivable	<u>152,434</u>	<u>207,510</u>	<u>152,434</u>	<u>207,510</u>
TOTAL ASSETS	<u>\$528,752</u>	<u>\$5,466,920</u>	<u>\$5,424,182</u>	<u>\$571,490</u>
LIABILITIES				
Accounts Payable	\$68,679	\$1,543,193	\$1,550,285	\$61,587
Deposits Held and Due to Others	190,535	2,560,535	2,579,017	172,053
Due to Other Governments	<u>269,538</u>	<u>1,363,192</u>	<u>1,294,880</u>	<u>337,850</u>
TOTAL LIABILITIES	<u>\$528,752</u>	<u>\$5,466,920</u>	<u>\$5,424,182</u>	<u>\$571,490</u>
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Equity in City Treasury Cash and Investments	\$1,471,972	\$8,019,899	\$6,127,704	\$3,364,167
Accounts Receivable	<u>152,434</u>	<u>207,510</u>	<u>152,434</u>	<u>207,510</u>
TOTAL ASSETS	<u>\$1,624,406</u>	<u>\$8,227,409</u>	<u>\$6,280,138</u>	<u>\$3,571,677</u>
LIABILITIES				
Accounts Payable	\$1,164,255	\$4,256,986	\$2,359,634	\$3,061,607
Deposits Held and Due to Others	190,535	2,560,535	2,579,017	172,053
Due to Other Governments	<u>269,616</u>	<u>1,410,012</u>	<u>1,341,611</u>	<u>338,017</u>
TOTAL LIABILITIES	<u>\$1,624,406</u>	<u>\$8,227,533</u>	<u>\$6,280,262</u>	<u>\$3,571,677</u>



The City of Willoughby, Ohio

STATISTICAL INFORMATION



Statistical Section

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

<u>Contents</u>	<u>Page #</u>
<i>Financial Trends</i>	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	S2-S9
<i>Revenue Capacity</i>	
These schedules contain information to help the reader assess the City's most significant local revenue sources, the municipal income tax and the property tax.	S10-S13
<i>Debt Capacity</i>	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	S14-S18
<i>Demographic and Economic Information</i>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	S19-S20
<i>Operating Information</i>	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the government provides and the activities it performs.	S21-S23

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2002. Schedules presenting government-wide and accrual basis information begin in that year. GASB Statement 54 was implemented in 2010.

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010-Restated	2011
GOVERNMENTAL ACTIVITIES										
Invested in Capital Assets, Net of Related Debt	\$ 34,929,659	\$ 32,356,271	\$ 32,853,624	\$ 36,274,834	\$ 41,288,394	\$ 41,994,662	\$ 41,374,191	\$ 38,089,025	\$ 48,774,106	\$ 47,342,597
Restricted For:										
Capital Projects	8,867,451	10,212,728	8,925,202	4,576,666	3,929,148	3,352,145	3,102,440	6,534,992	3,307,452	3,694,234
Debt Service	3,304,572	3,477,282	3,392,335	3,353,591	3,477,601	3,694,588	3,895,510	4,134,518	4,244,518	4,383,732
Street Construction Maintenance and Repair	529,697	469,487	484,374	441,293	846,662	1,047,185	1,087,511	1,552,301	1,736,308	1,885,412
Security of Persons	846,652	856,306	920,679	1,158,803	1,252,186	1,396,588	1,292,600	1,180,908	1,126,261	1,221,784
Municipal Court	1,112,584	1,257,261	1,526,253	869,500	702,413	613,361	550,538	618,406	669,598	671,589
Other Purposes	82,663	115,465	177,092	225,428	110,126	13,215	54,720	103,524	104,333	84,501
Permanent Fund Purpose	158,408	167,340	177,502	185,650	194,057	204,772	213,032	226,792	237,632	249,392
Unrestricted	8,295,964	8,244,345	7,327,339	8,009,598	7,696,503	8,719,637	10,358,419	7,900,875	6,869,305	7,662,510
Total Governmental Activities Net Assets	\$ 58,127,650	\$ 57,156,485	\$ 55,784,400	\$ 55,095,363	\$ 59,497,090	\$ 61,036,153	\$ 61,928,961	\$ 60,341,341	\$ 67,069,513	\$ 67,195,751
BUSINESS-TYPE ACTIVITIES										
Invested in Capital Assets, Net of Related Debt	34,642,111	35,223,998	35,096,164	34,959,081	35,534,234	35,229,071	33,115,680	32,774,856	32,076,339	32,318,695
Restricted For:										
Equipment Replacement	558,381	510,868	456,940	456,973	418,600	292,038	298,591	378,651	299,521	292,434
Unrestricted (Deficit)	(289,790)	(1,461,194)	(2,322,769)	(2,517,822)	(3,056,030)	(3,357,551)	(2,503,214)	(3,131,664)	(2,921,515)	(3,678,640)
Total Business-type Activities Net Assets	\$ 34,910,702	\$ 34,273,672	\$ 33,230,335	\$ 32,898,232	\$ 32,896,804	\$ 32,163,558	\$ 30,911,057	\$ 30,021,843	\$ 29,454,345	\$ 28,932,489
PRIMARY GOVERNMENT										
Invested in Capital Assets, Net of Related Debt	69,571,770	67,580,269	67,949,788	71,233,915	76,822,628	77,223,733	74,489,871	70,863,881	80,850,445	79,661,292
Restricted For:										
Capital Projects	8,867,451	10,212,728	8,925,202	4,576,666	3,929,148	3,352,145	3,102,440	6,534,992	3,307,452	3,694,234
Debt Service	3,304,572	3,477,282	3,392,335	3,353,591	3,477,601	3,694,588	3,895,510	4,134,518	4,244,518	4,383,732
Equipment Replacement	558,381	510,868	456,940	456,973	418,600	292,038	298,591	378,651	299,521	292,434
Street Construction Maintenance and Repair	529,697	469,487	484,374	441,293	846,662	1,047,185	1,087,511	1,552,301	1,736,308	1,885,412
Security of Persons	846,652	856,306	920,679	1,158,803	1,252,186	1,396,588	1,292,600	1,180,908	1,126,261	1,221,784
Municipal Court	1,112,584	1,257,261	1,526,253	869,500	702,413	613,361	550,538	618,406	669,598	671,589
Other Purposes	82,663	115,465	177,092	225,428	110,126	13,215	54,720	103,524	104,333	84,501
Permanent Fund Purpose	158,408	167,340	177,502	185,650	194,057	204,772	213,032	226,792	237,632	249,392
Unrestricted	8,006,174	6,783,151	5,004,570	5,491,776	4,640,473	5,362,086	7,855,205	4,769,211	3,947,790	3,983,870
Total Primary Government Net Assets	\$ 93,038,552	\$ 91,430,157	\$ 89,014,735	\$ 87,993,595	\$ 92,393,894	\$ 93,199,711	\$ 92,840,018	\$ 90,363,184	\$ 96,523,858	\$ 96,128,240

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

(continued on following page)

	2002	2003	2004	2005	2006	2007	2008	2009	2010-Restated	2011
PROGRAM REVENUES										
Governmental Activities										
Charges for Services:										
General Government	\$ 1,859,780	\$ 1,808,601	\$ 2,073,794	\$ 1,979,498	\$ 2,329,581	\$ 2,273,281	\$ 2,293,642	\$ 2,557,745	\$ 2,543,003	\$ 2,351,564
Security of Persons and Property	767,404	774,148	1,133,232	1,595,353	1,464,031	1,635,610	1,620,997	1,631,748	1,706,581	1,619,538
Public Health and Welfare	67,620	69,642	82,227	60,859	57,752	77,460	62,655	89,300	73,428	82,620
Community Environment	325,590	329,721	731,694	380,138	410,789	350,933	327,925	293,319	280,372	292,869
Leisure Time Activities	436,663	415,191	408,566	463,156	482,654	465,415	492,257	498,453	503,131	537,580
Transportation	980	850	1,416	1,360	720	247	375	647	1,795	1,211
Basic Utility Services	0	0	0	0	0	0	0	0	0	50
Operating Grants, Contributions and Interest	986,298	78,071	56,572	51,133	358,392	118,956	233,398	93,517	112,956	593,812
Capital Grants and Contributions	73,232	541,506	143,860	1,183,817	4,165,287	110,980	287,167	681,633	8,963,623	119,678
Total Governmental Activities Program Revenues	4,517,567	4,017,730	4,631,361	5,715,314	9,269,206	5,032,882	5,318,416	5,846,362	14,184,889	5,598,922
Business-type Activities:										
Charges for Services:										
Golf Course	793,405	727,217	793,299	882,293	778,425	783,322	648,189	706,651	700,250	772,561
Sewer	3,185,803	3,320,402	3,532,603	3,858,155	3,849,829	4,352,307	3,961,100	4,424,581	4,227,428	4,668,672
Airport	153,950	164,347	179,783	180,788	187,222	138,123	175,005	136,384	175,369	176,878
Capital Grants and Contributions	408,749	456,368	102,787	277,783	564,392	247,053	239,440	453,353	966,346	470,256
Total Business-type Activities Program Revenues	4,541,907	4,668,334	4,608,472	5,199,019	5,379,868	5,520,805	5,023,734	5,720,969	6,069,393	6,088,367
Total Primary Government Program Revenues	9,059,474	8,686,064	9,239,833	10,914,333	14,649,074	10,553,687	10,342,150	11,567,331	20,254,282	11,687,289
EXPENSES										
Governmental Activities										
General Government	5,962,383	6,037,557	6,030,958	6,617,751	6,750,982	7,037,479	7,464,343	7,413,446	7,349,232	7,422,339
Security of Persons and Property	11,538,823	12,011,078	11,987,818	12,910,718	12,743,637	13,355,856	14,184,392	14,372,778	14,401,962	14,533,487
Public Health and Welfare	360,111	381,304	370,060	391,957	448,521	474,422	475,828	503,104	503,663	445,762
Community Environment	906,903	817,519	867,212	893,576	984,576	1,028,496	985,934	964,906	945,027	892,978
Leisure Time Activities	2,017,390	2,141,809	2,037,094	2,229,233	2,047,353	2,162,931	2,319,489	2,274,300	2,265,276	2,129,458
Transportation	2,892,787	2,992,462	2,853,179	3,218,135	2,736,148	3,316,323	3,526,993	3,360,716	3,331,613	3,875,203
Basic Utility Services	1,541,443	1,363,511	1,574,874	1,458,202	1,429,110	1,517,825	1,648,956	1,699,706	1,666,146	1,747,166
Interest and Fiscal Charges	700,779	734,157	918,977	938,369	881,977	879,804	842,569	705,001	522,732	491,465
Total Governmental Activities Expenses	25,920,619	26,479,397	26,640,172	28,657,941	28,022,304	29,773,136	31,448,504	31,293,957	30,985,651	31,537,858
Business-type Activities:										
Golf Course	790,733	885,864	900,161	888,853	867,957	923,882	992,417	1,016,247	998,249	997,471
Sewer	4,348,504	4,551,402	4,702,286	4,943,662	4,643,517	4,898,045	5,086,763	5,156,297	5,324,757	5,245,572
Airport	570,955	679,595	693,580	508,526	553,560	540,352	558,209	504,073	469,108	450,071
Total Business-type Activities Expenses	5,710,192	6,116,861	6,296,027	6,341,041	6,065,034	6,362,279	6,637,389	6,676,617	6,792,114	6,693,114
Total Primary Government Expenses	31,630,811	32,596,258	32,936,199	34,998,982	34,087,338	36,135,415	38,085,893	37,970,574	37,777,765	38,230,972
NET (EXPENSE)/REVENUE										
Governmental Activities										
Governmental Activities	(21,403,052)	(22,461,667)	(22,008,811)	(22,942,627)	(18,755,098)	(24,740,254)	(26,130,088)	(25,447,595)	(16,800,762)	(25,938,936)
Business-type Activities:										
Business-type Activities	(1,168,285)	(1,448,527)	(1,687,555)	(1,142,022)	(685,166)	(841,474)	(1,613,655)	(955,648)	(722,721)	(604,747)
Total Primary Government	\$ (22,571,337)	\$ (23,910,194)	\$ (23,696,366)	\$ (24,084,649)	\$ (19,438,264)	\$ (25,581,728)	\$ (27,743,743)	\$ (26,403,243)	\$ (17,523,483)	\$ (26,543,683)

CITY OF WILLOUGHBY, OHIO

**CHANGES IN NET ASSETS
LAST TEN YEARS**

(Accrual Basis of Accounting)

(continued)

	2002	2003	2004	2005	2006	2007	2008	2009	2010-Restated	2011
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS										
Governmental Activities:										
Property Taxes	\$ 3,542,044	\$ 3,406,795	\$ 3,908,020	\$ 3,694,441	\$ 3,780,557	\$ 4,981,602	\$ 4,544,357	\$ 4,504,172	\$ 4,377,809	\$ 4,576,797
Income Taxes	13,287,833	12,775,995	12,335,764	13,613,117	13,948,654	15,570,705	16,591,292	14,318,774	14,209,122	15,419,498
Unrestricted Grants, Entitlements and Contributions	3,072,611	3,827,506	3,979,013	4,270,153	4,508,744	4,797,309	5,342,717	4,659,956	4,795,991	5,936,611
Gain on Sale of Capital Assets	0	35,131	42,204	30,798	0	5,093	91,103	882	23,434	0
Investment Earnings	753,337	385,766	347,035	635,182	869,675	990,190	733,253	433,778	236,115	194,153
Miscellaneous	219,719	11,170	26,945	9,899	47,195	2,418	15,174	4,577	31,463	13,115
Transfers	0	0	(2,255)	0	0	(68,000)	(295,000)	(62,164)	(145,000)	(75,000)
Total Governmental Activities	20,875,544	20,442,363	20,636,726	22,253,590	23,154,825	26,279,317	27,022,896	23,859,975	23,528,934	26,065,174
Business-type Activities:										
Income Taxes	800,000	750,000	625,000	750,000	625,000	200,000	0	0	0	0
Gain on Sale of Capital Assets	0	0	0	0	0	2,039	2,021	100	7,022	0
Investment Earnings	34,317	23,108	14,763	38,817	56,756	53,393	51,342	4,170	1,378	2,537
Miscellaneous	12,014	38,389	2,200	21,102	1,982	973	12,791	0	1,823	5,354
Transfers	0	0	2,255	0	0	68,000	295,000	62,164	145,000	75,000
Total Business-type Activities	846,331	811,497	644,218	809,919	683,738	324,405	361,154	66,434	155,223	82,891
Total Primary Government	21,721,875	21,253,860	21,280,944	23,063,509	23,838,563	26,603,722	27,384,050	23,926,409	23,684,157	26,148,065
CHANGE IN NET ASSETS										
Governmental Activities	(527,508)	(2,019,304)	(1,372,085)	(689,037)	4,401,727	1,539,063	892,808	(1,587,620)	6,728,172	126,238
Business-type Activities	(321,954)	(637,030)	(1,043,337)	(332,103)	(1,428)	(517,069)	(1,252,501)	(889,214)	(567,498)	(521,856)
Total Primary Government	\$ (849,462)	\$ (2,656,334)	\$ (2,415,422)	\$ (1,021,140)	\$ 4,400,299	\$ 1,021,994	\$ (359,693)	\$ (2,476,834)	\$ 6,160,674	\$ (395,618)

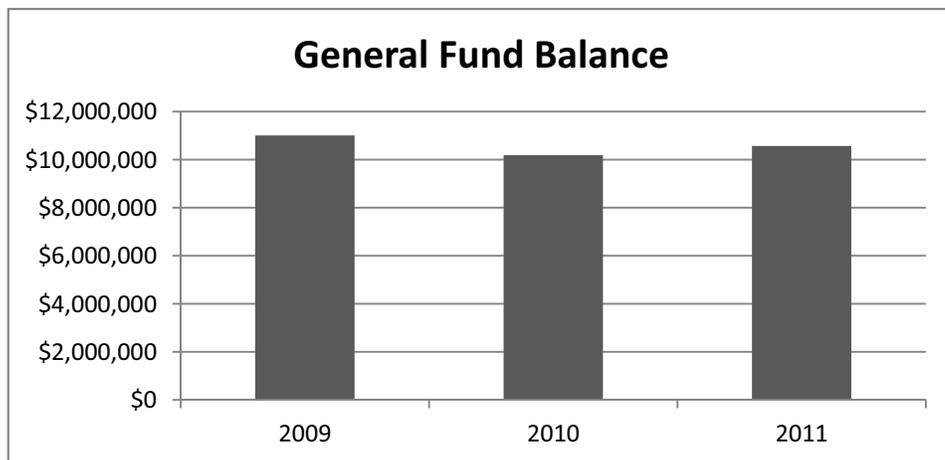
CITY OF WILLOUGHBY, OHIO
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN YEARS
(Accrual Basis of Accounting)

<u>Year</u>	<u>Municipal Income Taxes</u>	<u>Property and Other Local Taxes</u>	<u>Total</u>
2002	\$13,287,833	\$3,542,044	\$16,829,877
2003	\$12,775,995	\$3,406,795	\$16,182,790
2004	\$12,335,764	\$3,908,020	\$16,243,784
2005	\$13,613,117	\$3,694,441	\$17,307,558
2006	\$13,948,654	\$3,780,557	\$17,729,211
2007	\$15,570,705	\$4,981,602	\$20,552,307
2008	\$16,591,292	\$4,544,357	\$21,135,649
2009	\$14,318,774	\$4,504,172	\$18,822,946
2010	\$14,209,122	\$4,377,809	\$18,586,931
2011	\$15,419,498	\$4,576,797	\$19,996,295

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>
GENERAL FUND			
Nonspendable	\$ 1,485,563	\$ 1,483,214	\$ 1,470,320
Assigned	1,613,657	1,675,905	2,018,544
Unassigned	<u>7,917,052</u>	<u>7,034,921</u>	<u>7,081,821</u>
Total General Fund	<u>11,016,272</u>	<u>10,194,040</u>	<u>10,570,685</u>
CAPITAL PROJECTS FUND			
Nonspendable	28,176	28,176	28,176
Restricted	0	11,644	15,079
Committed	2,944,407	324,715	314,038
Unassigned(deficit)	<u>(5,275,636)</u>	<u>(5,947,617)</u>	<u>(5,335,101)</u>
Total Capital Projects Fund	<u>(2,303,053)</u>	<u>(5,583,082)</u>	<u>(4,977,808)</u>
GENERAL BOND RETIREMENT FUND			
Restricted	<u>3,666,858</u>	<u>3,768,169</u>	<u>3,877,475</u>
Total General Bond Retirement Fund	<u>3,666,858</u>	<u>3,768,169</u>	<u>3,877,475</u>
ALL OTHER GOVERNMENT FUNDS			
Nonspendable	334,578	340,440	361,719
Restricted	<u>3,048,951</u>	<u>3,223,620</u>	<u>3,273,396</u>
Total All Other Governmental Funds	<u>3,383,529</u>	<u>3,564,060</u>	<u>3,635,115</u>
Total Governmental Funds	<u>\$ 15,763,606</u>	<u>\$ 11,943,187</u>	<u>\$ 13,105,467</u>

Note: During 2010 the City implemented GASB 54.



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

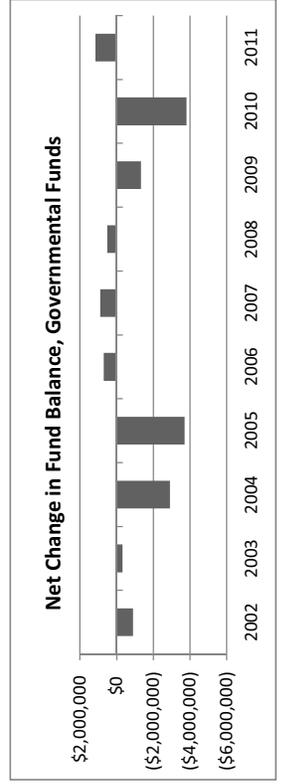
	2002	2003	2004	2005	2006	2007	2008
GENERAL FUND							
Reserved for Encumbrances	\$ 626,927	\$ 623,957	\$ 737,236	\$ 771,531	\$ 823,806	\$ 882,759	\$ 470,007
Reserved for Inventory	78,332	69,932	80,453	94,976	92,895	87,616	101,902
Reserved for Prepaid Items	494	444	4,975	2,176	756	3,583	2,589
Reserved for Long-Term Loan - Airport	1,326,019	1,326,019	1,326,019	1,326,019	1,326,019	1,326,019	1,325,214
Unreserved	8,569,892	7,538,817	5,789,582	7,240,733	7,671,830	8,683,355	9,781,785
Total General Fund	<u>10,601,664</u>	<u>9,559,169</u>	<u>7,958,265</u>	<u>9,435,435</u>	<u>9,915,306</u>	<u>10,983,332</u>	<u>11,681,497</u>
CAPITAL PROJECTS FUND							
Reserved for Encumbrances	3,834,942	869,192	4,080,565	1,238,442	1,074,476	801,982	1,164,191
Reserved for Long-Term Loan - Airport	23,176	23,176	23,176	23,176	23,176	23,176	23,176
Unreserved	1,796,861	4,947,920	178,595	(1,624,815)	(2,213,186)	(2,454,931)	(3,240,599)
Total Capital Projects Fund	<u>5,654,979</u>	<u>5,840,288</u>	<u>4,282,336</u>	<u>(363,197)</u>	<u>(1,115,534)</u>	<u>(1,629,773)</u>	<u>(2,053,232)</u>
GENERAL BOND RETIREMENT FUND							
Reserved for Encumbrances	10,342	10,342	10,135	9,786	9,579	9,466	9,466
Reserved for Debt Service	312,866	424,206	264,877	113,013	250,707	361,950	401,984
Reserved for Long-Term Loan - Airport	2,060,800	2,213,922	2,367,617	2,521,572	2,675,465	2,828,962	2,986,722
Total General Bond Retirement Fund	<u>2,384,008</u>	<u>2,648,470</u>	<u>2,642,629</u>	<u>2,644,371</u>	<u>2,935,751</u>	<u>3,200,378</u>	<u>3,398,172</u>
ALL OTHER GOVERNMENT FUNDS							
Reserved for Encumbrances	187,584	151,531	165,289	346,559	269,305	420,940	232,134
Reserved for Inventory	90,441	72,295	91,556	89,761	96,601	53,969	99,698
Reserved for Debt Service	501,299	494,498	501,839	407,111	309,313	314,284	318,555
Reserved for Non-Current Investments	155,414	97,416	0	0	0	0	0
Unreserved, Reported in Non-major:							
Special Revenue Funds	2,223,921	2,529,278	2,782,400	2,149,819	3,009,947	2,923,745	3,162,378
Permanent Funds	2,994	69,924	177,502	185,650	194,057	204,772	213,032
Total All Other Governmental Funds	<u>3,161,653</u>	<u>3,414,942</u>	<u>3,718,586</u>	<u>3,178,900</u>	<u>3,879,223</u>	<u>3,917,710</u>	<u>4,025,797</u>
Total Governmental Funds	<u>\$ 21,802,304</u>	<u>\$ 21,462,869</u>	<u>\$ 18,581,816</u>	<u>\$ 14,895,509</u>	<u>\$ 15,614,746</u>	<u>\$ 16,471,647</u>	<u>\$ 17,052,234</u>

Note: During 2010 the City implemented GASB 54.



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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
REVENUES:										
Municipal Income Taxes	\$ 12,992,665	\$ 12,668,369	\$ 12,397,156	\$ 13,785,433	\$ 14,492,846	\$ 15,409,976	\$ 15,483,415	\$ 14,434,185	\$ 14,635,589	\$ 15,125,338
Property and Other Local Taxes	3,502,486	3,413,528	3,731,758	3,765,454	3,758,121	5,006,504	4,514,963	4,900,013	4,353,307	4,449,742
Intergovernmental	4,125,294	3,990,786	3,746,018	4,628,339	4,970,308	4,909,115	5,816,651	5,609,863	5,205,655	6,402,454
Charges for Services	546,521	653,144	1,247,253	1,494,868	1,501,349	1,419,620	1,453,966	1,663,000	1,594,327	1,665,892
Special Assessments	940,926	823,953	749,889	804,264	795,111	626,565	653,084	655,811	656,448	644,076
Fines and Forfeitures	1,960,853	1,919,942	2,206,786	2,093,376	2,413,687	2,479,794	2,392,415	2,610,283	2,601,731	2,398,512
Licenses & Permits	267,526	295,391	256,505	295,003	290,084	265,348	259,563	242,715	230,587	235,241
Interest Income	751,380	383,453	342,562	613,964	868,133	990,190	733,253	433,778	236,115	194,153
Miscellaneous	356,275	122,524	31,540	41,099	53,097	8,304	15,174	4,577	31,463	259,277
Total Revenues	25,443,926	24,271,090	24,709,467	27,521,800	29,142,736	31,115,416	31,322,484	30,144,225	29,545,222	31,374,685
EXPENDITURES:										
General Government	5,638,762	5,732,459	5,797,111	6,266,850	6,553,602	6,673,545	7,120,266	7,036,369	7,122,688	7,088,810
Security of Persons and Property	10,553,571	10,901,632	11,364,567	11,823,182	11,914,013	12,543,192	13,075,937	13,402,548	13,529,358	13,810,804
Public Health and Welfare	343,020	358,299	360,094	365,795	401,034	452,928	470,008	470,782	484,620	478,626
Community Environment	842,798	789,561	842,565	864,530	960,689	1,004,475	963,604	969,309	924,697	904,169
Leisure Time Activities	1,596,663	1,702,114	1,630,472	1,753,660	1,686,071	1,782,007	1,932,142	1,877,192	1,900,596	1,766,657
Transportation	1,633,448	1,706,108	1,521,732	1,671,763	1,377,708	1,651,544	1,897,053	1,768,755	1,739,192	1,478,892
Basic Utility Services	1,198,484	1,019,488	1,225,040	1,044,993	1,079,277	1,097,610	1,229,993	1,278,807	1,249,364	1,283,005
Capital Outlay	2,877,147	7,317,537	3,357,513	5,468,114	3,214,120	3,195,284	2,284,020	3,035,356	4,838,874	1,902,397
Debt Service:										
Principal	965,723	892,786	792,787	1,052,787	1,082,786	867,787	822,786	842,787	867,169	928,404
Interest	700,328	712,433	921,710	939,959	883,072	879,325	819,742	734,873	625,591	494,331
Bond Issuance Costs	0	0	0	0	0	0	0	0	111,425	0
Total Expenditures	26,349,944	31,132,417	27,813,591	31,251,633	29,152,372	30,147,697	30,615,551	31,416,778	33,393,574	30,136,095
Excess of Revenues Over (Under) Expenditures	(906,018)	(6,861,327)	(3,104,124)	(3,729,833)	(9,636)	967,719	706,933	(1,272,552)	(3,848,352)	1,238,590
OTHER FINANCING SOURCES (USES)										
Transfers In	2,332,691	2,408,457	2,282,225	3,187,377	3,052,750	2,229,479	2,643,521	3,021,404	2,309,060	3,525,000
Transfers Out	(2,332,691)	(2,408,457)	(2,284,480)	(3,187,377)	(2,352,608)	(2,297,479)	(2,938,521)	(3,083,568)	(2,454,060)	(3,600,000)
General Obligation Refunding Bonds Issued	0	6,350,000	0	0	0	0	0	0	5,235,000	0
General Obligation Refunding Bonds Premium	0	0	0	0	0	0	0	0	41,600	0
Payment to Refunded Bond Escrow Agent	0	0	0	0	0	0	0	0	(5,135,556)	0
Sale of Capital Assets	16,949	198,438	195,544	30,798	23,972	5,093	108,639	16,570	41,000	390
Total Other Financing Sources (Uses)	16,949	6,548,438	193,289	30,798	724,114	(62,907)	(186,361)	(45,594)	37,044	(74,610)
Net Change in Fund Balances	\$ (889,069)	\$ (312,889)	\$ (2,910,835)	\$ (3,699,035)	\$ 714,478	\$ 904,812	\$ 520,572	\$ (1,318,147)	\$ (3,811,308)	\$ 1,163,980
Debt Service as a Percentage of Noncapital Expenditures	7.10%	6.74%	7.01%	7.73%	7.58%	6.48%	5.80%	5.56%	5.23%	5.04%



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

Year	Municipal Income Taxes	Property & Other Local Taxes	Total
2002	\$12,992,665	\$3,502,486	\$16,495,151
2003	\$12,668,369	\$3,413,528	\$16,081,897
2004	\$12,397,156	\$3,731,758	\$16,128,914
2005	\$13,785,433	\$3,765,454	\$17,550,887
2006	\$14,492,846	\$3,758,121	\$18,250,967
2007	\$15,409,976	\$5,006,504	\$20,416,480
2008	\$15,483,415	\$4,514,963	\$19,998,378
2009	\$14,434,185	\$4,490,013	\$18,924,198
2010	\$14,635,589	\$4,353,307	\$18,988,896
2011	\$15,125,338	\$4,449,742	\$19,575,080

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

Tax Year	Total Tax Collected	Tax from Withholding	Tax from Net Profit	Tax from Individuals	Tax -Other	Tax Rate
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	\$15,756,553	\$11,751,548	\$2,342,508	\$1,476,486	\$186,011	2.00%
2009	\$14,776,593	\$11,511,699	\$1,807,130	\$1,312,980	\$144,784	2.00%
2010	\$14,319,919	\$11,285,595	\$1,522,976	\$1,331,516	\$179,832	2.00%
2011	\$15,002,181	\$11,546,649	\$1,920,198	\$1,330,095	\$205,239	2.00%

Source: 2008-2011 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

2011		2002	
Rank	Name	Rank	Name
1	Lake Health (Lake West)	1	Lake Hospital System
2	Willoughby-Eastlake City Schools	2	General Electric
3	City of Willoughby	3	Willoughby-Eastlake City Schools
4	Ohio Presbyterian - Breckenridge	4	City of Willoughby
5	Horizon Mental Health Management	5	Nupro Company
6	Marous Brothers Construction	6	Laurelwood Hospital
7	Momentive Performance/GE Lighting	7	Metal Seal & Products Inc
8	Fluid Line Products Inc	8	C T Consultants
9	Bescast Inc	9	Ohio Presbyterian Ret Srv
10	Slabe Machine Products Co	10	Bescast Inc

Classification	2011	2002
Government	\$889,559	\$721,246
Commercial, Mfg. & Other	\$4,727,572	\$4,395,930
	\$5,617,131	\$5,117,176

Source: 2011 Regional Income Tax Agency, Central Collection Agency prior to 2008

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

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

Tax Year/ Collection Year	Assessed Value							Total Taxable Assessed Value	Total Direct Tax Rate	Total Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Real Property	Other Real Estate & Public Utility Property	Tangible Personal Property	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Total Estimated Actual Taxable Value				
2001/2002	\$349,405,640	\$181,886,770	\$100,628,958	\$70,953,600	\$560,967,768	6.91	\$1,523,217,763	36.83%			
2002/2003	\$363,187,500	\$185,031,020	\$108,073,950	\$80,851,260	\$575,441,210	6.89	\$1,563,122,369	36.81%			
2003/2004	\$416,371,940	\$204,180,670	\$85,187,771	\$71,339,550	\$634,400,831	6.79	\$1,879,188,798	33.76%			
2004/2005	\$421,052,440	\$214,045,810	\$89,138,482	\$70,535,520	\$653,701,212	6.68	\$1,939,600,267	33.70%			
2005/2006	\$427,059,970	\$216,085,720	\$68,290,311	\$70,535,520	\$640,900,481	6.58	\$1,880,847,500	34.08%			
2006/2007	\$472,614,400	\$231,761,770	\$47,091,463	\$68,324,350	\$683,143,283	8.56	\$2,042,618,094	33.44%			
2007/2008	\$480,905,550	\$228,888,060	\$31,602,915	\$65,059,180	\$676,337,345	8.54	\$2,041,574,056	33.13%			
2008/2009	\$491,962,870	\$233,402,350	\$1,307,867	\$64,153,050	\$662,520,037	8.54	\$1,854,875,103	35.72%			
2009/2010	\$434,590,450	\$236,954,880	\$653,933	\$44,340,540	\$627,858,723	8.58	\$1,745,553,694	35.97%			
2010/2011	\$439,810,910	\$258,856,460	\$0	\$45,615,920	\$653,051,450	8.55	\$1,800,437,623	36.27%			

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

The current assessed valuation is computed at approximately the following percentages of estimated true value: real property - 35%, public utilities - 100%, and tangible personal property -0%

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

Tax Year/ Collection Year	City of Willoughby Direct Rates						Overlapping Rates			Total Direct & Overlapping Rates
	General Fund	Debt Service Fund	Police Pension Fund	Fire Pension Fund	Recreation Fund	Road & Bridge Fund	Total City Millage	Lake County	Willoughby/ Eastlake, Kirtland School Districts	
2001/2002	3.16	2.65	0.30	0.30	0.50		6.91	15.70	47.07 (1)	69.68
2002/2003	3.16	2.63	0.30	0.30	0.50		6.89	15.70	46.89 (1)	69.48
2003/2004	3.50	2.19	0.30	0.30	0.50		6.79	15.70	48.69 (1)	71.18
2004/2005	3.50	2.08	0.30	0.30	0.50		6.68	15.70	51.07 (1)	73.45
2005/2006	3.05	2.43	0.30	0.30	0.50		6.58	15.70	50.70 (1)	72.98
2006/2007	3.48	1.98	0.30	0.30	0.50	2.00	8.56	15.70	49.82 (1)	74.08
2007/2008	3.49	1.95	0.30	0.30	0.50	2.00	8.54	15.80	49.94 (1)	74.28
2008/2009	3.49	1.95	0.30	0.30	0.50	2.00	8.54	15.80	50.05 (1)	74.39
2009/2010	3.79	1.69	0.30	0.30	0.50	2.00	8.58	15.80	55.11 (1)	79.49
2010/2011	3.80	1.65	0.30	0.30	0.50	2.00	8.55	15.80	54.85 (1)	79.20

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

Source: Lake County Auditor's Office

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

Tax Year/ Collection Year	Net Tax Levy	Current Collections	Percentage of Current Collection to Net Levy	Delinquent Collections	Total Collections	Percentage of Total Collections to Net Levy
2001/2002	\$2,042,246	\$1,940,284	95.0%	\$61,636	\$2,103,882	100.0%
2002/2003	\$2,004,503	\$1,941,218	96.8%	\$44,057	\$1,985,275	99.0%
2003/2004	\$2,240,564	\$2,184,322	97.5%	\$50,360	\$2,234,682	99.7%
2004/2005	\$2,255,994	\$2,184,310	96.8%	\$58,281	\$2,242,591	99.4%
2005/2006	\$2,339,615	\$2,270,168	97.0%	\$63,732	\$2,333,900	99.8%
2006/2007	\$3,572,756	\$3,491,172	97.7%	\$82,552	\$3,573,724	100.0%
2007/2008	\$3,577,702	\$3,410,633	95.3%	\$79,475	\$3,490,108	97.6%
2008/2009	\$3,620,455	\$3,506,106	96.8%	\$143,322	\$3,649,428	100.0%
2009/2010	\$3,551,848	\$3,428,928	96.5%	\$102,650	\$3,531,578	99.4%
2010-2011	\$3,697,109	\$3,476,472	94.0%	\$98,730	\$3,575,202	96.7%

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 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	Total Primary Government			
2002	\$10,399,976	\$970,547	\$23,778	\$4,220,000	\$4,754,476	\$6,129,760	\$0	\$26,498,537	\$535,054,513	4.95%	1,171
2003	\$16,107,107	\$721,863	\$22,544	\$4,525,000	\$4,486,029	\$6,967,723	\$0	\$32,830,266	\$535,054,513	6.14%	1,451
2004	\$15,457,842	\$579,575	\$21,310	\$4,650,000	\$4,187,581	\$5,997,457	\$0	\$30,893,765	\$535,054,513	5.77%	1,366
2005	\$14,548,577	\$437,287	\$20,076	\$4,950,000	\$4,241,386	\$5,196,758	\$0	\$29,394,084	\$535,054,513	5.49%	1,299
2006	\$13,609,312	\$295,000	\$18,842	\$5,060,000	\$3,851,926	\$4,330,082	\$0	\$27,165,162	\$535,054,513	5.08%	1,201
2007	\$12,762,760	\$275,000	\$17,607	\$5,000,000	\$3,450,662	\$4,724,594	\$1,350,000	\$27,580,623	\$535,054,513	5.15%	1,219
2008	\$11,966,207	\$250,000	\$16,374	\$5,200,000	\$3,031,117	\$6,247,768	\$1,610,000	\$28,321,466	\$535,054,513	5.29%	1,252
2009	\$11,149,654	\$225,000	\$15,140	\$8,856,000	\$2,599,534	\$6,215,292	\$3,294,000	\$32,354,620	\$535,054,513	6.05%	1,430
2010	\$10,308,102	\$200,000	\$14,523	\$8,916,183	\$2,356,898	\$6,502,612	\$3,383,817	\$31,682,135	\$673,584,732	4.70%	\$1,423
2011	\$9,411,550	\$170,000	\$12,673	\$8,693,000	\$2,148,450	\$6,702,774	\$3,437,000	\$30,575,447	\$673,584,732	4.54%	\$1,373

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements
(1) See the schedule of Demographic and Economic Statistics on page S19 for personal income and population data.

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

<u>Year</u>	<u>General Obligation Bonds(1)</u>	<u>Less: Amount of Assets Restricted for Repayment of Debt</u>	<u>Total</u>	<u>Percent of Estimated Actual Taxable Value of Property (2)</u>	<u>Per Capita (3)</u>
2002	\$11,319,976	\$2,479,863	\$8,840,113	0.58%	\$391
2003	\$16,912,107	\$2,712,988	\$14,199,119	0.91%	\$628
2004	\$16,142,842	\$2,680,425	\$13,462,417	0.72%	\$595
2005	\$15,108,577	\$2,778,002	\$12,330,575	0.64%	\$545
2006	\$14,039,312	\$3,034,403	\$11,004,909	0.59%	\$486
2007	\$13,057,760	\$3,273,982	\$9,783,778	0.48%	\$433
2008	\$12,116,206	\$3,484,231	\$8,631,975	0.42%	\$382
2009	\$11,149,654	\$3,738,873	\$7,410,781	0.40%	\$328
2010	\$10,308,102	\$3,860,372	\$6,447,730	0.37%	\$285
2011	\$9,411,550	\$4,008,473	\$5,403,077	0.30%	\$243

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

- (1) All bonded debt of the City of Willoughby is backed by the full faith and credit of the city. However, those issues that have been in the past and are currently supported by business-type activities or issued by outside agencies are not included in G O Bonds.
- (2) See the schedule of Assessed Value and Estimated Actual Value of Taxable Property on page S11 for property value data.
- (3) Population data can be found in the schedule of Demographic and Economic Statistics on page S19.

CITY OF WILLOUGHBY, OHIO
DIRECT AND OVERLAPPING DEBT
DECEMBER 31, 2011
(UNAUDITED)

	<u>Assessed Valuation (1)</u>	<u>Net General Tax Supported Debt (1)</u>	<u>Percent Overlapping (3)</u>	<u>Amount Applicable to City of Willoughby</u>
Direct:				
City of Willoughby	\$ 653,051,450	<u>\$ 9,411,550</u>		<u>\$ 9,411,550</u>
Overlapping:				
Willoughby-Eastlake City Schools	\$ 1,753,671,350	\$ 0		\$ 0
Kirtland Local School District	\$ 335,869,580	\$ 14,574,992	4.02%	\$ 585,915
Auburn Joint Vocational S.D.(2)	\$ 4,652,356,900	2,800,000	0.29%	\$ 8,120
Lake County	\$ 6,413,227,720	<u>\$ 14,930,000</u>	10.18%	<u>\$ 1,519,874</u>
Total Overlapping		<u>\$ 32,304,992</u>		<u>\$ 2,113,909</u>
Total Direct and Overlapping Debt		<u>\$ 41,716,542</u>		<u>\$ 11,525,459</u>

Sources: (1) Lake County Auditor's Office.
(2) From County Auditor includes Lake and Geauga County
(3) Percentages are determined by dividing each overlapping government located within the boundaries of the City by the total assessed valuation of the government. The valuations were for the 2011 collection year.

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Overall Debt Limitation - 10.5% of Assessed Valuation	\$ 58,901,616	\$ 60,421,327	\$ 66,612,087	\$ 68,638,627	\$ 67,294,551	\$ 71,730,045	\$ 71,015,421	\$ 69,564,604	\$ 65,925,166	\$ 68,570,402
Gross Indebtedness	26,498,537	32,830,266	30,893,765	29,394,084	27,165,163	27,580,623	28,321,465	32,354,620	\$ 31,682,135	\$ 30,575,447
Less:										
OWDA	(5,777,083)	(6,485,430)	(5,607,043)	(4,830,653)	(3,988,288)	(4,303,686)	(5,839,487)	(5,837,076)	(6,096,887)	(6,261,465)
OPWC	(376,455)	(504,837)	(411,724)	(386,181)	(360,637)	(438,515)	(424,655)	(393,356)	(420,248)	(453,982)
Special Assessment Bond & Notes	(5,190,547)	(5,246,863)	(5,229,575)	(5,387,287)	(5,355,000)	(6,625,000)	(7,060,000)	(12,375,000)	(12,500,000)	(12,300,000)
Sewer Debt	(684,476)	(616,029)	(547,581)	(841,386)	(696,926)	(550,662)	(401,117)	(249,534)	(136,898)	(68,450)
Golf Debt	(3,150,000)	(3,065,000)	(2,955,000)	(2,840,000)	(2,725,000)	(2,605,000)	(2,480,000)	(2,350,000)	(2,220,000)	(2,080,000)
	<u>(15,178,561)</u>	<u>(15,918,159)</u>	<u>(14,750,923)</u>	<u>(14,285,507)</u>	<u>(13,125,851)</u>	<u>(14,522,863)</u>	<u>(16,205,259)</u>	<u>(21,204,966)</u>	<u>(21,374,033)</u>	<u>(21,163,897)</u>
Net Debt Within 10.5% Limitations	11,319,976	16,912,107	16,142,842	15,108,577	14,039,312	13,057,760	12,116,206	11,149,654	10,308,102	9,411,550
Legal Debt Margin Within 10.5% Limitation*	\$ 47,581,640	\$ 43,509,220	\$ 50,469,245	\$ 53,530,050	\$ 53,255,239	\$ 58,672,285	\$ 58,899,215	\$ 58,414,950	\$ 55,617,064	\$ 59,158,852
Total Net Debt Applicable to the 10.5% Limit as a Percentage of the Debt Limit	19.22%	27.99%	24.23%	22.01%	20.86%	18.20%	17.06%	16.03%	15.64%	13.73%
Unvoted Debt Limitation - 5.5% of Assessed Valuation	\$ 30,853,227	\$ 31,649,267	\$ 34,892,046	\$ 35,953,567	\$ 35,249,526	\$ 37,572,881	\$ 37,198,554	\$ 36,438,602	\$ 34,532,250	\$ 35,917,830
Net Debt Within 10.5% Limitations	11,319,976	16,912,107	16,142,842	15,108,577	14,039,312	13,057,760	12,116,206	11,149,654	10,308,102	9,411,550
Less Debt Outside Limitations (Voted)	<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>(4,560,000)</u>	<u>(4,160,000)</u>	<u>(3,930,000)</u>
Debt Within 5.5% Limitations	5,379,976	11,197,107	10,662,842	9,868,577	9,044,312	8,317,760	7,561,206	6,789,654	6,148,102	5,481,550
Legal Debt Margin Within 5.5% Limitation*	\$ 25,473,251	\$ 20,452,160	\$ 24,229,204	\$ 26,084,990	\$ 26,205,214	\$ 29,255,121	\$ 29,637,348	\$ 29,648,948	\$ 28,384,128	\$ 30,436,280
Total Debt Applicable to the 5.5% Limit as a Percentage of the Debt Limit	17.44%	35.38%	30.56%	27.45%	25.66%	22.14%	20.33%	18.63%	17.80%	15.26%
LEGAL DEBT MARGIN CALCULATION FOR 2011										
Assessed Valuation						\$ 653,051,450				
Overall Debt Limitation - (10.5% of Assessed Valuation)						\$ 68,570,402				
Gross Indebtedness						30,575,447				
Less :						(6,715,447)				
OWDA/OPWC						(12,300,000)				
Special Assessment Bonds & Note						(68,450)				
Sewer Debt						(2,080,000)				
Recreation- Golf Debt						9,411,550				
Net Debt Within 10.5% Limitations-General Obligation Bonds						\$ 59,158,852				
Legal Debt Margin Within 10.5% Limitation						\$ 35,917,830				
Unvoted Debt Limitation - (5.5% of Assessed Valuation)						9,411,550				
Gross Indebtedness Authorized by Council						(3,930,000)				
Less Debt Outside Limitations- Voted						5,481,550				
Debt Within 5.5% Limitations						\$ 30,436,280				
Legal Debt Margin Within 5.5% Limitation										

* Calculated without regard to balance in Debt Service funds.

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

SPECIAL ASSESSMENT BONDS

<u>YEAR</u>	<u>SPECIAL ASSESSMENT COLLECTIONS</u>	<u>DEBT SERVICE</u>		<u>COVERAGE</u>
		<u>PRINCIPAL</u>	<u>INTEREST</u>	
2002	\$426,697	\$337,403	\$99,901	0.98
2003	\$320,762	\$248,683	\$68,530	1.01
2004	\$204,149	\$142,288	\$48,261	1.07
2005	\$191,240	\$142,288	\$37,946	1.06
2006	\$177,310	\$142,288	\$27,612	1.04
2007	\$43,612	\$20,000	\$17,257	1.17
2008	\$47,068	\$25,000	\$16,088	1.15
2009	\$42,793	\$25,000	\$14,625	1.08
2010	\$44,159	\$25,000	\$13,163	1.16
2011	\$41,216	\$30,000	\$11,700	0.99

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

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

Year	Total Population (1)	Total Personal Income (2)	Per Capita Personal Income (1)	Median Household Income (1)	Median Age (1)	Education Attainment:			Unemployment Rate (3)	Population in Group Quarters (1)	Total Dwelling Units (1)	Occupied Dwelling Units (1)	Persons Per/Owner Households	Owner Occupied Housing Units (%)	Occupied County Population (1)
						Bachelor's Degree or Higher (1)	School Enrollment (4)								
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	5.7%	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	6.8%	351	10,700	10,265	2.40	59.8	227,511	
2009	22,621	\$535,054,513	\$23,653	\$43,387	39.1	23.8%	3,968	8.8%	351	10,700	10,265	2.40	59.8	227,511	
2010	22,268	\$673,584,732	\$30,249	\$50,611	43.6	28.3%	3,686	8.2%	200	11,387	10,413	2.30	61.1	230,041	
2011	22,268	\$673,584,732	\$30,249	\$50,611	43.6	28.3%	3,686	6.6%	200	11,387	10,413	2.30	61.1	230,041	

(1) Source: U.S. Bureau of the Census 2000, 2010

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

(3) Source: Ohio Bureau of Employment Statistics for 2006 and prior, 2007 to 2011 U.S Bureau of Labor Statistics

(4) Source: Willoughby-Eastlake Board of Administration

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

Employer	2011			2002		
	Employees(1)	Rank	Percentage of Total City Employment(2)	Employees(3)	Rank	Percentage of Total City Employment
Lake Health (Lake West)	1000	1	6.96%	666	1	NA
Willoughby-Eastlake City Schools	602	2	4.19%	890	2	NA
Ohio Presbyterian -Breckenridge	400	3	2.78%	415	3	NA
Marous Bros. Construction	300	4	2.09%	230	8	NA
City of Willoughby	254	5	1.77%	250	6	NA
Windsor-Laurelwood Hospital	225	6	1.57%	335	4	NA
Beverly Enterprises	200	7	1.39%			
Bescast	180	8	1.25%	200	10	NA
Metal Seal & Products	175	9	1.22%	250	6	NA
Target Corp	170	10	1.18%	200	10	NA
Momentive Performance/G E Lighting				300	5	NA
CT Consultants, Inc.				212	9	NA
Deepwood Sheltered Industries				200	10	NA
Total	<u>3506</u>			<u>4148</u>		
Citywide (2)			<u>14370</u>			

Source:

- (1) Based on City records, Harris InfoSource-Ohio All Business Selectory
- (2) City -Community Development department estimate
- (3) Based on City records, Crain's Cleveland Business

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>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<u>Governmental</u>										
General Government										
Council	8	8	8	8	8	8	8	8	8	7
Mayor	2	2	2	2	2	2	2	2	2	1
Law	3	3	3	3	3	3	3	3	3	2
Personnel	1	1	1	1	1	1	1	1	1	1
Court	26	25	26	26	26	27	26	27	26	24
Building & Grounds	8	8	8	8	7	7	7	7	7	7
Finance	9	9	9	9	9	9	9	9	9	9
Service	6	6	6	6	6	5	5	5	4	4
Vehicle Maintenance	5	5	5	5	5	5	5	5	4	3
Security of Persons and Property										
Police	60	60	60	60	59	59	59	59	59	58
Fire	44	44	42	41	40	41	41	41	41	41
Public Health and Welfare										
Cemetery	3	3	2	2	3	3	3	3	3	2
Community Environment										
Building	8	8	8	8	8	8	8	8	8	7
Community Development	2	2	2	2	2	2	2	2	2	2
Leisure Time Activities										
Parks	5	5	5	5	5	5	5	5	5	4
Recreation	7	7	7	7	7	7	7	7	7	7
Transportation										
Street	15	15	13	12	12	12	12	11	9	8
Traffic	3	3	2	2	2	2	2	2	2	2
Total Governmental	<u>215</u>	<u>214</u>	<u>209</u>	<u>207</u>	<u>205</u>	<u>206</u>	<u>205</u>	<u>205</u>	<u>200</u>	<u>189</u>
<u>Business-Type</u>										
Sewer										
Sewer	7	7	7	7	7	7	7	7	7	7
WPCC	23	23	23	22	21	22	22	21	22	19
Airport	1	1	1	1	1	1	1	1	1	1
Golf Course	4	4	3	3	3	3	3	3	3	3
Total Business-Type	<u>35</u>	<u>35</u>	<u>34</u>	<u>33</u>	<u>32</u>	<u>33</u>	<u>33</u>	<u>32</u>	<u>33</u>	<u>30</u>
Totals	<u>250</u>	<u>249</u>	<u>243</u>	<u>240</u>	<u>237</u>	<u>239</u>	<u>238</u>	<u>237</u>	<u>233</u>	<u>219</u>

Source: City of Willoughby Finance Dept.

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

OPERATING INDICATORS BY FUNCTION/PROGRAM	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental										
General Government										
Council - Ordinances & Resolutions	221	169	159	190	177	155	165	152	164	157
Personnel - Civil Service Exams (taken)	178	71	139	156	137	30	34	126	288	46
Court - Number of cases	20,096	20,059	21,089	18,984	18,735	17,811	18,653	17,516	16,610	15,892
Finance										
Number of A/P checks processed	8,308	8,301	7,739	7,244	7,076	7,047	6,785	6,780	6,478	5,973
Number of purchase orders issued	1,046	1,058	856	837	945	963	980	963	903	899
Security of Persons and Property										
Police										
Total Arrests & other Citations	7,391	6,296	6,632	5,886	5,548	5,436	5,347	4,901	5,187	4,564
Parking Citations	1,745	1,543	1,696	1,552	1,554	1,567	1,637	2,068	2,686	2,590
Fire										
Total Number of Calls	4,213	4,467	4,375	4,526	4,543	4,555	4,643	4,522	4,744	4,915
Public Health and Welfare										
Cemetery (plots sold)	68	72	90	60	55	84	52	84	70	53
Community Environment										
Building										
Building Permits Issued	1,065	1,100	1,010	978	993	897	836	715	844	801
Inspections - Residential	4,218	4,696	3,490	3,438	5,150	4,340	3,417	2,888	3,569	2,807
- Industrial	1,652	1,572	994	1,260	1,113	606	853	669	785	591
Leisure Time Activities										
Parks - Bus Rides	4,048	5,236	5,378	5,616	8,746	7,343	8,780	8,736	8,624	discontinued
- Program Participants	432	368	488	312	307	301	361	356	374	373
Pools - Bus Rides	1,165	1,448	discontinued							
- Attendance	74,414	60,705	53,860	71,466	66,868	68,544	70,656	63,634	69,323	65,126
Senior Center - Membership	1,426	1,219	1,133	1,095	1,316	1,346	1,200	1,253	1,271	1,289
- Attendance	22,786	23,316	22,481	24,948	26,329	27,503	27,523	29,581	29,698	34,260
Business-Type										
Sewer										
Sewer - Point of Sale Inspections	325	295	330	319	324	268	237	192	195	240
WPCC										
Flow Data MG (millions of gallons)	2,446	2,833	2,558	2,624	2,705	2,365	2,628	2,370	2,155	3,098
Golf Course										
Rounds of golf	44,610	41,856	41,842	44,930	39,623	38,698	33,853	35,536	33,514	33,525

Source: Various Willoughby Departments

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

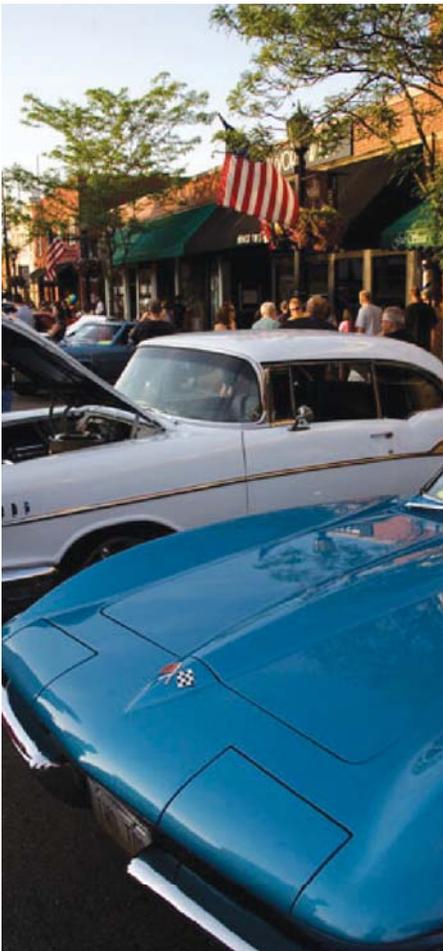
FUNCTION/PROGRAM	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental Capital Assets										
General Government										
Other Departmental Vehicles	43	40	40	40	42	43	43	43	45	44
City Hall Square Footage	25,884	25,884	25,884	25,884	25,884	25,884	25,884	25,884	25,884	25,884
Municipal Court Square Footage				30,950	30,950	30,950	30,950	30,950	30,950	30,950
Security of Persons and Property										
Police										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Number of Vehicles	29	31	31	32	32	32	33	34	32	32
Square Footage of Building	28,924	28,924	28,924	28,924	28,924	28,924	28,924	28,924	28,924	28,924
Fire										
Number of Stations	2	2	2	2	2	2	2	2	2	2
Number of Vehicles	15	15	16	16	17	18	18	18	18	18
Square Footage of Buildings	37,878	37,878	37,878	37,878	37,878	37,878	37,878	37,878	37,878	37,878
Public Health and Welfare										
Cemetery										
Number of Cemeteries	2	2	2	2	2	2	2	2	2	2
Number of Acres	50	50	50	50	50	50	50	50	50	50
Number of Vehicles	2	2	2	2	2	2	2	2	2	2
Community Environment										
Building & Zoning										
Number of Vehicles	5	5	5	5	5	5	5	5	5	5
Leisure Time Activities										
Parks										
Number of Parks	12	13	14	14	14	14	14	14	14	14
Parks Acreage	153	186	186	186	186	186	152	152	152	153
Number of Swimming Pools	2 large / 1sm									
Number of Ballfields	15	14	14	14	14	14	15	15	15	15
Recreation - Senior Center	1	1	1	1	1	1	1	1	1	1
Senior Center Square Footage	31,974	31,974	31,974	31,974	31,974	31,974	31,974	31,974	31,974	31,974
Number of Vehicles	14	13	13	13	13	14	15	15	15	14
Transportation										
Miles of Streets	80	89	89	89	89	89	89	89	89	92
Number of Street Lights	2,920	2,920	2,920	2,920	2,920	2,920	2,920	2,920	3,067	3,071
Number of Traffic Lights	354	354	354	354	354	354	354	354	354	354
Business-Type Capital Assets										
Sewers										
Miles of Sanitary Sewers	93	93	93	93	93	93	93	93	93	93
Miles of Storm Sewers	92	92	92	92	92	92	92	92	92	92
Airport										
Number of Runways	2	2	2	2	2	2	2	2	2	2
Golf Course										
Number of Holes	18	18	18	18	18	18	18	18	18	18
Number of Acres	141	141	141	141	141	141	141	141	141	141
Number of Vehicles	1	1	1	1	1	2	3	3	3	3

Sources: Various Willoughby Departments
Municipal Court completed 2005



The City of Willoughby, Ohio

HISTORY
FAMILY
FUN
PROGRESS





Dave Yost • 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
JULY 17, 2012**