

CITY OF WILLOUGHBY, OHIO

AUDIT REPORT

FOR THE YEAR ENDED DECEMBER 31, 2004



**Auditor of State
Betty Montgomery**

Honorable Mayor, Finance Director,
and Members of City Council
City of Willoughby
One Public Square
Willoughby, Ohio 44094

We have reviewed the *Independent Auditor's Report* of the City of Willoughby, Lake County, prepared by James G. Zupka, C.P.A., Inc., for the audit period January 1, 2004 through December 31, 2004. 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 cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

June 7, 2005

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CITY OF WILLOUGHBY, OHIO
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2004

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Certified Public Accountants

5240 East 98th Street

Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

**INDEPENDENT ACCOUNTANTS' REPORT ON
COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

The Honorable Mayor, Finance Director,
and 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, (the City) as of and for the year ended December 31, 2004, and have issued our report thereon dated April 27, 2005. We have conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that we have reported to the management of the City in a separate letter dated April 27, 2005.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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*. However, we noted a certain matter that we reported to the management of the City in a separate letter dated April 27, 2005.

This report is intended solely for the information and use of management, City Council, and Federal awarding agencies and pass-through entities, 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, 2005



The City of Willoughby™
Ohio



2004

Comprehensive Annual

FINANCIAL REPORT

for the year ended December 31, 2004

2004

COMPREHENSIVE ANNUAL FINANCIAL REPORT

for the year ended December 31, 2004

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 Phillips

Secretary
Mia Robinson

Finance Staff
Heidi Delaney
Nancy Kukoleck
Christine Pedersen
Martha Schneider
Debbie Schreibman

The City of
Willoughby, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2004

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City Of Willoughby

David E. Anderson
Mayor and Safety Director

May 20, 2005

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, 2004, 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. 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, 2004, 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, 2004, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The CAFR is presented in three sections:

- ◆ **THE INTRODUCTORY SECTION** includes a table of contents, this transmittal letter, the Certificate of Achievement, a list of the City's principal officials, both elected and appointed, and the City's organizational chart.

"The Courtesy City"

- ◆ **THE FINANCIAL SECTION** begins with the Report of Independent Accountants, and includes Management’s Discussion and Analysis, the Basic Financial Statements and Notes that provide an overview of the City’s financial position and operating results, the Combining Statements for nonmajor funds and other schedules that provide detailed information relative to the Basic Financial Statements.
- ◆ **THE STATISTICAL SECTION** includes selected financial and demographic information, generally presented on a multi-year basis.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a Management Discussion & Analysis (MD&A). This letter of transmittal is designed as a supplement to the MD&A and should be read in combination with it. The City’s MD&A can be found immediately after the report of our independent auditors, James G. Zupka, CPA, Inc.

PROFILE OF THE GOVERNMENT

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

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

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

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

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

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

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) is established at the level of an individual fund. 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.

FACTORS AFFECTING FINANCIAL CONDITIONS

The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment within which the City of Willoughby operates.

Local Economy

The City's economic condition has tightened in recent years. The slowdown in the national economy as well as the State of Ohio has affected the City of Willoughby. The comeback that was anticipated has been delayed in the Northeastern Ohio area as a result of a loss of employment. Income tax collections were down 3.5% in 2004 (budget basis) from 2003. Willoughby's future looks bright with the continuing addition of high value housing stock and commercial and industrial prospects on the horizon. The City of Willoughby is currently constructing a Municipal Court building. This project was bonded in October 2003 and received Aa2 and AA ratings from Moody's Investor Services and Standard and Poors respectively. The historic downtown area is thriving and will be improved by the construction of the Municipal Court facility on the northwest corner.

Cash Management Policies and Practices

The City has, as part of the Charter, provided a Treasury Investment Account. Investments are guided by the Ohio Revised Code and administered by the Mayor, Director of Finance and Director of Law.

Cash resources of all the City's individual funds are combined to form a pool of cash or cash equivalents. Investments are separately held by a number of individual funds.

Investment strategy is to preserve and protect the City's funds while maximizing the return on investments. Investments range from short-term repurchase agreements, the State Treasurer's investment pool, to U.S. Treasury and Agency instruments. Securities are either maintained by the City or by agreement with a third-party agent.

Risk Management

The City utilizes the consulting service of an insurance agency. The agency is strictly an advisor and reviewer of all transactions pertaining to various aspects of the coverage needed in today's governmental operations. The City's Law Department is active in representing the City in all cases pertaining to public official liability coverage.

AWARDS & ACKNOWLEDGMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement of Excellence in Financial Reporting to the City of Willoughby for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2003. This was the 18th 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 of 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™



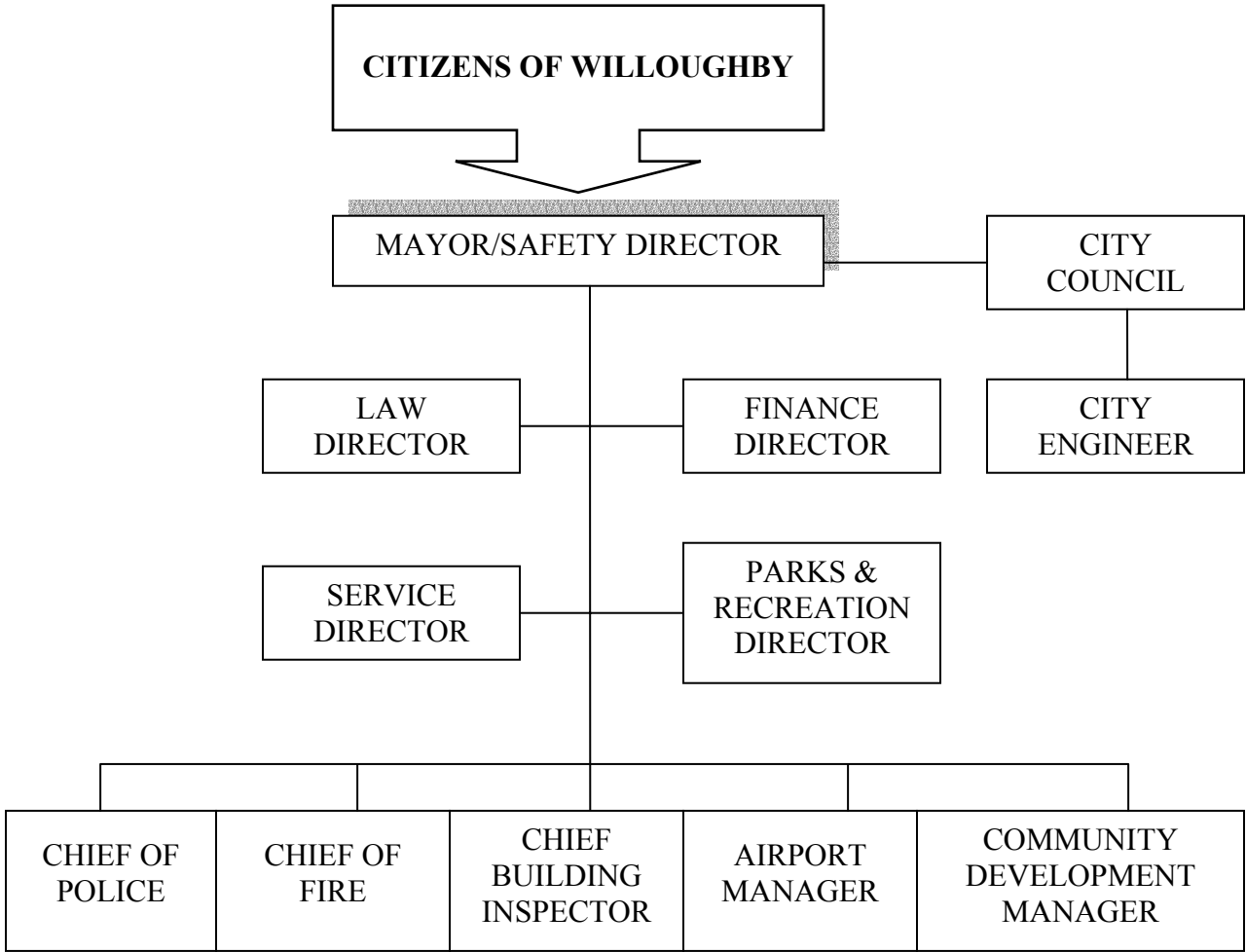
Enriched by its history

PREPARED FOR ITS FUTURE



ORGANIZATIONAL CHART

The City of
Willoughby, Ohio



ELECTED & APPOINTED OFFICIALS

The City of
Willoughby, Ohio

Mayor
David E. Anderson

CITY COUNCIL

Ward 4
Charles W. Cox / President

Ward 1
Richard A. Wagner

Ward 3
Jerome P. Ranally

Ward 6
James J. Dempsey

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, 2003

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.



Nancy L. Zjella

President

Jeffrey R. Emer

Executive Director



The City of Willoughby™



The City of Willoughby™



Financial

INFORMATION



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

*Certified Public Accountants
5240 East 98th Street
Garfield Heights, Ohio 44125*

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(216) 475-6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

City of Willoughby
Lake County
One Public Square
Willoughby, OH 44094

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, 2004, 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's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Willoughby, Lake County, Ohio, as of December 31, 2004, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the general fund thereof and 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, 2005 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the Government Accounting Standards Board requires. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to form opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. We subjected the combining and individual nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects, in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements and accordingly, we express no opinion on them.

James G. Zupka, CPA, Inc.

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

April 27, 2005

**CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
UNAUDITED**

The discussion and analysis of the City of Willoughby's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2004. 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 \$89,014,735. Assets in Governmental activities exceeded liabilities by \$55,784,400 and \$33,230,335 in Business-Type activities.

Total liabilities of the City of Willoughby decreased \$3,241,721 as compared to 2003. Total liabilities of governmental activities decreased by \$1,356,740 and total liabilities of business type-activities decreased by \$1,884,981.

The total unrestricted fund balance of the City is \$5,191,443, a decrease of \$1,762,434 from 2003.

Long term liabilities of the City decreased by \$2,367,049.

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, 2004
UNAUDITED**

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

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

- ◆ **Governmental activities:** most of the City's basic services are reported here, including the police, fire, street maintenance, parks and recreation, and general administration. Income taxes, property taxes, and charges for service fund most of these activities.
- ◆ **Business-type activities:** the City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's airport, sewer system, and golf course operations are reported here. Additionally, the City reports an internal service fund which has charged various user departments and funds for their participation in a workers' compensation program.

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

**CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
UNAUDITED**

The General fund is the government's primary operating fund. It accounts for all financial resources of the City except those that are required to be accounted for in a separate fund. The Capital Projects fund is the City's primary fund for the purchase of capital assets not required for purchase by a separate fund. The General Bond Retirement fund accounts for resources accumulated and payments made for principal and interest on long-term debt on governmental funds.

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 - The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Sewer fund, Airport fund and Golf Course fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City maintains such a fund for its workers' compensation retrospective rating.

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, while the Workers' Compensation fund is nonmajor.

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.

**CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
UNAUDITED**

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

Government-wide Financial Analysis

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

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

The City of Willoughby as a Whole

By far the largest portion of the City's net assets (84%) reflects its investment in capital assets (e.g. land, infrastructure, building, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses those capital assets to provide services to its citizens; consequently these assets are not available for future spending. Although the City's investment is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities. The following table provides a summary of the City's net assets for 2004 compared to 2003.

	City of Willoughby's Net Assets					
	Governmental Activities		Business-type Activities		Total Government	
	2004	2003	2004	2003	2004	2003
Current and other assets	33,995,546	36,846,225	(852,403)	692,299	33,143,143	37,538,524
Capital assets	52,982,776	52,860,922	45,216,543	46,600,159	98,199,319	99,461,081
Total Assets	86,978,322	89,707,147	44,364,140	47,292,458	131,342,462	136,999,605
Current and other liabilities	9,859,461	10,271,393	438,116	900,856	10,297,577	11,172,249
Long term liabilities outstanding	21,334,461	22,279,269	10,695,689	12,117,930	32,030,150	34,397,199
Total Liabilities	31,193,922	32,550,662	11,133,805	13,018,786	42,327,727	45,569,448
Net Assets:						
Invested in capital assets, net of debt	39,876,454	40,931,168	35,096,164	35,223,998	74,972,618	76,155,166
Restricted	8,393,734	7,810,246	456,940	510,868	8,850,674	8,321,114
Unrestricted (deficit)	7,514,212	8,415,071	(2,322,769)	(1,461,194)	5,191,443	6,953,877
Total Net Assets	55,784,400	57,156,485	33,230,335	34,273,672	89,014,735	91,430,157

An additional portion of the City's net assets (9.9%) represents resources that have been restricted on how they may be used. The remaining balance of unrestricted net assets (\$5,191,443) may be used to meet the government's ongoing obligations to citizens and creditors.

**CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
UNAUDITED**

At the end of the current fiscal year, the City is able to report positive balances in governmental activities and the total government categories of net assets. Business-type activities show a net unrestricted deficit of \$2,322,769, which is attributable to liabilities of the Airport fund consisting primarily of amounts that are due to other funds. The Golf Course fund also experienced a deficit which is due to the completion of a construction project.

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	
	2004	2003	2004	2003	2004	2003
Revenues						
Program Revenues						
Charges for Services	4,430,929	3,398,153	4,505,685	4,211,966	8,936,614	7,610,119
Operating Grants, Contributions & Interest	56,572	78,071			56,572	78,071
Capital Grants & Contributions	186,064	576,637	102,787	360,271	288,851	936,908
General Revenues						
Municipal Income Taxes	12,335,764	12,775,995	625,000	750,000	12,960,764	13,525,995
Property & Other Local Taxes	3,908,020	3,406,795			3,908,020	3,406,795
Grants & Entitlements	3,979,013	3,820,696			3,979,013	3,820,696
Investment Earnings	347,035	385,766	14,763	23,108	361,798	408,874
Miscellaneous	26,945	17,980	2,200	38,389	29,145	56,369
Total Revenues	25,270,342	24,460,093	5,250,435	5,383,734	30,520,777	29,843,827
Expenses						
General Government	6,030,958	6,037,557			6,030,958	6,037,557
Security of Persons & Property	11,987,818	12,011,078			11,987,818	12,011,078
Public Health & Welfare	370,060	381,304			370,060	381,304
Community Environment	867,212	817,519			867,212	817,519
Leisure Time Activities	2,037,094	2,141,809			2,037,094	2,141,809
Transportation	2,853,179	2,992,462			2,853,179	2,992,462
Basic Utility Services	1,574,874	1,363,511			1,574,874	1,363,511
Interest & Fiscal Charges	918,977	734,157			918,977	734,157
Golf Course			900,161	885,864	900,161	885,864
Sewer			4,702,286	4,551,402	4,702,286	4,551,402
Airport			693,580	583,498	693,580	583,498
Total Expenses	26,640,172	26,479,397	6,296,027	6,020,764	32,936,199	32,500,161
Transfers	(2,255)	0	2255	0	0	0
Change in Net Assets	(1,372,085)	(2,019,304)	(1,043,337)	(637,030)	(2,415,422)	(2,656,334)
Net Assets Beginning of Year - Restated	57,156,485	59,175,789	34,273,672	34,910,702	91,430,157	94,086,491
Net Assets End of Year	55,784,400	57,156,485	33,230,335	34,273,672	89,014,735	91,430,157

Governmental Activities

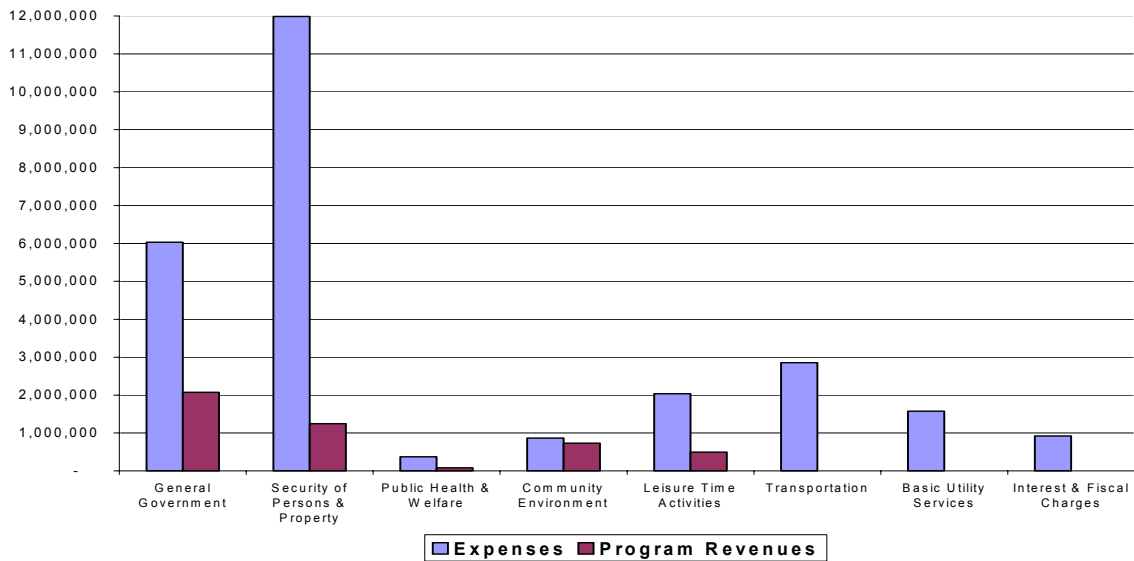
Income tax in governmental activities shows a decrease of 3.45% because of an overall decrease in income tax receipts to the City of Willoughby.

All other revenues in governmental activities increased by approximately 10.7%. This increase is primarily due to two charges for services instituted by the City and one infrequent event. The first is a new charge for emergency ambulance response that resulted in \$350,000 of revenue being recognized. The second is a new charge of approximately \$200,000 which is being used to assist in retiring the debt of the new Municipal Court building. The third increase is from forfeited deposits of money that had been held in agency funds. This amounted to approximately \$380,000 in 2004.

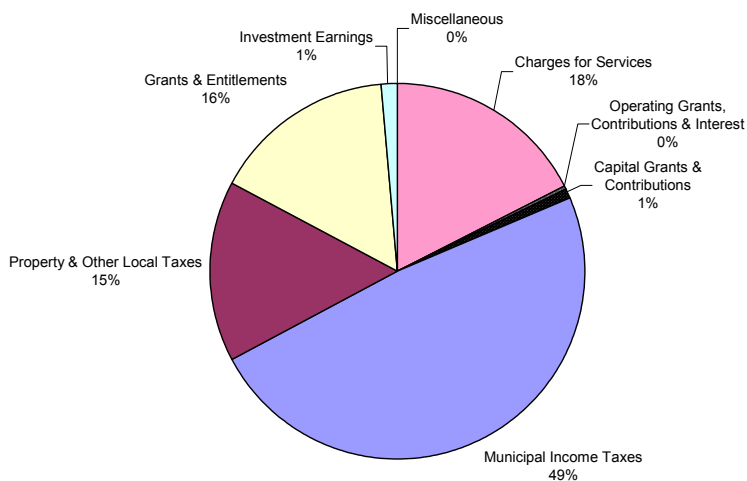
CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
UNAUDITED

Expenses in governmental activities increased by 0.6%. The minimal increase reflects management's decision not to fill some vacant positions, restraining spending and ongoing labor negotiations which resulted in most employees not receiving raises in 2004. This low increase in expenses was also accomplished within a year that required 27 pays.

Expenses & Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities



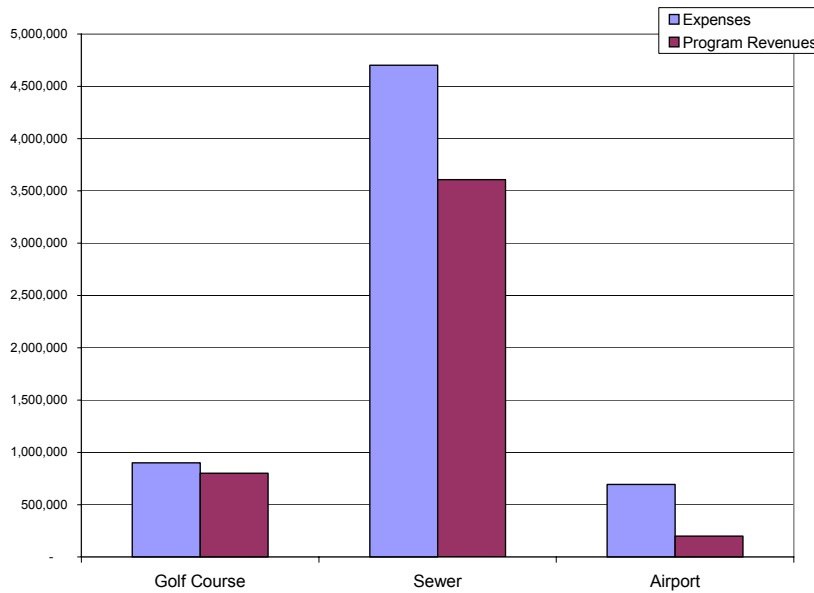
**CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
UNAUDITED**

Business-Type Activities

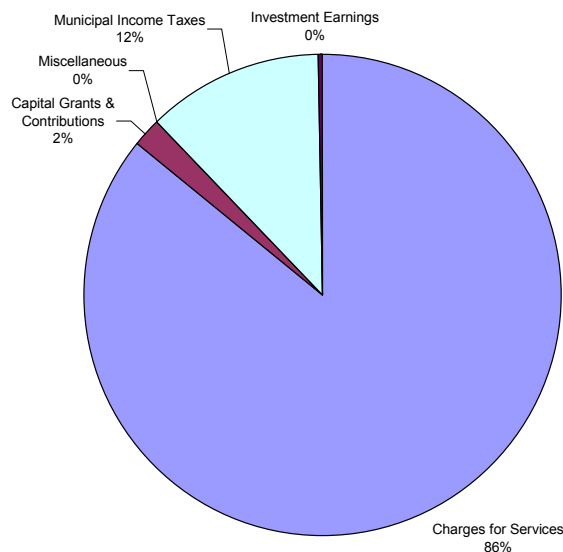
Business-type activities account for 37.3% of the City of Willoughby's total net assets.

Revenues and expenses were not significantly different for business type activities. The 4.6% increase in expenses is due primarily to the 27th biweekly pay and increased benefit costs in the form of medical insurance.

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, 2004
UNAUDITED**

Financial Analysis of the City of Willoughby's Funds

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

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

At the end of the current fiscal year, the City's governmental funds reported an ending fund balance of \$18,581,816, a decrease of \$2,881,053. The decrease is attributed to drawing down of fund balances for capital projects and operation of the City. Of the total amount, \$8,750,577 constitutes the unreserved fund balance which is available at the Government's discretion. Reservations of fund balance indicate that the funds are already committed. \$4,993,225 is to liquidate purchase orders and contracts entered into during the fiscal year ending December 31, 2004 and prior; \$766,716 is reserved for debt service obligations.

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 reflected a deficit of (\$73,097). The deficit is caused by a wetter than normal golf season and completion of the project to build a new clubhouse and maintenance facility.

Unrestricted net assets of the Sewer fund decreased from \$1,742,656 to \$1,308,784. The decrease in net assets is caused by a decrease primarily due from other governments which were for a reimbursement outstanding.

Unrestricted net assets of the Airport fund carry a deficit unreserved balance of (\$3,558,456). The increase in the deficit is caused by the airports inability to pay its own debt. The accumulated deficit is caused by past advances and debt payments that had to be made for the airport from other funds.

General Fund Budgetary Highlights -There were no changes made in the original and final budgets for the General fund for 2004. The actual revenues were \$219,598 over estimates and expenditures were under budgeted appropriations by \$749,549. Actual budget basis ending fund balance for the General fund was \$3,016,260.

Capital Assets and Debt Administration

Capital Assets - The City's investment in capital assets for governmental and business type activities as of December 31, 2004, was \$98,199,319 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment as well as infrastructure including roads, sidewalks, bridges, traffic signals, street lights, storm sewers, curbs and gutters. The City's investment in capital assets reflects a 3.3% increase over the prior year for governmental activities and .5% above for business-type activities. These increases are calculated before depreciation.

**CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
UNAUDITED**

The loss on sale of land in the Airport fund results because the City is required by the FAA (Federal Aviation Administration) to account for any sale of land acquired with FAA grant funds in a separate agency fund. This fund's restrictions are that proceeds may only be released and used for FAA approved airport improvements and not for airport operations.

City of Willoughby's Capital Assets						
	Governmental		Business-type		Total	
	Activities		Activities			
	2004	2003	2004	2003	2004	2003
Land	7,747,450	7,005,240	9,441,128	9,559,613	17,188,578	16,564,853
Construction in Progress	7,963,907	6,202,862	359,345	1,557,871	8,323,252	7,760,733
Buildings	13,536,853	13,696,685	18,416,627	18,247,215	31,953,480	31,943,900
Improvements	14,944,360	14,934,241	37,361,022	35,886,297	52,305,382	50,820,538
Machinery & Equipment	10,354,722	10,131,670	7,138,668	7,114,257	17,493,390	17,245,927
Infrastructure	28,557,662	28,480,572			28,557,662	28,480,572
Total Capital Assets	83,104,954	80,451,270	72,716,790	72,365,253	155,821,744	152,816,523
Accumulated Depreciation	(30,122,178)	(27,590,348)	(27,500,247)	(25,765,095)	(57,622,425)	(53,355,443)
Capital Assets (Net)	52,982,776	52,860,922	45,216,543	46,600,158	98,199,319	99,461,080

Major capital asset events during 2004 were as follows:

Construction is underway on the new Municipal Court building located on the northwest quadrant of Erie and Vine Streets.

Replacement of sewers continued resulting in completion of the Center-Wood sanitary sewer and the preliminary stages for the Lakeshore Boulevard force main.

Various road and infrastructure projects were underway during the course of the year which included major projects such as Riverside Commons and the newly constructed Erie/Pelton Bridge.

Additional information regarding capital assets can be found in note 8 in the notes to the financial statements.

Long-term Debt - The City's total long-term debt decreased by \$1,938,512 (5.9%).

City of Willoughby's Outstanding Debt at December 31						
	Governmental		Business-Type		Total	
	Activities		Activities			
	2004	2003	2004	2003	2004	2003
General Obligation Bonds	15,457,842	16,107,107			15,457,842	16,107,107
Special Assessment Bonds	579,575	721,863			579,575	721,863
Enterprise Bonds w/ G.O. Commitment			4,187,581	4,486,029	4,187,581	4,486,029
OWDA & OPWC	21,310	22,544	5,997,457	6,967,723	6,018,767	6,990,267
Capital Notes Payable	4,650,000	4,525,000			4,650,000	4,525,000
Police Pension Liability	125,836	127,847			125,836	127,847
TOTAL	20,834,563	21,504,361	10,185,038	11,453,752	31,019,601	32,958,113

**CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
UNAUDITED**

State Law limits the amount of debt a city can issue in general obligation bonds to 10.5% of assessed valuation. The City had an assessed valuation of \$615,368,806 at the end of 2004. The City has borrowed less than 48% of our limitation and some debt that is in our total is not subject to that limitation by state law because the debt was actually issued by another party (i.e. O.W.D.A. or O.P.W.C.).

Short-term debt increased by \$200,000. The change is an increase to a special assessment note for Riverside Commons Commercial Industrial Park for \$4,650,000. Additional information regarding the City's debt can be found in note 15 in the notes to the financial statements.

Economic Factors and Next Year's Budget

The City of Willoughby is subject to slowdown not unlike the rest of the State of Ohio. The income tax forecast for the coming year has stayed the same as actual receipts from 2004. The City has opted to utilize money set aside for capital in 2004 for capital projects in 2005. Economic conditions in 2005 will be observed and operations tailored accordingly.

During 2005, the City anticipates using nearly \$2.9 million of the General fund balance to sustain needed services for our residents. The City implemented ambulance billing and is looking to other sources of revenue and watching expenses closely to cope with uncertain economic times.

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, 2004

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Equity in City Treasury Cash and Investments	\$ 19,073,605	\$ 1,200,655	\$ 20,274,260
Inventory	172,009	27,908	199,917
Accrued Interest Receivable	73,915	0	73,915
Accounts Receivable	330,946	307,647	638,593
Prepaid Items	4,975	7,332	12,307
Intergovernmental Receivable	2,505,787	260,104	2,765,891
Taxes Receivable	6,726,259	125,000	6,851,259
Internal Balances	3,759,589	(3,759,589)	0
Restricted Assets -Cash	0	913,881	913,881
Special Assessments Receivable	1,348,461	0	1,348,461
Unamortized Bond Issuance Costs	0	64,659	64,659
Nondepreciable Capital Assets	15,711,357	9,800,473	25,511,830
Depreciable Capital Assets, Net	37,271,419	35,416,070	72,687,489
TOTAL ASSETS	<u>86,978,322</u>	<u>44,364,140</u>	<u>131,342,462</u>
LIABILITIES			
Accounts Payable	823,510	62,999	886,509
Matured Compensated Absences Payable	94,944	0	94,944
Salaries, Wages and Benefits Payable	1,358,488	37,734	1,396,222
Accrued Interest Payable	72,567	145,177	217,744
Property Taxes Payable	0	3,886	3,886
Intergovernmental Payable	45,929	1,891	47,820
Notes Payable	4,650,000	0	4,650,000
Deferred Revenue	2,811,083	0	2,811,083
Matured Bonds and Interest Payable	2,940	0	2,940
Long-Term Liabilities:			
Due Within One Year	2,349,355	1,298,323	3,647,678
Due In More Than One Year	18,985,106	9,583,795	28,568,901
TOTAL LIABILITIES	<u>31,193,922</u>	<u>11,133,805</u>	<u>42,327,727</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	39,876,454	35,096,164	74,972,618
Restricted for:			
Capital Projects	4,275,201	0	4,275,201
Debt Service	1,812,314	0	1,812,314
Equipment Replacement	0	456,940	456,940
Other Purposes	2,128,717	0	2,128,717
Permanent Fund Purpose:			
Nonexpendable - Cemetery Fund	177,502	0	177,502
Unrestricted (Deficit)	7,514,212	(2,322,769)	5,191,443
TOTAL NET ASSETS	<u>\$ 55,784,400</u>	<u>\$ 33,230,335</u>	<u>\$ 89,014,735</u>

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2004

	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	\$ 6,030,958	\$ 2,073,794	\$ 0	\$ 0	\$ (3,957,164)		\$ (3,957,164)
Security of Persons and Property	11,987,818	1,133,232	51,346	61,852	(10,741,388)		(10,741,388)
Public Health and Welfare	370,060	82,227	0	0	(287,833)		(287,833)
Community Environment	867,212	731,694	0	0	(135,518)		(135,518)
Leisure Time Activities	2,037,094	408,566	5,226	80,732	(1,542,570)		(1,542,570)
Transportation	2,853,179	1,416	0	0	(2,851,763)		(2,851,763)
Basic Utility Services	1,574,874	0	0	1,276	(1,573,598)		(1,573,598)
Interest and Fiscal Charges	918,977	0	0	0	(918,977)		(918,977)
TOTAL GOVERNMENTAL ACTIVITIES	26,640,172	4,430,929	56,572	143,860	(22,008,811)		(22,008,811)
BUSINESS-TYPE ACTIVITIES							
Golf Course	900,161	793,299	0	7,000		\$ (99,862)	(99,862)
Sewer	4,702,286	3,532,603	0	75,987		(1,093,696)	(1,093,696)
Airport	693,580	179,783	0	19,800		(493,997)	(493,997)
TOTAL BUSINESS-TYPE ACTIVITIES	6,296,027	4,505,685	0	102,787		(1,687,555)	(1,687,555)
TOTAL	\$32,936,199	\$8,936,614	\$56,572	\$246,647	(22,008,811)	(1,687,555)	(23,696,366)
GENERAL REVENUES							
Property Taxes Levied for:							
					2,059,714		2,059,714
					499,396		499,396
					1,239,510		1,239,510
					109,400		109,400
Income Taxes Levied for:							
					10,608,139		10,608,139
						625,000	625,000
					1,727,625		1,727,625
					3,979,013		3,979,013
					42,204		42,204
					347,035	14,763	361,798
					26,945	2,200	29,145
TOTAL GENERAL REVENUE					20,638,981	641,963	21,280,944
Transfers					(2,255)	2,255	0
Total General Revenues and Transfers					20,636,726	644,218	21,280,944
CHANGE IN NET ASSETS					(1,372,085)	(1,043,337)	(2,415,422)
NET ASSETS BEGINNING OF YEAR- RESTATED					57,156,485	34,273,672	91,430,157
NET ASSETS END OF YEAR					\$ 55,784,400	\$ 33,230,335	\$ 89,014,735

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2004

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	\$4,875,528	\$9,345,931	\$277,952	\$3,897,936	\$18,397,347
Inventory-Supplies	80,453	0	0	91,556	172,009
Accrued Interest Receivable	58,940	14,975	0	0	73,915
Accounts Receivable	325,678	4,452	0	816	330,946
Prepaid Items	4,975	0	0	0	4,975
Due from Other Governments	1,989,342	8,065	63,044	445,336	2,505,787
Taxes Receivable	5,013,761	0	1,243,689	468,809	6,726,259
Due from Other Funds	1,363,752	30,169	2,367,617	0	3,761,538
Special Assessments Receivable	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,348,461</u>	<u>1,348,461</u>
TOTAL ASSETS	<u>\$13,712,429</u>	<u>\$9,403,592</u>	<u>\$3,952,302</u>	<u>\$6,252,914</u>	<u>\$33,321,237</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$163,788	\$470,233	\$0	\$189,489	\$823,510
Matured Compensated Absences Payable	6,705	0	0	88,239	94,944
Salaries, Wages, and Benefits Payable	1,308,093	0	0	50,395	1,358,488
Due to Other Governments	1,752	0	0	44,177	45,929
Due to Other Funds	2,050	1,023	0	0	3,073
Notes Payable	0	4,650,000	0	0	4,650,000
Deferred Revenue	4,291,776	0	1,306,733	2,162,028	7,760,537
Matured Bonds & Interest Payable	<u>0</u>	<u>0</u>	<u>2,940</u>	<u>0</u>	<u>2,940</u>
TOTAL LIABILITIES	<u>5,774,164</u>	<u>5,121,256</u>	<u>1,309,673</u>	<u>2,534,328</u>	<u>14,739,421</u>
Fund Balances:					
Reserved for Encumbrances	737,236	4,080,565	10,135	165,289	4,993,225
Reserved for Inventory	80,453	0	0	91,556	172,009
Reserved for Debt Service	0	0	264,877	501,839	766,716
Reserved for Prepaid Items	4,975	0	0	0	4,975
Reserved for Long-Term Loan -Airport	1,326,019	23,176	2,367,617	0	3,716,812
Unreserved	5,789,582	178,595	0	0	5,968,177
Unreserved, Reported in Nonmajor					
Special Revenue Funds	0	0	0	2,782,400	2,782,400
Permanent Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>177,502</u>	<u>177,502</u>
TOTAL FUND BALANCES	<u>7,938,265</u>	<u>4,282,336</u>	<u>2,642,629</u>	<u>3,718,586</u>	<u>18,581,816</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$13,712,429</u>	<u>\$9,403,592</u>	<u>\$3,952,302</u>	<u>\$6,252,914</u>	<u>\$33,321,237</u>

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
AS OF DECEMBER 31, 2004

TOTAL GOVERNMENTAL FUND BALANCES \$18,581,816

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. 52,982,776

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

Property Taxes	322,985
Grants and Entitlements	1,726,988
Municipal Income Taxes	1,412,151
Special Assessments	1,348,461
Charges for Services	100,730
Fines and Forfeitures	38,139

Total 4,949,454

An internal service fund is used by management to account for a retrospective rating workers' compensation program provided to City employees. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets. 677,382

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	(15,457,842)
OPWC Loans	(21,310)
Special Assessments	(579,575)
Police Pension Liability	(125,836)
Landfill Post Closure Care Liability	(1,026,966)
Compensated Absences	(4,122,932)
Accrued Interest Payable	(72,567)

Total (21,407,028)

NET ASSETS OF GOVERNMENTAL ACTIVITIES **\$ 55,784,400**

CITY OF WILLOUGHBY, OHIO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	<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	\$10,669,531	\$1,727,625	\$0	\$0	\$12,397,156
Property and Other Local Taxes	1,844,720	109,400	1,268,625	509,013	3,731,758
Intergovernmental	2,607,230	51,543	140,438	946,807	3,746,018
Charges for Services	1,018,096	0	0	229,157	1,247,253
Special Assessments	0	0	0	749,889	749,889
Fines and Forfeitures	1,791,095	0	0	415,691	2,206,786
Licenses & Permits	256,505	0	0	0	256,505
Interest	229,089	53,860	59,613	0	342,562
Miscellaneous	<u>22,681</u>	<u>4,720</u>	<u>0</u>	<u>4,139</u>	<u>31,540</u>
TOTAL REVENUES	<u>18,438,947</u>	<u>1,947,148</u>	<u>1,468,676</u>	<u>2,854,696</u>	<u>24,709,467</u>
EXPENDITURES:					
Current:					
General Government	5,634,638	956	28,011	133,506	5,797,111
Security of Persons and Property	9,288,940	21,427	0	2,054,200	11,364,567
Public Health and Welfare	360,094	0	0	0	360,094
Community Environment	778,544	0	0	64,021	842,565
Leisure Time Activities	849,188	7,845	0	773,439	1,630,472
Transportation	0	1,181	0	1,520,551	1,521,732
Basic Utility Services	1,019,621	205,419	0	0	1,225,040
Capital Outlay	61,984	3,271,418	0	24,111	3,357,513
Debt Service:					
Principal	0	0	650,499	142,288	792,787
Interest	<u>0</u>	<u>77,442</u>	<u>796,007</u>	<u>48,261</u>	<u>921,710</u>
TOTAL EXPENDITURES	<u>17,993,009</u>	<u>3,585,688</u>	<u>1,474,517</u>	<u>4,760,377</u>	<u>27,813,591</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	445,938	(1,638,540)	(5,841)	(1,905,681)	(3,104,124)
OTHER FINANCING SOURCES (USES):					
Transfers In	17,681	54,544	0	2,210,000	2,282,225
Transfers Out	(2,264,544)	0	0	(19,936)	(2,284,480)
Sale of Assets	<u>169,500</u>	<u>26,044</u>	<u>0</u>	<u>0</u>	<u>195,544</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,077,363)</u>	<u>80,588</u>	<u>0</u>	<u>2,190,064</u>	<u>193,289</u>
NET CHANGE IN FUND BALANCES	(1,631,425)	(1,557,952)	(5,841)	284,383	(2,910,835)
FUND BALANCE BEGINNING OF YEAR-RESTATED	9,559,169	5,840,288	2,648,470	3,414,942	21,462,869
INCREASE (DECREASE) IN RESERVE FOR INVENTORY	<u>10,521</u>	<u>0</u>	<u>0</u>	<u>19,261</u>	<u>29,782</u>
FUND BALANCES END OF YEAR	<u>\$7,938,265</u>	<u>\$4,282,336</u>	<u>\$2,642,629</u>	<u>\$3,718,586</u>	<u>\$18,581,816</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, 2004

NET CHANGES IN FUND BALANCES-TOTAL GOVERNMENTAL FUNDS \$ (2,910,835)

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

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

Capital Asset Additions	3,357,513	
Current Year Depreciation	<u>(3,090,032)</u>	
Total		267,481

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

Donation	7,713	
Disposal-net	<u>(153,340)</u>	
Total		(145,627)

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

Property Taxes	176,262	
Grants and Entitlements	421,840	
Municipal Income Taxes	(61,392)	
Special Assessments	(124,710)	
Charges for Services	100,730	
Fines and Forfeitures	<u>(4,247)</u>	
Total		508,483

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

817,730

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

2,733

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

Compensated Absences	52,078	
Change in Inventory	<u>29,782</u>	
Total		81,860

The internal service fund used by management to account for a retrospective rating workers' compensation program provided to City employees is not reported in entity-wide statement of activities. The net revenue (expense) of the internal service fund is allocated to governmental activities.

6,090

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ (1,372,085)

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, 2004

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Municipal Income Taxes	\$10,954,747	\$10,954,747	\$10,569,374	(\$385,373)
Property and Other Local Taxes	1,675,765	1,675,765	1,794,936	119,171
Intergovernmental	2,829,714	2,829,714	3,041,022	211,308
Charges for Services	284,550	284,550	384,255	99,705
Fines and Forfeitures	1,628,000	1,628,000	1,835,508	207,508
Licenses, Permits	600,660	600,660	642,192	41,532
Interest Income	375,000	375,000	293,375	(81,625)
Other	<u>370,354</u>	<u>370,354</u>	<u>377,726</u>	<u>7,372</u>
Total Revenues	<u>18,718,790</u>	<u>18,718,790</u>	<u>18,938,388</u>	<u>219,598</u>
EXPENDITURES:				
General Government	6,205,515	6,205,515	5,884,695	320,820
Security of Persons and Property	9,903,314	9,903,314	9,602,661	300,653
Public Health and Welfare	381,875	381,875	368,693	13,182
Community Environment	852,597	852,597	815,792	36,805
Leisure Time Activities	879,780	879,780	878,602	1,178
Basic Utility Service	<u>1,112,800</u>	<u>1,112,800</u>	<u>1,035,889</u>	<u>76,911</u>
Total Expenditures	<u>19,335,881</u>	<u>19,335,881</u>	<u>18,586,332</u>	<u>749,549</u>
Excess of Revenues Over (Under) Expenditures	(617,091)	(617,091)	352,056	969,147
OTHER FINANCING SOURCES (USES):				
Transfers Out	(2,279,544)	(2,279,544)	(2,264,544)	15,000
Transfers In	0	0	17,681	17,681
Advanced Out	0	0	(35,000)	(35,000)
Other	<u>5,000</u>	<u>5,000</u>	<u>42,707</u>	<u>37,707</u>
Total Other Financing Sources (Uses)	<u>(2,274,544)</u>	<u>(2,274,544)</u>	<u>(2,239,156)</u>	<u>35,388</u>
NET CHANGE IN FUND BALANCE	(2,891,635)	(2,891,635)	(1,887,100)	1,004,535
FUND BALANCE BEGINNING OF YEAR	4,892,465	4,892,465	4,892,465	0
Prior Year Encumbrances Appropriated	<u>10,895</u>	<u>10,895</u>	<u>10,895</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$2,011,725</u>	<u>\$2,011,725</u>	<u>\$3,016,260</u>	<u>\$1,004,535</u>

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
AS OF DECEMBER 31, 2004

	<u>BUSINESS-TYPE ACTIVITIES</u>				<u>GOVERNMENTAL ACTIVITIES - Internal Service Fund</u>
	<u>GOLF COURSE</u>	<u>SEWER</u>	<u>AIRPORT</u>	<u>TOTAL 2004</u>	<u>WORKERS ' COMPENSATION</u>
ASSETS					
CURRENT ASSETS					
Equity in City Treasury Cash and Investments	\$21,509	\$1,057,520	\$121,626	\$1,200,655	\$676,258
Inventory	2,747	25,161	0	27,908	0
Accounts Receivable	31	85,607	222,009	307,647	0
Prepaid Expenses	2,135	2,218	2,979	7,332	0
Due from Other Funds	362	159,519	805	160,686	1,124
Due from Other Governments	0	260,104	0	260,104	0
Taxes Receivable	<u>0</u>	<u>125,000</u>	<u>0</u>	<u>125,000</u>	<u>0</u>
TOTAL CURRENT ASSETS	<u>26,784</u>	<u>1,715,129</u>	<u>347,419</u>	<u>2,089,332</u>	<u>677,382</u>
NONCURRENT ASSETS					
Restricted Assets:					
Cash Investments	0	913,881	0	913,881	0
Unamortized Bond Issuance Costs	64,659	0	0	64,659	0
Land and Construction in Progress	1,799,950	737,986	7,262,537	9,800,473	0
Depreciable Capital Assets, Net	<u>2,058,137</u>	<u>30,439,957</u>	<u>2,917,976</u>	<u>35,416,070</u>	<u>0</u>
TOTAL NONCURRENT ASSETS	<u>3,922,746</u>	<u>32,091,824</u>	<u>10,180,513</u>	<u>46,195,083</u>	<u>0</u>
TOTAL ASSETS	<u>3,949,530</u>	<u>33,806,953</u>	<u>10,527,932</u>	<u>48,284,415</u>	<u>677,382</u>
LIABILITIES					
CURRENT LIABILITIES					
Accounts Payable	3,363	57,042	2,594	62,999	0
Salaries, Wages & Benefits Payable	11,509	207,539	5,115	224,163	0
Accrued Interest Payable	9,980	132,784	2,413	145,177	0
Property Tax Payable	0	0	3,886	3,886	0
Due to Other Funds	41,993	2,733	3,875,549	3,920,275	0
Due to Other Governments	1,876	15	0	1,891	0
Bonds Payable	<u>115,000</u>	<u>871,894</u>	<u>125,000</u>	<u>1,111,894</u>	<u>0</u>
TOTAL CURRENT LIABILITIES	<u>183,721</u>	<u>1,272,007</u>	<u>4,014,557</u>	<u>5,470,285</u>	<u>0</u>
NONCURRENT LIABILITIES					
Salaries, Wages & Benefits Payable	31,160	463,173	16,318	510,651	0
Bonds Payable	<u>2,840,000</u>	<u>5,673,144</u>	<u>560,000</u>	<u>9,073,144</u>	<u>0</u>
TOTAL NONCURRENT LIABILITIES	<u>2,871,160</u>	<u>6,136,317</u>	<u>576,318</u>	<u>9,583,795</u>	<u>0</u>
TOTAL LIABILITIES	<u>3,054,881</u>	<u>7,408,324</u>	<u>4,590,875</u>	<u>15,054,080</u>	<u>0</u>
NET ASSETS					
Invested in capital assets, net of related debt	967,746	24,632,905	9,495,513	35,096,164	0
Restricted for:					
Equipment Replacement	0	456,940	0	456,940	0
Unrestricted (Deficit)	<u>(73,097)</u>	<u>1,308,784</u>	<u>(3,558,456)</u>	<u>(2,322,769)</u>	<u>677,382</u>
TOTAL NET ASSETS	<u>\$894,649</u>	<u>\$26,398,629</u>	<u>\$5,937,057</u>	<u>\$33,230,335</u>	<u>\$677,382</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, 2004

	<u>BUSINESS-TYPE ACTIVITIES</u>			<u>TOTAL</u>	<u>GOVERNMENTAL</u> <u>ACTIVITIES -</u> <u>Internal Service Fund</u>
	<u>GOLF COURSE</u>	<u>SEWER</u>	<u>AIRPORT</u>	<u>2004</u>	<u>WORKERS '</u> <u>COMPENSATION</u>
OPERATING REVENUES:					
Charges for Services	\$793,299	\$3,531,371	\$24,871	\$4,349,541	\$0
Rentals	0	0	154,912	154,912	0
Other	<u>0</u>	<u>1,232</u>	<u>0</u>	<u>1,232</u>	<u>0</u>
Total Operating Revenues	<u>793,299</u>	<u>3,532,603</u>	<u>179,783</u>	<u>4,505,685</u>	<u>0</u>
OPERATING EXPENSES:					
Personal Services	412,744	2,018,758	98,992	2,530,494	(1,617)
Contractual Services	79,844	471,996	10,622	562,462	0
Materials & Supplies	121,158	134,894	16,052	272,104	0
Heat, Light & Power	33,276	398,564	11,424	443,264	0
Other Expenses	5,320	7,701	2,532	15,553	0
Depreciation	<u>82,941</u>	<u>1,347,727</u>	<u>402,173</u>	<u>1,832,841</u>	<u>0</u>
Total Operating Expenses	<u>735,283</u>	<u>4,379,640</u>	<u>541,795</u>	<u>5,656,718</u>	<u>(1,617)</u>
Net Income (Loss) from Operations	<u>58,016</u>	<u>(847,037)</u>	<u>(362,012)</u>	<u>(1,151,033)</u>	<u>1,617</u>
NON-OPERATING REVENUES (EXPENSES):					
Interest - Income	1,933	9,654	3,176	14,763	4,473
- Expense	(135,217)	(322,646)	(33,300)	(491,163)	0
Municipal Income Tax	0	625,000	0	625,000	0
Other - Income	0	0	2,200	2,200	0
Other - Expense	(29,661)	0	0	(29,661)	0
Loss on Sale of Land	0	0	(118,485)	(118,485)	0
Total Non-Operating Revenues (Expenses)	<u>(162,945)</u>	<u>312,008</u>	<u>(146,409)</u>	<u>2,654</u>	<u>4,473</u>
Net Income (Loss) Before Contributions and Transfers	(104,929)	(535,029)	(508,421)	(1,148,379)	6,090
Capital Contributions	7,000	75,987	19,800	102,787	0
Transfers In	<u>0</u>	<u>2,255</u>	<u>0</u>	<u>2,255</u>	<u>0</u>
CHANGE IN NET ASSETS	(97,929)	(456,787)	(488,621)	(1,043,337)	6,090
NET ASSETS BEGINNING OF YEAR	<u>992,578</u>	<u>26,855,416</u>	<u>6,425,678</u>	<u>34,273,672</u>	<u>671,292</u>
NET ASSETS END OF YEAR	<u>\$894,649</u>	<u>\$26,398,629</u>	<u>\$5,937,057</u>	<u>\$33,230,335</u>	<u>\$677,382</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, 2004

(continued on following page)

	<u>Business-Type Activities</u>				<u>Governmental Activities - Internal Service</u>
	<u>Golf Course</u>	<u>Sewer</u>	<u>Airport</u>	<u>Total</u>	<u>Workers' Compensation</u>
Cash flows from operating activities:					
Receipts from customers and users	\$793,927	\$4,152,962	\$151,263	\$5,098,152	(\$525)
Payments to suppliers	(511,475)	(1,268,839)	108,844	(1,671,470)	(3,143)
Payments to employees	(428,901)	(2,035,187)	(99,766)	(2,563,854)	0
Other operating revenues	<u>0</u>	<u>1,232</u>	<u>0</u>	<u>1,232</u>	<u>0</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>(146,449)</u>	<u>850,168</u>	<u>160,341</u>	<u>864,060</u>	<u>(3,668)</u>
Cash flows from noncapital financing activities:					
Municipal Income Tax	0	625,000	0	625,000	0
Transfers from other funds	<u>0</u>	<u>2,255</u>	<u>0</u>	<u>2,255</u>	<u>0</u>
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	<u>0</u>	<u>627,255</u>	<u>0</u>	<u>627,255</u>	<u>0</u>
Cash flows from capital and related financing activities:					
Proceeds from long-term debt	0	693	0	693	0
Acquisition and construction of capital assets	(219,185)	(340,026)	(9,160)	(568,371)	0
Principal reduction on long-term debt	(110,000)	(1,039,407)	(120,000)	(1,269,407)	0
Interest paid on long-term debt	(135,217)	(322,646)	(33,300)	(491,163)	0
Contribution of capital to other funds	0	(7,000)	0	(7,000)	0
Contribution of capital from grants	0	1,611	0	1,611	0
Contributions from customers	<u>0</u>	<u>81,376</u>	<u>0</u>	<u>81,376</u>	<u>0</u>
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(464,402)</u>	<u>(1,625,399)</u>	<u>(162,460)</u>	<u>(2,252,261)</u>	<u>0</u>
Cash flows from investing activities:					
Interest on investments	<u>1,933</u>	<u>9,654</u>	<u>3,176</u>	<u>14,763</u>	<u>4,473</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>1,933</u>	<u>9,654</u>	<u>3,176</u>	<u>14,763</u>	<u>4,473</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(608,918)	(138,322)	1,057	(746,183)	805
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>630,427</u>	<u>2,109,723</u>	<u>120,569</u>	<u>2,860,719</u>	<u>675,453</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$21,509</u>	<u>\$1,971,401</u>	<u>\$121,626</u>	<u>\$2,114,536</u>	<u>\$676,258</u>

(Sewer Fund includes \$913,881 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, 2004

(continued)

	<u>Business-Type Activities</u>				<u>Governmental Activities - Internal Service</u>
	<u>Golf Course</u>	<u>Sewer</u>	<u>Airport</u>	<u>Total</u>	<u>Workers' Compensation</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:					
Operating income (loss)	\$58,016	(\$847,037)	(\$362,012)	(\$1,151,033)	\$1,617
Adjustments to reconcile operating income (loss) to net cash from operating activities:					
Depreciation	82,941	1,347,727	402,173	\$1,832,841	0
Change in assets and liabilities:					
(Increase) decrease in inventory of supplies	(945)	3,026	0	2,081	0
(Increase) decrease in accounts receivable	557	27,436	(28,520)	(527)	0
(Increase) decrease in prepaid expense	(100)	(121)	(136)	(357)	0
(Increase) decrease in due from other funds	71	2,247	0	2,318	(525)
(Increase) decrease in due from other govts	0	591,908	0	591,908	0
Increase (decrease) in accounts payable	(320,288)	(233,437)	(3,950)	(557,675)	(4,760)
Increase (decrease) in accrued salaries, wages, and benefits	(16,157)	(16,429)	(774)	(33,360)	0
Increase (decrease) in accrued interest payable	(230)	(25,466)	(395)	(26,091)	0
Increase (decrease) in property tax liabilities	0	0	260	260	0
Increase (decrease) in due to other funds	35,000	1,469	153,695	190,164	0
Increase (decrease) in due to other governments	1,754	(1,155)	0	599	0
(Increase) decrease in deferred charges	12,932	0	0	12,932	0
TOTAL ADJUSTMENTS	<u>(204,465)</u>	<u>1,697,205</u>	<u>522,353</u>	<u>2,015,093</u>	<u>(5,285)</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>(\$146,449)</u>	<u>\$850,168</u>	<u>\$160,341</u>	<u>\$864,060</u>	<u>(\$3,668)</u>

Schedule of Noncash Investing, Capital and Financing Activities:

The Golf Fund had additions from contributions of capital in the amount of \$7,000 from the Sewer Fund for sewer relocation.
The Airport Fund had additions from contributions of capital in the amount of \$20,000 from the Federal Government.

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
AS OF DECEMBER 31, 2004

	<u>AGENCY</u>
ASSETS	
Equity in City Treasury Cash and Investments	\$1,181,668
Accounts Receivable	<u>122,903</u>
TOTAL ASSETS	<u>\$1,304,571</u>
LIABILITIES	
Accounts Payable	\$927,938
Deposits Held and Due to Others	177,430
Due to Other Governments	<u>199,203</u>
TOTAL LIABILITIES	<u>\$1,304,571</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, 2004

NOTE 1: REPORTING ENTITY

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

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

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

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

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Basis of Presentation

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

Government-wide Financial Statements – The statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid “doubling up” revenues and expenses. 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. The internal service fund is presented in a single column on the face of the proprietary fund statements. 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.

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

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

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

Proprietary Funds – Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position, and cash flows. Proprietary funds are classified as either enterprise or internal service.

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.

Internal Service Fund – Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City’s only internal service fund accounts for a retrospective rating workers’ compensation program provided to the City employees.

CITY OF WILLOUGHBY, OHIO
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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.

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.

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

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

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

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

Property taxes for which there is an enforceable legal claim as of December 31, 2004, but which were levied to finance year 2005 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also 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

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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."

The City complies with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. As a governmental entity other than an external investment pool in accordance with GASB 31, the City's investments are stated at fair value, except for interest-earning investment contracts, money market investments, and external investment pools (see Note 4).

In applying GASB Statement No. 31, the City utilized the following methods and assumptions as of December 31, 2004:

- The portfolio was limited to nonparticipating interest-earning investment contracts, State Treasury Asset Reserve of Ohio (STAROhio), and U.S. Government Securities.
- Most of the City's investments are reported at fair value, which is the quoted market price as of the valuation date. For investments in STAROhio, fair value is determined by the pool's share price. Exceptions to the fair value requirement include nonparticipating interest-earning investment contracts and money market investments.

Nonparticipating investment contracts, such as nonnegotiable certificates of deposit and repurchase agreements are reported at cost. Money market investments, including U.S. Treasury and agency obligations that had a remaining maturity of one year or less at the time of purchase by the City, are reported at amortized cost.

Aside from investments clearly identified as belonging to a specific fund, any unrealized gain/loss resulting from the valuation will be recognized within the General fund to the extent its cash and investments balance exceeds the cumulative value of those investments subject to GASB Statement No. 31.

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

The City's policy is to hold investments until maturity, or until market values equal or exceed cost.

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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 in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2004.

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 2004 amounted to \$229,089 which includes \$120,168 assigned from other City funds.

The City has segregated bank accounts for monies held separate from the City's central bank account. These interest bearing depository accounts are presented on the statement of net assets as "restricted assets" since they are not required to be deposited into the City's treasury.

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. Cash and equivalents are displayed as Equity in City Treasury Cash and Investments in all funds. These amounts are short-term investments and deposits, both readily convertible to cash. The City considers highly liquid investments with remaining maturity of three months or less to be cash equivalents.

F. **Receivables**

Receivables at December 31, 2004 consist of taxes, amounts due from other governments, accounts (billings for user charged services), special assessments, and accrued interest on investments. All are deemed collectible in full.

G. **Materials and Supplies Inventory**

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

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

Inventory consists of expendable supplies held for consumption.

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H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2004 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 maintains a capitalization threshold of \$1,000. The City's infrastructure consists of roads, sidewalks, curbs and gutters, storm sewers, street lights, traffic signals, and bridges. Infrastructure acquired prior to implementation of GASB34 has been reported, using City records and data provided by the City Engineer. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

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

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

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

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

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account “Matured Compensated Absences Payable” in the fund or funds which the employees who have accumulated the leave are paid. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

L. Accrued Liabilities and Long-term Obligations

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

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

CITY OF WILLOUGHBY, OHIO
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current year. Bonds and long-term loans are recognized as a liability on the governmental fund financial statements when due.

M. Fund Balance Reserves

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

N. Net Assets

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

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

O. Grants and Intergovernmental Revenues

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

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

CITY OF WILLOUGHBY, OHIO
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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 2004.

T. **Estimates**

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

U. **Budgetary Data**

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

CITY OF WILLOUGHBY, OHIO
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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 2004.

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

► **Fund Deficits**

At December 31, 2004, the Airport fund had deficit unrestricted net assets of \$3,558,456. The Due to Other Funds amount represents long-term debt on behalf of the Airport fund paid by the General fund, the General Retirement Bond fund, the Sewer fund and the Capital fund. The Airport fund has liabilities (Due to Other Funds) in the amount of \$3,875,549, which consists of \$1,326,019 due to the General fund, \$2,367,617 to the General Retirement Bond fund, \$158,737 to the Sewer fund and \$23,176 to the Capital fund. The Airport fund is ultimately responsible for its long-term debt based upon the intent of Council and the Administration of the City. This has not been possible due to insufficient revenue received by this Enterprise fund. The airport, when and if capable, will be required to repay all liabilities to other funds.

The Golf Course had deficit unrestricted net assets of \$73,097. The "Due to Other Funds" amount includes \$40,000 of advances from the General and Capital Projects funds.

NOTE 4: DEPOSITS AND INVESTMENTS

Cash resources of all of the City's individual funds are combined to form a pool of cash or cash equivalents. Investments are separately held by a number of individual funds. Statutes require the classification of funds held by the City into three categories:

Category 1 consists of "active" funds – those funds required to be in "cash" or "near cash" status for immediate use by the City. Such funds 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.

Category 2 consists of "inactive" funds – those funds not required for use within the current five year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing no later than the end of the current period of designation of depositories.

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Category 3 consists of “interim” funds – those funds not needed for immediate use but needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, 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, provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily; and that the term of the agreement must not exceed thirty days;
- Bonds or other obligations of the State of Ohio;
- 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 Ohio subdivisions fund as provided in Section 135.45 of the Ohio Revised Code (STAROhio).

The Finance Director will be permitted to invest in any security authorized by the Ohio Revised Code, Section 135.14, or other relevant sections as amended. All investment procedures will be 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. No derivative securities or investment “pools” with the exception of STAROhio will be permitted.

Ohio law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). Securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at

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least 110 percent of the carrying value of all public deposits held by each institution. Obligations that may pledge as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation, or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation, or other authority. Based upon criteria described in GASB Statement No. 3, *Deposits with Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements*, collateral held in single financial collateral pools with securities being held by the pledging financial institutions' agent in the pools' name are classified as Category 3.

The GASB has established risk categories for deposits and investments as follows:

DEPOSITS	
Category 1	Insured or collateralized with securities held by the City or its agent in the City's name.
Category 2	Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.
Category 3	Collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name.
INVESTMENTS	
Category 1	Insured or registered with securities held by the City or its agent in the City's name.
Category 2	Uninsured and unregistered with securities held by the counterparty's trust department or agent in the City's name.
Category 3	Uninsured and unregistered with securities held by the counterparty or by its trust department or agent, but not in the City's name.

A. Deposits

At year end the carrying amount of the City's deposits was \$4,041,710 and the bank balance was \$5,444,791. The Federal Deposit Insurance Corporation (FDIC) covered \$400,000. Deposits of \$4,800,625 were classified as Category 1 and the remaining balance of \$244,166 was Category 3.

B. Investments

The City's investments at December 31, 2004, are summarized below:

	Category 3	Carrying Amount	Fair Value
U.S. Government Securities	\$ 14,876,842	\$ 14,876,842	\$ 14,876,842
Repurchase Agreements	<u>1,056,094</u>	1,056,094	1,056,094
STAR Ohio		<u>2,395,163</u>	<u>2,395,163</u>
Total Investments	<u>\$ 15,932,936</u>	<u>\$ 18,328,099</u>	<u>\$ 18,328,099</u>

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The classification of Equity in City Treasury Cash and Investments on the basic financial statements is based on criteria set forth in GASB Statement No. 9. Certificates of deposit with an original maturity of three months or less are treated as cash equivalents. The classification of cash and cash equivalents (deposits) for purposes of this note are based on criteria set forth in GASB Statement No. 3.

	Cash and Cash Equivalents*	Investments
GASB Statement No. 9	\$ 7,492,967	\$ 14,876,842
Investments:		
STAR Ohio	(2,395,163)	2,395,163
Certificates of Deposit	-	-
Repurchase Agreement	(1,056,094)	1,056,094
Per GASB Statement No. 3	<u>\$ 4,041,710</u>	<u>\$ 18,328,099</u>
<i>*Includes Restricted Asset</i>		

NOTE 5: INTERFUND TRANSFERS AND BALANCES

As of December 31, 2004, interfund transfers were as follows:

<u>Transfer To</u>	<u>Transfer From</u>		<u>Total</u>
	<u>General Fund</u>	<u>Non Major Governmental Funds</u>	
General Fund	\$ -	\$ 17,681	\$ 17,681
Capital Projects Fund	54,544	-	54,544
Sewer Fund	-	2,255	2,255
Nonmajor Governmental Funds	2,210,000	-	2,210,000
Total	<u>\$ 2,264,544</u>	<u>\$ 19,936</u>	<u>\$ 2,284,480</u>

The General fund transfers to the Capital Projects and nonmajor governmental funds were made to provide additional resources for current operations.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

As of December 31, 2004, interfund balances were as follows:

	Due from Other Funds	Due to Other Funds
<u>Major Funds</u>		
General	\$ 1,363,752	\$ 2,050
Capital Projects	30,169	1,023
General Bond Retirement	2,367,617	-
Golf Course	362	41,993
Sewer	159,519	2,733
Airport	805	3,875,549
<u>Internal Service Fund</u>	1,124	-
	<u>\$ 3,923,348</u>	<u>\$ 3,923,348</u>

Interfund balances of \$3,759,589 are a result of advances from the General fund for airport and golf course operations, the General Bond Retirement fund for airport debt payments and the Capital Projects fund for equipment purchases of the Airport and Golf enterprise funds. Remaining amounts are for reimbursements due from operations.

NOTE 6: BUDGETARY BASIS OF ACCOUNTING

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

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

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

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

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

Net Change in Fund Balance	
GAAP Basis	\$ (1,631,425)
Net Adjustment for Revenue Accruals	(332,428)
Fair Value Adjustment for Investments	36,939
Net Adjustment for Expenditure Accruals	(1,077)
Encumbrances	(717,983)
Current Expense Against Prior Year Encumbrances	758,874
Budget Basis	<u>\$ (1,887,100)</u>

NOTE 7: RECEIVABLES

Receivables at December 31, 2004, 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 2004 for real and public property taxes represents collections of 2003 taxes. Property tax payments received during 2004 for tangible personal property (other than public utility property) are for 2004 taxes.

2004 real property taxes are levied after October 1, 2004, on the assessed value as of January 1, 2004, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2004 real property taxes are collected in and intended to finance 2005 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. 2004 public utility property taxes which became a lien December 31, 2003, are levied after October 1, 2004, and are collected in 2005 with real property taxes.

2004 tangible personal property taxes are levied after October 1, 2003, on the value as of December 31, 2003. Collections are made in 2004. Tangible personal property assessments are 25 percent of true value.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

The full tax rate for all City operations for the year ended December 31, 2004, was \$6.79 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2004 property tax receipts were based are as follows:

Real Property	\$532,659,960
Public Utility Tangible	\$16,553,100
Tangible Personal	\$85,187,771
Total	\$634,400,831

Real property taxes are payable annually or semiannually. The due date for the 2004 levy was February 16, 2005, for all or one half of the taxes due. The second half due date is July 13, 2005.

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, 2004, 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 2004 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

B. Municipal Income Taxes

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

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

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

C. Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

Governmental Activities:	
Property & Other Local Taxes	\$ 10,950
Estate Tax	294,000
Gasoline & Motor Vehicle Tax	392,723
Local Government	1,374,318
Charges for Service	79,405
Homestead and Rollback	134,558
Fines	219,833
Total Governmental	<u>2,505,787</u>
Business-Type Activities:	
Charges for Service	242,019
Bonds Payable - LT	18,085
Total Business Type	<u>260,104</u>
Total Intergovernmental Receivables	\$ <u>2,765,891</u>

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 8: CAPITAL ASSETS

A summary of changes in capital assets during 2004 follows:

	Balance 01/01/04	Additions	Deletions	Balance 12/31/04
Governmental Activities				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$7,005,240	\$750,460	(\$8,250)	\$7,747,450
Construction in Progress	<u>6,202,862</u>	<u>1,797,392</u>	<u>(36,347)</u>	<u>7,963,907</u>
<i>Total Capital Assets Not Being Depreciated</i>	<u>13,208,102</u>	<u>2,547,852</u>	<u>(44,597)</u>	<u>15,711,357</u>
<i>Capital Assets Being Depreciated</i>				
Buildings	13,696,685	350,726	(510,558)	13,536,853
Improvements	14,934,241	10,119	0	14,944,360
Machinery and Equipment	10,131,670	415,786	(192,734)	10,354,722
Infrastructure:				
Roads	18,086,826	60,555		18,147,381
Sidewalks	1,112,948	16,535		1,129,483
Curbs & Gutters	985,795	0		985,795
Storm Sewers	6,221,405	0		6,221,405
Street Lights	44,648	0		44,648
Traffic Signals	1,495,740	0		1,495,740
Bridges	<u>533,210</u>	<u>0</u>		<u>533,210</u>
<i>Total Capital Assets Being Depreciated</i>	<u>67,243,168</u>	<u>853,721</u>	<u>(703,292)</u>	<u>67,393,597</u>
<i>Less Accumulated Depreciation</i>				
Buildings	(4,259,532)	(508,358)	386,294	(4,381,596)
Improvements	(6,642,450)	(471,940)	0	(7,114,390)
Machinery and Equipment	(6,476,079)	(824,759)	171,908	(7,128,930)
Infrastructure:				
Roads	(6,811,497)	(934,952)		(7,746,449)
Sidewalks	(341,045)	(39,822)		(380,867)
Curbs & Gutters	(311,236)	(34,582)		(345,818)
Storm Sewers	(1,912,565)	(180,265)		(2,092,830)
Street Lights	(16,996)	(2,905)		(19,901)
Traffic Signals	(778,514)	(81,785)		(860,299)
Bridges	<u>(40,434)</u>	<u>(10,664)</u>		<u>(51,098)</u>
<i>Total Accumulated Depreciation</i>	<u>(27,590,348)</u>	<u>(3,090,032)</u>	<u>558,202</u>	<u>(30,122,178)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>39,652,820</u>	<u>(2,236,311)</u>	<u>(145,090)</u>	<u>37,271,419</u>
Total Government Activities Capital Assets, Net	<u><u>\$52,860,922</u></u>	<u><u>\$311,541</u></u>	<u><u>(\$189,687)</u></u>	<u><u>\$52,982,776</u></u>

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 8: CAPITAL ASSETS (CONTINUED)

	Balance 01/01/04	Additions	Deletions	Balance 12/31/04
Business-Type Activities				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$9,559,613	\$0	(\$118,485)	\$9,441,128
Construction in Progress	1,557,871	168,482	(1,367,008)	359,345
<i>Total Capital Assets Not Being Depreciated</i>	<u>11,117,484</u>	<u>168,482</u>	<u>(1,485,493)</u>	<u>9,800,473</u>
<i>Capital Assets Being Depreciated</i>				
Buildings	18,247,215	211,852	(42,440)	18,416,627
Improvements	35,886,297	1,542,884	(68,159)	37,361,022
Machinery and Equipment	7,114,257	41,164	(16,753)	7,138,668
<i>Total Capital Assets Being Depreciated</i>	<u>61,247,769</u>	<u>1,795,900</u>	<u>(127,352)</u>	<u>62,916,317</u>
<i>Less Accumulated Depreciation</i>				
Buildings	(7,637,337)	(469,622)	29,142	(8,077,817)
Improvements	(13,310,038)	(1,080,037)	51,796	(14,338,279)
Machinery and Equipment	(4,817,720)	(283,184)	16,753	(5,084,151)
<i>Total Accumulated Depreciation</i>	<u>(25,765,095)</u>	<u>(1,832,843)</u>	<u>97,691</u>	<u>(27,500,247)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>35,482,674</u>	<u>(36,943)</u>	<u>(29,661)</u>	<u>35,416,070</u>
Total Business-Type Capital Assets, Net	<u><u>\$46,600,158</u></u>	<u><u>\$131,539</u></u>	<u><u>(\$1,515,154)</u></u>	<u><u>\$45,216,543</u></u>
*Depreciation expense was charged to governmental functions as follows:				
General Government				\$205,890
Security of Persons and Property				750,842
Public Health and Welfare				18,759
Community Environment				10,569
Leisure Time Activities				414,459
Transportation				1,339,679
Basic Utility Service				349,834
Total				<u><u>\$3,090,032</u></u>
Depreciation expense was charged to business-type activities as follows:				
Golf				\$82,942
Sewer				1,347,727
Airport				402,173
Total				<u><u>\$1,832,842</u></u>

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 9: PENSION PLANS

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

A. Ohio Public Employees Retirement System (OPERS)

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

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

- 1). The Traditional Pension Plan (TP)** – a cost-sharing multiple-employer defined benefit pension plan.
- 2). The Member-Directed Plan (MD)** – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings thereon.
- 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) 222-6701.

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2004, member and employer contribution rates were consistent across all three plans (TP, MD and CO).

CITY OF WILLOUGHBY, OHIO
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Plan members, other than those engaged in law enforcement and public safety, are required to contribute 8.5 percent of their annual covered salary to fund pension obligations. For 2004 the City was required to contribute 13.55 percent of covered payroll. The City's contributions for all plans (TP, MD and CO) for the years ended December 31, 2004, 2003 and 2002 were \$1,050,374, \$1,065,748 and \$1,042,817, respectively, which were equal to the required contributions for each year.

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 ended December 31, 2004, 2003 and 2002 were \$593,506, \$571,439 and \$560,086 for police and \$673,944, \$645,832 and \$616,876 for firefighters, respectively, which were equal to the required contributions for each year.

NOTE 10: POSTEMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System (OPERS)

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the Retirement System is considered an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 12.

A portion of each employer's contribution to OPERS is set aside for the funding of postretirement health care. The Ohio Revised Code provides statutory authority for employer contributions and requires public employers to fund postretirement health care through their contributions to OPERS. The 2004 employer rate was 13.55 percent of covered payroll. The portion used to fund health care was 4.00 percent.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

The postretirement health care coverage is advance-funded on an actuarially determined basis. The following assumptions and calculations were based on OPERS' latest actuarial review performed as of December 31, 2003: an entry age normal actuarial cost method of valuation is used in determining the present value of benefit liabilities; the difference between the assumed and actual experience is part of the unfunded actuarial accrued liability; the investment assumption rate for 2003 was 8.00 percent; all investments are carried at market value; for actuarial valuation purposes a smoothed market approach is used meaning that assets are adjusted annually to reflect 25 percent of unrealized market appreciation or depreciation on investment assets; individual pay increases are assumed to increase 4.00 percent compounded annually with no change in the number of active employees; annual pay increases over and above 4.00 percent base increase were assumed to range from 0.50 percent to 6.3 percent; and health care costs are assumed to increase 4.00 percent annually.

For 2004, the number of active and contributing participants in the Traditional and Combined Plans totaled 369,885. The City's actual contributions for 2004, which were used to fund postemployment benefits, were \$310,070. The actuarial value of the Retirement System's net assets available for OPEB at December 31, 2003, the date of the latest actuarial review, was \$10.5 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$26.9 billion and \$16.4 billion, respectively.

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in respond to skyrocketing health care costs.

Under the HCPP, retirees eligible for health care coverage will receive a graded monthly allocation based on their years of service at retirement. The Plan incorporates a cafeteria approach, offering a broad range of health care options that allow benefit recipients to use their monthly allocation to purchase health care coverage customized to meet their individual needs. If the monthly allocation exceeds the cost of the options selected, the excess is deposited into a Retiree Medical Account that can be used to fund future health care expenses.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

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

OP&F provides postretirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18, whether or not the child is attending school, or under the age of 22 if attending school on a full-time or two-thirds basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides that health care cost paid from the funds of the Ohio Police and Fire Pension Fund shall be included in the employer's contribution rate. The total police employer contribution rate is 19.50 percent of covered payroll and the total firefighter employer contribution rate is 24.00 percent of covered payroll.

The Ohio Revised Code provides statutory authority allowing OP&F's Board of Trustees to provide postemployment health care coverage to all eligible individuals. Health care funding and accounting is on a pay-as-you-go basis. A percentage of covered payroll, as defined by the Board is used to pay retiree health care expenses. The Board defined allocation was 7.75 percent of covered payroll in 2003 and 2004. In addition, since July 1, 1992 most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The number of participants eligible to receive health care benefits as of December 31, 2003, (the latest information available) was 13,662 for police and 10,474 for firefighters. The portion of the City's contributions that were used to pay postemployment benefits was \$235,622 for police and \$217,684 for firefighters. The OP&F's total health care expenses for the year ended December 31, 2003, (the latest information available) were \$150,853,148, which was net of member contributions of \$17,207,506.

NOTE 11: OTHER EMPLOYEE BENEFITS – COMPENSATED ABSENCES

A. Accumulated Unpaid Vacation

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

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

B. Accumulated Unpaid Sick Leave

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

C. Accumulated Unpaid Compensatory Time

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

NOTE 12: CONTRACTUAL COMMITMENTS

At December 31, 2004, the City's significant contractual commitments consisted of:

Project	Contract Amount	Amount Paid	Remaining on Contract
·Municipal Court Building	\$ 6,333,152	\$ 2,384,143	\$ 3,949,009
·Riverside Commons	4,298,341	4,100,685	197,656
·Belt Filter Press	218,543	166,093	52,450
·Security Fencing - Airport	<u>221,202</u>	<u>11,800</u>	<u>209,402</u>
Total	\$ 11,071,238	\$ 6,662,721	\$ 4,408,517

The City has sold bonds to construct a municipal building to be used for the Willoughby Municipal Court. The City sold bonds of \$6,350,000 in 2003 which will cover construction commitments of \$4,976,482 and other related expenses, such as furnishings and equipment.

NOTE 13: CONTINGENCIES, CLAIMS AND JUDGMENTS

A. Litigation

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

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

B. Special Assessment/Enterprise Bonds

Special assessment bonds are being retired by assessments against the affected property owners. General obligation bonds in the enterprise funds are being retired by use of revenues generated by those funds. The lone exception is the Airport Fund where current income does not support debt repayment. The General Bond Retirement fund is currently paying the obligation. 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.

NOTE 14: OTHER COMMITMENTS

Water/Sewer Billing Agreement

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

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 15: LONG-TERM OBLIGATIONS

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

	Original Issue Date	Maturity Date	Interest Rate	Original Issue Amount
<u>Governmental Activities:</u>				
<u>General Obligations Bonds Voted</u>				
Service Garage	1986	2007	6.875%	1,500,000
Fire Station Construction	1999	2024	4.95%	6,200,000
<u>General Obligation Bonds Unvoted</u>				
1986 Street Improvement	1986	2006	7.625%	2,417,225
Lost Nation Road Improvement	1990	2011	6.25%-7.40%	2,600,000
Landfill and Erosion Control	1992	2012	3.0%-6.375%	1,601,148
Various Purpose Bond Issue	1996	2016	4.3%-5.45%	3,230,000
Municipal Building Improvement OPWC	2003	2023	3.94%	6,350,000
Karen Isle Watermains	2001	2020	Interest Free	9,003
Brown Avenue Watermains	2001	2022	Interest Free	15,675
<u>Special Assessment Bonds</u>				
1986 Street Improvement	1986	2006	7.625%	547,775
Biltmore Place	1995	2016	5.66%	464,000
<u>Other General Long Term Liabilities</u>				
Capital Projects Note Payable	2000	2004	Interest Free	275,000
Police Pension Liability	1968	2035	4.25%	148,460
Landfill Postclosure Care	1994	2024		1,227,640
<u>Business-Type Activities:</u>				
<u>Enterprise Fund G.O. Debt Sewer Bonds</u>				
Sewer 1992 OPWC	1992	2012	3.0%-6.375%	1,343,852
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
OWDA				
Grove-Erie Sanitary Sewer	1994	2013	4.8%	639,009
Waldamere-Glenwood Sanitary Sewer	1997	2017	4.04%	305,320
Waste Water Treatment	1986	2006	10.02%	5,941,535
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%	88,105
<u>Airport Bonds</u>				
Airport Improvement	1999	2009	4.23%	1,360,000
<u>Golf Bonds</u>				
Golf Course Improvement	2002	2022	4.179%	3,150,000

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

Changes in the long-term obligations of the City during 2004 were as follows:

	Balance 01/01/04	Increases	Decreases	Balance 12/31/04	Amounts Due Within One Year
Governmental Activities:					
<u>General Obligation Bonds Voted</u>					
Service Garage	\$ 300,000	\$ 0	\$ 75,000	\$ 225,000	\$ 75,000
Fire Station Construction	5,415,000	0	160,000	5,255,000	165,000
<i>Subtotal - General Obligation Bonds Voted</i>	<u>5,715,000</u>	<u>0</u>	<u>235,000</u>	<u>5,480,000</u>	<u>240,000</u>
<u>General Obligation Bonds Unvoted</u>					
1986 Street Improvement	83,137	0	27,712	55,425	27,712
Lost Nation Road Improvement	1,040,000	0	130,000	910,000	130,000
Landfill and Erosion Control	733,970	0	81,553	652,417	81,553
Various Purpose Bond Issue	2,185,000	0	175,000	2,010,000	185,000
Municipal Building Improvement OPWC	6,350,000		0	6,350,000	245,000
Karen Isle Watermains	7,653	0	450	7,203	450
Brown Avenue Watermains	14,891	0	784	14,107	784
<i>Subtotal - General Obligation Bonds Unvoted</i>	<u>10,414,651</u>	<u>0</u>	<u>415,499</u>	<u>9,999,152</u>	<u>670,499</u>
Total Government Fund General Obligation Bonds	<u>16,129,651</u>	<u>0</u>	<u>650,499</u>	<u>15,479,152</u>	<u>910,499</u>
<u>Special Assessment Bonds</u>					
1986 Street Improvement	366,863	0	122,288	244,575	122,288
Biltmore Place	355,000	0	20,000	335,000	20,000
<i>Subtotal - Special Assessment Bonds</i>	<u>721,863</u>	<u>0</u>	<u>142,288</u>	<u>579,575</u>	<u>142,288</u>
<u>Other General Long Term Liabilities</u>					
Capital Projects Note Payable	75,000	0	75,000	0	0
Police Pension Liability	127,847	0	2,011	125,836	2,097
Landfill Post Closure Care	1,049,898	0	22,932	1,026,966	29,169
Compensated Absences	4,175,010	1,175,704	1,227,782	4,122,932	1,265,302
<i>Subtotal - Other General Long Term Liabilities</i>	<u>5,427,755</u>	<u>1,175,704</u>	<u>1,327,725</u>	<u>5,275,734</u>	<u>1,296,568</u>
Subtotal Governmental Activities	<u>\$ 22,279,269</u>	<u>\$ 1,175,704</u>	<u>\$ 2,120,512</u>	<u>\$ 21,334,461</u>	<u>\$ 2,349,355</u>

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

Long-Term Obligations (cont)

	Balance 01/01/04	Increases	Decreases	Balance 12/31/04	Amounts Due Within One Year
Business-Type Activities:					
<i><u>Enterprise Fund General Obligation</u></i>					
<i><u>Debt - Sewer Bonds</u></i>					
1992 Sewer Bond	\$ 616,029	\$ 0	\$ 68,448	\$ 547,581	\$ 68,447
OPWC					
Waldamere-Glenwood Sanitary Sewer	135,000	0	10,000	125,000	10,000
Vine Street Area Sanitary Sewer	197,293	0	10,384	186,909	10,384
Center-Wood Sanitary Sewer	150,000	0	71,495	78,505	3,925
OWDA					
Grove-Erie Sanitary Sewer	393,896	0	31,524	362,372	33,056
Waldamere-Glenwood Sanitary Sewer	231,344	0	13,186	218,158	13,724
Waste Water Treatment	1,737,311	0	524,765	1,212,546	577,346
Downtown Sanitary Sewer	1,227,952	0	52,049	1,175,903	54,104
Highland-Maple-Wood Sanitary Sewer	1,678,272	0	60,579	1,617,693	63,010
Center-Wood Sanitary Sewer	1,128,550	293	193,687	935,156	35,043
Van Gorder Sewer Lining	88,105	400	3,290	85,215	2,855
Subtotal - Sewer Bonds	7,583,752	693	1,039,407	6,545,038	871,894
<i><u>Airport Bonds</u></i>					
Airport Improvement	805,000	0	120,000	685,000	125,000
Subtotal - Airport Bonds	805,000	0	120,000	685,000	125,000
<i><u>Golf Bonds</u></i>					
Golf Course Improvement	3,065,000	0	110,000	2,955,000	115,000
Total Bonds Payable	11,453,752	693	1,269,407	10,185,038	1,111,894
<i><u>Other Liabilities</u></i>					
Compensated Absences	664,178	211,235	178,333	697,080	186,429
Subtotal Business-Type Activities	12,117,930	211,928	1,447,740	10,882,118	1,298,323
Total Long-Term Liabilities	\$ 34,397,199	\$ 1,387,632	\$ 3,568,252	\$ 32,216,579	\$ 3,647,678

General Obligation Bonds – 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.

In 2002, the City refunded golf course debt with bond issuance costs being recognized over the remaining life of the original debt. At December 31, 2004, the balance of the unamortized bond issuance costs is \$64,659.

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.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

Other Long-Term Obligations – Compensated absences will be paid from the fund in which the employee’s salary is paid. Police Pension and Capital Projects liabilities are paid from their respective funds. See Note 18 for further detail on landfill liability.

The City’s legal debt margin at December 31, 2004, was \$66,612,087. Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2004, are as follows:

	---BONDS---										Totals
	General		Special		Enterprise Bonds		O.W.D.A.	O.W.D.A.	Police	Police	
	Obligation	Obligation	Assessment	Assessment	With G.O. Commitment		& O.P.W.C.	& O.P.W.C.	Pension Liability	Pension Liability	
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest		
2005	909,265	739,264	142,288	37,946	308,447	183,629	804,681	257,728	2,097	5,326	3,390,671
2006	939,265	694,585	142,287	27,611	313,448	171,328	870,792	209,052	2,187	5,236	3,375,791
2007	846,552	647,018	20,000	17,258	323,448	158,176	244,193	155,992	2,281	5,142	2,420,060
2008	796,553	603,654	25,000	16,088	338,448	144,354	253,145	147,039	2,379	5,044	2,331,704
2009	816,553	564,248	25,000	14,626	348,447	129,444	262,470	137,713	2,481	4,942	2,305,924
2010-14	3,924,654	2,218,894	155,000	49,140	930,343	479,183	1,415,633	535,226	14,098	23,016	9,745,187
2015-19	3,635,000	1,327,705	70,000	6,144	915,000	292,486	1,388,558	281,069	17,397	19,716	7,953,075
2020-24	3,590,000	481,145	0	0	710,000	68,730	779,295	52,051	21,471	15,645	5,718,337
2025-29	0	0	0	0	0	0	0	0	26,496	10,620	37,116
2030-34	0	0	0	0	0	0	0	0	32,694	4,422	37,116
2035	0	0	0	0	0	0	0	0	2,255	48	2,303
	\$ 15,457,842	\$ 7,276,513	\$ 579,575	\$ 168,813	\$ 4,187,581	\$ 1,627,330	\$ 6,018,767	\$ 1,775,870	\$ 125,836	\$ 99,157	\$ 37,317,284

NOTE 16: CONDUIT DEBT

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

TYPE	ON BEHALF OF	ORIGINAL AMOUNT	OUTSTANDING BALANCE	YEAR OF ISSUE
Multi-Family Housing Mortgage Revenue Bonds	Oakhill Village	\$5,955,000	\$5,955,000	2002A
	Oakhill Village	\$3,395,000	\$3,185,000	2002B
Industrial Development Revenue Bonds	Kennedy Group	\$6,500,000	\$4,245,000	1998
Industrial Development Revenue Refunding Bonds	Ohio Presbyterian Retirement Services	\$8,200,000	\$6,110,000	1996
Economic Development Revenue Bonds	Andrews School	\$6,050,000	\$5,385,810	1996

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

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 17: NOTES PAYABLE

The Ohio Revised Code provides that notes and renewal notes issued in anticipation of the issuance of general obligation bonds may be issued and outstanding from time to time up to a maximum period of 20 years from the date of issuance of the original notes. The maximum maturity for notes anticipating general obligation bonds payable from special assessments is five years. Any period in excess of five years must be deducted from the permitted maximum maturity of the bonds anticipated, and portions of the principal amount of notes outstanding for more than five years must be retired in amounts at least equal to and payable no later than the principal maturities required if the bonds had been issued at the expiration of the initial five year period.

The following general obligation note was payable at December 31, 2004:

	Maturity Date	Balance December 31, 2003	Issued	Retired	Balance December 31, 2004
Capital Projects Note Payable: 3.5%	Dec. 14, 2005	\$4,450,000	\$4,650,000	\$4,450,000	\$4,650,000
Total Note Payable		<u>\$4,450,000</u>	<u>\$4,650,000</u>	<u>\$4,450,000</u>	<u>\$4,650,000</u>

NOTE 18: LANDFILL CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations require the City to perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. The City's landfill placed its final cover in 1995. The \$1,026,966 reported as Landfill Postclosure Care at December 31, 2004 represents estimated cost of maintenance and monitoring through 2024. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

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

NOTE 19: INSURANCE AND RISK MANAGEMENT

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

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

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	CNA Companies	\$1,000,000	\$ 0
Public Officials Liability	Clarendon National Ins.	2,000,000	25,000
Law Enforcement Liability	Clarendon National Ins.	1,000,000	7,500
Commercial Property	CNA Companies	58,328,088	10,000
Commercial Crime	CNA Companies	10,000	1,000
Boiler and Machinery	CNA Companies	4,000,000	1,000
Automobile Liability	CNA Companies	1,000,000	0
Automobile Comprehensive	CNA Companies	Per Schedule	1,000
Automobile Collision	CNA Companies	Per Schedule	1,000
Excess General Liability (Umbrella)	American Alternative Ins.	10,000,000	0
Fire Errors and Omissions	CNA Companies	1,000,000	0
Ambulance Malpractice	CNA Companies	1,000,000	0
Blanket Bond	CNA Companies	100,000	0
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.

Previously, the City had applied for and was accepted into the State's Retrospective Rating Plan for the years 1993-1995, whereby the City initially pays a fraction of the premium (the minimum premium) it would pay as an experience-rated risk. As costs for the City's injured workers' claims are incurred, the City must reimburse the state fund for those costs, subject to the plan's individual claim cost limitation and the City's premium limitation. To account for this plan, the City established a Workers' Compensation Self-Insurance Fund (an Internal Service Fund) to pay workers' compensation claims from the accumulated assets of the fund. The City's retrospective rating plan provides for a \$250,000 catastrophic limit per claim and an unlimited claim limit.

At December 31, 2004, the City had no further liability to the fund. This information was provided by the third party administrator and is based on the requirements of Governmental Standards Board Statement 30, which requires that a liability be recorded for unpaid claims costs.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

The schedule below presents the changes in claims' liabilities for the past three years.

	Beginning of Year Liability	Current Year Claims	Claim Payments	Balance at Year End
2002	75,595	6,875	34,418	48,052
2003	48,052	3,143	46,435	4,760
2004	4,760	-0-	4,760	-0-

NOTE 20: JOINT ORGANIZATION

Northeast Ohio Public Energy Council

The City is a member of the Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of energy. NOPEC is currently comprised of 115 communities who have been authorized by ballot to purchase energy on behalf of their citizens. The intent of NOPEC is to provide energy at the lowest possible rates while at the same time ensuring stability in prices by entering into long-term contracts with suppliers to provide energy to the citizens of its member communities.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The City of Willoughby did not contribute to NOPEC during 2004. Financial information can be obtained by contacting Joseph Migliorini, Board Chairman, 1615 Clark Avenue, Cleveland, Ohio 44109.

NOTE 21: RESTATEMENT OF FUND BALANCE/NET ASSETS

	General	Total Governmental
Fund Balances, Dec 31, 2003	\$ 8,692,542	\$ 20,596,242
Income Tax Revenue	<u>866,627</u>	<u>866,627</u>
Adjusted Fund Balances, Dec 31, 2003	<u>\$ 9,559,169</u>	<u>\$ 21,462,869</u>
Net Assets Dec 31, 2003		\$ 56,135,450
Income Tax Revenue		866,627
Deferred Assets		<u>154,408</u>
Adjusted Net Assets, December 31, 2003		<u>\$ 57,156,485</u>

The City had understated income tax receivable because of an error in estimating the uncollected amounts. Only the General fund and Governmental Assets were affected by this change.

Combining Statements and Individual Fund Schedules

Combining Statements – Nonmajor Funds

NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

Urban Forest Management Fund – the City utilizes this fund to account for a matching fund grant from the State of Ohio. These funds along with tree planting fees are used to inventory and provide trees throughout the City.

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

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

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

Railroad Grade Crossing Fund – to account for fines received and expenditures for crossing improvements. This is a state mandated fund, but there has been no activity through 2004.

FEMA Fund – to account for Federal and State grants to reimburse the City for costs incurred in managing the blackout.

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 in the immediate area of the project and are paid for by those residents through assessments against their property.

PERMANENT FUND

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

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

CITY OF WILLOUGHBY, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2004

	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	\$3,218,705	\$501,839	\$177,392	\$3,897,936
Inventory - Supplies	91,556	0	0	91,556
Accounts Receivable	706	0	110	816
Due from Other Governments	445,336	0	0	445,336
Taxes Receivable	468,809	0	0	468,809
Special Assessments Receivable	<u>555,653</u>	<u>792,808</u>	<u>0</u>	<u>1,348,461</u>
TOTAL ASSETS	<u>\$4,780,765</u>	<u>\$1,294,647</u>	<u>\$177,502</u>	<u>\$6,252,914</u>
LIABILITIES				
Accounts Payable	\$189,489	\$0	\$0	\$189,489
Matured Compensated Absences Payable	88,239	0	0	88,239
Salaries, Wages & Benefits Payable	50,395	0	0	50,395
Due to Other Governments	44,177	0	0	44,177
Deferred Revenue	<u>1,369,220</u>	<u>792,808</u>	<u>0</u>	<u>2,162,028</u>
TOTAL LIABILITIES	<u>1,741,520</u>	<u>792,808</u>	<u>0</u>	<u>2,534,328</u>
FUND BALANCES				
Reserved for Encumbrances	165,289	0	0	165,289
Reserved for Inventory	91,556	0	0	91,556
Reserved for Debt Service	0	501,839	0	501,839
Unreserved, Undesignated Reported in:				
Special Revenue Funds	2,782,400	0	0	2,782,400
Permanent Fund	<u>0</u>	<u>0</u>	<u>177,502</u>	<u>177,502</u>
TOTAL FUND BALANCES	<u>3,039,245</u>	<u>501,839</u>	<u>177,502</u>	<u>3,718,586</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$4,780,765</u>	<u>\$1,294,647</u>	<u>\$177,502</u>	<u>\$6,252,914</u>

CITY OF WILLOUGHBY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	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	\$509,013	\$0	\$0	\$509,013
Intergovernmental	946,807	0	0	946,807
Charges for Services	218,995	0	10,162	229,157
Special Assessments	545,740	204,149	0	749,889
Fines and Forfeitures	415,691	0	0	415,691
Miscellaneous	<u>4,139</u>	<u>0</u>	<u>0</u>	<u>4,139</u>
Total Revenues	<u>2,640,385</u>	<u>204,149</u>	<u>10,162</u>	<u>2,854,696</u>
EXPENDITURES:				
Current:				
General Government	127,247	6,259	0	133,506
Security of Persons and Property	2,054,200	0	0	2,054,200
Community Environment	64,021	0	0	64,021
Leisure Time Activities	773,439	0	0	773,439
Transportation	1,520,551	0	0	1,520,551
Capital Outlay	24,111	0	0	24,111
Debt Service:				
Principal	0	142,288	0	142,288
Interest	<u>0</u>	<u>48,261</u>	<u>0</u>	<u>48,261</u>
Total Expenditures	<u>4,563,569</u>	<u>196,808</u>	<u>0</u>	<u>4,760,377</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,923,184)	7,341	10,162	(1,905,681)
OTHER FINANCING SOURCES (USES):				
Transfers In	2,210,000	0	0	2,210,000
Transfers (Out)	<u>(19,936)</u>	<u>0</u>	<u>0</u>	<u>(19,936)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,190,064</u>	<u>0</u>	<u>0</u>	<u>2,190,064</u>
NET CHANGE IN FUND BALANCES	266,880	7,341	10,162	284,383
FUND BALANCES BEGINNING OF YEAR	2,753,104	494,498	167,340	3,414,942
INCREASE (DECREASE) IN RESERVE FOR INVENTORY	<u>19,261</u>	<u>0</u>	<u>0</u>	<u>19,261</u>
FUND BALANCES END OF YEAR	<u>\$3,039,245</u>	<u>\$501,839</u>	<u>\$177,502</u>	<u>\$3,718,586</u>

CITY OF WILLOUGHBY, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2004

	<u>FIRE</u> <u>PENSION</u>	<u>POLICE</u> <u>PENSION</u>	<u>LAW</u> <u>ENFORCEMENT</u>	<u>RECREATION</u>	<u>STREET</u> <u>CONSTRUCTION</u> <u>MAINTENANCE</u> <u>AND REPAIR</u>	<u>STATE</u> <u>HIGHWAY</u>	<u>CORPORATE</u> <u>MAINTENANCE</u>
ASSETS							
Equity in City Treasury Cash and Investments	\$16,596	\$46,768	\$41,529	\$187,016	\$293,828	\$98,805	\$68,600
Inventory - Supplies	0	0	0	285	91,271	0	0
Accounts Receivable	0	0	0	106	0	0	0
Due from Other Governments	9,093	9,093	0	3,385	367,303	29,453	0
Taxes Receivable	179,524	179,524	0	109,761	0	0	0
Special Assessments Receivable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,658</u>
TOTAL ASSETS	<u>\$205,213</u>	<u>\$235,385</u>	<u>\$41,529</u>	<u>\$300,553</u>	<u>\$752,402</u>	<u>\$128,258</u>	<u>\$71,258</u>
LIABILITIES							
Accounts Payable	\$0	\$0	\$0	\$10,086	\$60,733	\$0	\$0
Salaries, Wages & Benefits Payable	11,788	10,856	0	7,851	19,229	0	0
Matured Compensated Absences Payable	0	0	0	0	0	0	0
Due to Other Governments	0	0	0	1,990	0	42,187	0
Deferred Revenue	<u>188,617</u>	<u>188,617</u>	<u>0</u>	<u>113,146</u>	<u>298,949</u>	<u>24,238</u>	<u>2,658</u>
TOTAL LIABILITIES	<u>200,405</u>	<u>199,473</u>	<u>0</u>	<u>133,073</u>	<u>378,911</u>	<u>66,425</u>	<u>2,658</u>
FUND BALANCES							
Reserved for Encumbrances	0	0	0	14,733	48,910	0	38,413
Reserved for Inventory	0	0	0	285	91,271	0	0
Unreserved, Undesignated Reported in:							
Special Revenue Funds	<u>4,808</u>	<u>35,912</u>	<u>41,529</u>	<u>152,462</u>	<u>233,310</u>	<u>61,833</u>	<u>30,187</u>
TOTAL FUND BALANCES	<u>4,808</u>	<u>35,912</u>	<u>41,529</u>	<u>167,480</u>	<u>373,491</u>	<u>61,833</u>	<u>68,600</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$205,213</u>	<u>\$235,385</u>	<u>\$41,529</u>	<u>\$300,553</u>	<u>\$752,402</u>	<u>\$128,258</u>	<u>\$71,258</u>



<u>ENFORCEMENT AND EDUCATION</u>	<u>INDIGENT DRIVERS TREATMENT</u>	<u>COURT COMPUTER</u>	<u>GENERAL SPECIAL PROJECTS</u>	<u>URBAN FOREST MANAGEMENT</u>	<u>VICTIMS ASSISTANCE</u>	<u>STREET LIGHTING</u>	<u>FUTURE RETIREMENT RESERVE</u>	<u>FEMA</u>	<u>TOTAL 2004</u>
\$28,724	\$287,640	\$1,024,769	\$189,277	\$40,263	\$17,643	\$452,492	\$424,755	\$0	\$3,218,705
0	0	0	0	0	0	0	0	0	91,556
0	0	0	0	600	0	0	0	0	706
75	1,289	9,880	15,765	0	0	0	0	0	445,336
0	0	0	0	0	0	0	0	0	468,809
0	0	0	0	0	0	552,995	0	0	555,653
<u>\$28,799</u>	<u>\$288,929</u>	<u>\$1,034,649</u>	<u>\$205,042</u>	<u>\$40,863</u>	<u>\$17,643</u>	<u>\$1,005,487</u>	<u>\$424,755</u>	<u>\$0</u>	<u>\$4,780,765</u>
\$0	\$0	\$2,367	\$0	\$1,295	\$18	\$114,990	\$0	\$0	\$189,489
0	0	0	0	0	671	0	0	0	50,395
0	0	0	0	0	0	0	88,239	0	88,239
0	0	0	0	0	0	0	0	0	44,177
0	0	0	0	0	0	552,995	0	0	1,369,220
0	0	2,367	0	1,295	689	667,985	88,239	0	1,741,520
0	16,755	42,322	0	1,681	0	2,475	0	0	165,289
0	0	0	0	0	0	0	0	0	91,556
<u>28,799</u>	<u>272,174</u>	<u>989,960</u>	<u>205,042</u>	<u>37,887</u>	<u>16,954</u>	<u>335,027</u>	<u>336,516</u>	<u>0</u>	<u>2,782,400</u>
<u>28,799</u>	<u>288,929</u>	<u>1,032,282</u>	<u>205,042</u>	<u>39,568</u>	<u>16,954</u>	<u>337,502</u>	<u>336,516</u>	<u>0</u>	<u>3,039,245</u>
<u>\$28,799</u>	<u>\$288,929</u>	<u>\$1,034,649</u>	<u>\$205,042</u>	<u>\$40,863</u>	<u>\$17,643</u>	<u>\$1,005,487</u>	<u>\$424,755</u>	<u>\$0</u>	<u>\$4,780,765</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, 2004

	<u>FIRE</u>	<u>POLICE</u>	<u>LAW</u>		<u>STREET</u>		<u>STATE</u>	<u>CORPORATE</u>
	<u>PENSION</u>	<u>PENSION</u>	<u>ENFORCEMENT</u>	<u>RECREATION</u>	<u>CONSTRUCTION</u>	<u>AND REPAIR</u>	<u>HIGHWAY</u>	<u>MAINTENANCE</u>
REVENUES:								
Property and Other Local Taxes	\$173,784	\$173,784	\$0	\$106,746	\$54,699		\$0	\$0
Intergovernmental	19,428	19,428	0	94,745	725,605		58,833	0
Charges for Services	0	0	0	207,379	1,416		0	0
Special Assessments	0	0	0	0	0		0	61,929
Fines and Forfeitures	0	0	18,591	0	0		0	0
Miscellaneous	0	0	0	0	4,139		0	0
Total Revenues	<u>193,212</u>	<u>193,212</u>	<u>18,591</u>	<u>408,870</u>	<u>785,859</u>		<u>58,833</u>	<u>61,929</u>
EXPENDITURES:								
Current:								
General Government	0	0	0	0	0		0	63
Security of Persons and Property	671,658	606,808	3,092	0	0		0	0
Community Environment	0	0	0	0	0		0	58,522
Leisure Time Activities	0	0	0	773,439	0		0	0
Transportation	0	0	0	0	1,481,116		69,286	0
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,823</u>	<u>1,574</u>		<u>0</u>	<u>0</u>
Total Expenditures	<u>671,658</u>	<u>606,808</u>	<u>3,092</u>	<u>781,262</u>	<u>1,482,690</u>		<u>69,286</u>	<u>58,585</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(478,446)	(413,596)	15,499	(372,392)	(696,831)		(10,453)	3,344
OTHER FINANCING SOURCES (USES):								
Transfers In	475,000	425,000	0	425,000	650,000		0	0
Transfers (Out)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>		<u>0</u>	<u>0</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>475,000</u>	<u>425,000</u>	<u>0</u>	<u>425,000</u>	<u>650,000</u>		<u>0</u>	<u>0</u>
NET CHANGE IN FUND BALANCES	(3,446)	11,404	15,499	52,608	(46,831)		(10,453)	3,344
FUND BALANCES BEGINNING OF YEAR	8,254	24,508	26,030	114,587	401,346		72,286	65,256
INCREASE (DECREASE) IN RESERVE								
FOR INVENTORY	<u>0</u>	<u>0</u>	<u>0</u>	<u>285</u>	<u>18,976</u>		<u>0</u>	<u>0</u>
FUND BALANCES END OF YEAR	<u>\$4,808</u>	<u>\$35,912</u>	<u>\$41,529</u>	<u>\$167,480</u>	<u>\$373,491</u>		<u>\$61,833</u>	<u>\$68,600</u>

<u>ENFORCEMENT AND EDUCATION</u>	<u>INDIGENT DRIVERS TREATMENT</u>	<u>COURT COMPUTER</u>	<u>GENERAL SPECIAL PROJECTS</u>	<u>URBAN FOREST MANAGEMENT</u>	<u>VICTIMS ASSISTANCE</u>	<u>STREET LIGHTING</u>	<u>FUTURE RETIREMENT RESERVE</u>	<u>FEMA</u>	<u>TOTAL 2004</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$509,013
0	0	0	0	0	28,768	0	0	0	946,807
0	0	0	0	10,200	0	0	0	0	218,995
0	0	0	0	0	0	483,811	0	0	545,740
3,622	39,745	148,691	205,042	0	0	0	0	0	415,691
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,139</u>
<u>3,622</u>	<u>39,745</u>	<u>148,691</u>	<u>205,042</u>	<u>10,200</u>	<u>28,768</u>	<u>483,811</u>	<u>0</u>	<u>0</u>	<u>2,640,385</u>
0	36,730	75,623	0	0	0	14,831	0	0	127,247
0	0	0	0	0	36,936	504,080	251,562	(19,936)	2,054,200
0	0	0	0	5,499	0	0	0	0	64,021
0	0	0	0	0	0	0	0	0	773,439
0	0	0	0	0	0	0	(29,851)	0	1,520,551
<u>0</u>	<u>0</u>	<u>12,133</u>	<u>0</u>	<u>0</u>	<u>2,581</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>24,111</u>
<u>0</u>	<u>36,730</u>	<u>87,756</u>	<u>0</u>	<u>5,499</u>	<u>39,517</u>	<u>518,911</u>	<u>221,711</u>	<u>(19,936)</u>	<u>4,563,569</u>
3,622	3,015	60,935	205,042	4,701	(10,749)	(35,100)	(221,711)	19,936	(1,923,184)
0	0	0	0	0	10,000	0	225,000	0	2,210,000
<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>(19,936)</u>	<u>(19,936)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,000</u>	<u>0</u>	<u>225,000</u>	<u>(19,936)</u>	<u>2,190,064</u>
3,622	3,015	60,935	205,042	4,701	(749)	(35,100)	3,289	0	266,880
25,177	285,914	971,347	0	34,867	17,703	372,602	333,227	0	2,753,104
<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>19,261</u>
<u>\$28,799</u>	<u>\$288,929</u>	<u>\$1,032,282</u>	<u>\$205,042</u>	<u>\$39,568</u>	<u>\$16,954</u>	<u>\$337,502</u>	<u>\$336,516</u>	<u>\$0</u>	<u>\$3,039,245</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, 2004

	<u>DEPOSITS & INSPECTIONS</u>	<u>MUNICIPAL COURT</u>	<u>TOTAL 2004</u>
ASSETS			
Equity in City Treasury Cash and Investments	\$848,208	\$333,460	\$1,181,668
Accounts Receivable	<u>0</u>	<u>122,903</u>	<u>122,903</u>
TOTAL ASSETS	<u>\$848,208</u>	<u>\$456,363</u>	<u>\$1,304,571</u>
LIABILITIES			
Accounts Payable	\$848,208	\$79,730	\$927,938
Deposits Held and Due to Others	0	177,430	177,430
Due to Other Governments	<u>0</u>	<u>199,203</u>	<u>199,203</u>
TOTAL LIABILITIES	<u>\$848,208</u>	<u>\$456,363</u>	<u>\$1,304,571</u>

CITY OF WILLOUGHBY, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>BALANCE</u> <u>1/1/2004</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>12/31/2004</u>
DEPOSITS & INSPECTIONS				
ASSETS				
Equity in City Treasury Cash and Investments	<u>\$1,102,598</u>	<u>\$900,124</u>	<u>\$1,154,514</u>	<u>\$848,208</u>
TOTAL ASSETS	<u>\$1,102,598</u>	<u>\$900,124</u>	<u>\$1,154,514</u>	<u>\$848,208</u>
LIABILITIES				
Accounts Payable	\$1,100,888	\$852,673	\$1,105,353	\$848,208
Due to Other Governments	<u>1,710</u>	<u>47,451</u>	<u>49,161</u>	<u>0</u>
TOTAL LIABILITIES	<u>\$1,102,598</u>	<u>\$900,124</u>	<u>\$1,154,514</u>	<u>\$848,208</u>
MUNICIPAL COURT				
ASSETS				
Equity in City Treasury Cash and Investments	\$324,966	\$5,128,657	\$5,120,163	\$333,460
Accounts Receivable	<u>155,069</u>	<u>122,903</u>	<u>155,069</u>	<u>122,903</u>
TOTAL ASSETS	<u>\$480,035</u>	<u>\$5,251,560</u>	<u>\$5,275,232</u>	<u>\$456,363</u>
LIABILITIES				
Accounts Payable	\$85,673	\$1,452,354	\$1,458,297	\$79,730
Deposits Held and Due to Others	176,786	2,287,856	2,287,212	177,430
Due to Other Governments	<u>217,576</u>	<u>1,511,350</u>	<u>1,529,723</u>	<u>199,203</u>
TOTAL LIABILITIES	<u>\$480,035</u>	<u>\$5,251,560</u>	<u>\$5,275,232</u>	<u>\$456,363</u>
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Equity in City Treasury Cash and Investments	\$1,427,564	\$6,028,781	\$6,274,677	\$1,181,668
Accounts Receivable	<u>155,069</u>	<u>122,903</u>	<u>155,069</u>	<u>122,903</u>
TOTAL ASSETS	<u>\$1,582,633</u>	<u>\$6,151,684</u>	<u>\$6,429,746</u>	<u>\$1,304,571</u>
LIABILITIES				
Accounts Payable	\$1,186,561	\$2,305,027	\$2,563,650	\$927,938
Deposits Held and Due to Others	176,786	2,287,856	2,287,212	177,430
Due to Other Governments	<u>219,286</u>	<u>1,558,801</u>	<u>1,578,884</u>	<u>199,203</u>
TOTAL LIABILITIES	<u>\$1,582,633</u>	<u>\$6,151,684</u>	<u>\$6,429,746</u>	<u>\$1,304,571</u>

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

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, 2004

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Municipal Income Taxes	\$10,954,747	\$10,954,747	\$10,569,374	(\$385,373)
Property and Other Local Taxes	1,675,765	1,675,765	1,794,936	119,171
Intergovernmental	2,829,714	2,829,714	3,041,022	211,308
Charges for Services	284,550	284,550	384,255	99,705
Fines and Forfeitures	1,628,000	1,628,000	1,835,508	207,508
Licenses, Permits	600,660	600,660	642,192	41,532
Interest Income	375,000	375,000	293,375	(81,625)
Other	<u>370,354</u>	<u>370,354</u>	<u>377,726</u>	<u>7,372</u>
Total Revenues	<u>18,718,790</u>	<u>18,718,790</u>	<u>18,938,388</u>	<u>219,598</u>
EXPENDITURES:				
General Government	6,205,515	6,205,515	5,884,695	320,820
Security of Persons and Property	9,903,314	9,903,314	9,602,661	300,653
Public Health and Welfare	381,875	381,875	368,693	13,182
Community Environment	852,597	852,597	815,792	36,805
Leisure Time Activities	879,780	879,780	878,602	1,178
Basic Utility Service	<u>1,112,800</u>	<u>1,112,800</u>	<u>1,035,889</u>	<u>76,911</u>
Total Expenditures	<u>19,335,881</u>	<u>19,335,881</u>	<u>18,586,332</u>	<u>749,549</u>
Excess of Revenues Over (Under) Expenditures	(617,091)	(617,091)	352,056	969,147
OTHER FINANCING SOURCES (USES):				
Transfers Out	(2,279,544)	(2,279,544)	(2,264,544)	15,000
Transfers In	0	0	17,681	17,681
Advanced Out	0	0	(35,000)	(35,000)
Other	<u>5,000</u>	<u>5,000</u>	<u>42,707</u>	<u>37,707</u>
Total Other Financing Sources (Uses)	<u>(2,274,544)</u>	<u>(2,274,544)</u>	<u>(2,239,156)</u>	<u>35,388</u>
NET CHANGE IN FUND BALANCE	(2,891,635)	(2,891,635)	(1,887,100)	1,004,535
FUND BALANCE BEGINNING OF YEAR	4,892,465	4,892,465	4,892,465	0
Prior Year Encumbrances Appropriated	<u>10,895</u>	<u>10,895</u>	<u>10,895</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$2,011,725</u>	<u>\$2,011,725</u>	<u>\$3,016,260</u>	<u>\$1,004,535</u>

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

	<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:				
Municipal Income Taxes	\$1,818,192	\$1,818,192	\$1,727,625	(\$90,567)
Property and Other Local Taxes	110,000	110,000	108,997	(1,003)
Intergovernmental	0	0	51,543	51,543
Interest Income	23,100	23,100	71,682	48,582
Other	<u>0</u>	<u>0</u>	<u>26,169</u>	<u>26,169</u>
Total Revenues	<u>1,951,292</u>	<u>1,951,292</u>	<u>1,986,016</u>	<u>34,724</u>
EXPENDITURES:				
Capital Outlay	11,270,817	11,274,102	7,374,908	3,899,194
Debt Service				
Principal Retirement	4,450,000	4,450,000	4,450,000	0
Interest	<u>77,442</u>	<u>77,442</u>	<u>77,442</u>	<u>0</u>
Total Expenditures	<u>15,798,259</u>	<u>15,801,544</u>	<u>11,902,350</u>	<u>3,899,194</u>
Excess of Revenues Over (Under) Expenditures	(13,846,967)	(13,850,252)	(9,916,334)	3,933,918
OTHER FINANCING SOURCES (USES):				
Notes Issued	4,677,875	4,677,875	4,650,000	(27,875)
Other	243,166	243,166	272,795	29,629
Advance Repaid	10,000	10,000	0	(10,000)
Transfers In	<u>704,544</u>	<u>704,544</u>	<u>54,544</u>	<u>(650,000)</u>
Total Other Financing Sources(Uses)	<u>5,635,585</u>	<u>5,635,585</u>	<u>4,977,339</u>	<u>(658,246)</u>
NET CHANGE IN FUND BALANCE	(8,211,382)	(8,214,667)	(4,938,995)	3,275,672
FUND BALANCE BEGINNING OF YEAR	9,580,239	9,580,239	9,580,239	0
Prior Year Encumbrances Appropriated	<u>178,560</u>	<u>178,560</u>	<u>178,560</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$1,547,417</u>	<u>\$1,544,132</u>	<u>\$4,819,804</u>	<u>\$3,275,672</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, 2004

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES:				
Property and Other Local Taxes	\$1,234,921	\$1,234,921	\$1,270,123	\$35,202
Intergovernmental	133,143	133,143	140,438	7,295
Interest Income	<u>0</u>	<u>0</u>	<u>59,613</u>	<u>59,613</u>
Total Revenues	<u>1,368,064</u>	<u>1,368,064</u>	<u>1,470,174</u>	<u>102,110</u>
EXPENDITURES:				
General Government	36,000	36,000	27,911	8,089
Debt Service				
Principal	770,498	770,498	770,499	(1)
Interest	<u>829,701</u>	<u>829,701</u>	<u>829,702</u>	<u>(1)</u>
Total Expenditures	<u>1,636,199</u>	<u>1,636,199</u>	<u>1,628,112</u>	<u>8,087</u>
NET CHANGE IN FUND BALANCE	(268,135)	(268,135)	(157,938)	110,197
FUND BALANCE BEGINNING OF YEAR	<u>425,754</u>	<u>425,754</u>	<u>425,754</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$157,619</u>	<u>\$157,619</u>	<u>\$267,816</u>	<u>\$110,197</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, 2004

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
REVENUES:				
Charges for Services	\$957,000	\$957,000	\$792,905	(\$164,095)
Interest Income	0	0	2,561	2,561
Other	<u>2,268</u>	<u>2,268</u>	<u>2,334</u>	<u>66</u>
Total Revenues	<u>959,268</u>	<u>959,268</u>	<u>797,800</u>	<u>(161,468)</u>
EXPENSES:				
Leisure Time Activities	703,025	703,025	672,731	30,294
Capital Outlay	44,752	44,752	40,056	4,696
Debt Principal	110,000	110,000	110,000	0
Debt Interest	<u>122,515</u>	<u>122,515</u>	<u>122,515</u>	<u>0</u>
Total Expenses	<u>980,292</u>	<u>980,292</u>	<u>945,302</u>	<u>34,990</u>
Excess of Revenues Over (Under) Expenses	(21,024)	(21,024)	(147,502)	(126,478)
OTHER FINANCING SOURCES (USES):				
Other	0	0	1,736	1,736
Advance In	0	0	35,000	35,000
Advance Repaid	<u>(10,000)</u>	<u>(10,000)</u>	<u>0</u>	<u>10,000</u>
Total Other Financing Sources (Uses)	<u>(10,000)</u>	<u>(10,000)</u>	<u>36,736</u>	<u>46,736</u>
NET CHANGE IN FUND BALANCE	(31,024)	(31,024)	(110,766)	(79,742)
FUND EQUITY BEGINNING OF YEAR	119,214	119,214	119,214	0
Prior Year Encumbrances Appropriated	<u>7,780</u>	<u>7,780</u>	<u>7,780</u>	<u>0</u>
FUND EQUITY END OF YEAR	<u>\$95,970</u>	<u>\$95,970</u>	<u>\$16,228</u>	<u>(\$79,742)</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, 2004

	<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	\$750,000	\$750,000	\$750,000	\$0
Intergovernmental	149,900	0	1,611	1,611
Charges for Services	3,630,100	3,355,100	3,537,283	182,183
Interest Income	10,000	10,000	18,880	8,880
Other	<u>165,309</u>	<u>165,309</u>	<u>262,712</u>	<u>97,403</u>
Total Revenues	<u>4,705,309</u>	<u>4,280,409</u>	<u>4,570,486</u>	<u>290,077</u>
EXPENSES:				
Basic Utility Service	5,036,212	3,786,212	3,524,947	261,265
Debt Principal	823,385	823,385	813,088	10,297
Debt Interest	<u>348,130</u>	<u>348,130</u>	<u>347,819</u>	<u>311</u>
Total Expenses	<u>6,207,727</u>	<u>4,957,727</u>	<u>4,685,854</u>	<u>271,873</u>
Excess of Revenues Over (Under) Expenses	(1,502,418)	(677,318)	(115,368)	561,950
OTHER FINANCING SOURCES (USES):				
Sale of Debt	692,108	217,108	241,857	24,749
Transfer In	<u>0</u>	<u>0</u>	<u>2,255</u>	<u>2,255</u>
Total Other Financing Sources (Uses)	<u>692,108</u>	<u>217,108</u>	<u>244,112</u>	<u>27,004</u>
NET CHANGE IN FUND BALANCE	(810,310)	(460,210)	128,744	588,954
FUND EQUITY BEGINNING OF YEAR	1,548,585	1,548,585	1,548,585	0
Prior Year Encumbrances Appropriated	<u>156,766</u>	<u>156,766</u>	<u>156,766</u>	<u>0</u>
FUND EQUITY END OF YEAR	<u>\$895,041</u>	<u>\$1,245,141</u>	<u>\$1,834,095</u>	<u>\$588,954</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, 2004

	<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	\$21,500	\$21,500	\$23,654	\$2,154
Interest Income	2,000	2,000	2,882	882
Rental	132,000	132,000	130,950	(1,050)
Other	<u>567</u>	<u>567</u>	<u>567</u>	<u>0</u>
Total Revenues	<u>156,067</u>	<u>156,067</u>	<u>158,053</u>	<u>1,986</u>
EXPENSES:				
Transportation	<u>250,959</u>	<u>250,959</u>	<u>150,594</u>	<u>100,365</u>
Total Expenses	<u>250,959</u>	<u>250,959</u>	<u>150,594</u>	<u>100,365</u>
NET CHANGE IN FUND BALANCE	(94,892)	(94,892)	7,459	102,351
FUND EQUITY BEGINNING OF YEAR	111,598	111,598	111,598	0
Prior Year Encumbrances Appropriated	<u>1,641</u>	<u>1,641</u>	<u>1,641</u>	<u>0</u>
FUND EQUITY END OF YEAR	<u>\$18,347</u>	<u>\$18,347</u>	<u>\$120,698</u>	<u>\$102,351</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, 2004

	<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	\$169,908	\$169,908	\$173,989	\$4,081
Intergovernmental	<u>17,343</u>	<u>17,343</u>	<u>19,428</u>	<u>2,085</u>
Total Revenues	<u>187,251</u>	<u>187,251</u>	<u>193,417</u>	<u>6,166</u>
EXPENDITURES:				
Security of Persons and Property	<u>686,335</u>	<u>710,335</u>	<u>692,600</u>	<u>17,735</u>
Total Expenditures	<u>686,335</u>	<u>710,335</u>	<u>692,600</u>	<u>17,735</u>
Excess of Revenues Over (Under) Expenditures	(499,084)	(523,084)	(499,183)	23,901
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>475,000</u>	<u>475,000</u>	<u>475,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>475,000</u>	<u>475,000</u>	<u>475,000</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	(24,084)	(48,084)	(24,183)	23,901
FUND BALANCE BEGINNING OF YEAR	<u>40,779</u>	<u>40,779</u>	<u>40,779</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$16,695</u>	<u>(\$7,305)</u>	<u>\$16,596</u>	<u>\$23,901</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, 2004

	<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	\$169,908	\$169,908	\$173,989	\$4,081
Intergovernmental	<u>17,343</u>	<u>17,343</u>	<u>19,428</u>	<u>2,085</u>
Total Revenues	<u>187,251</u>	<u>187,251</u>	<u>193,417</u>	<u>6,166</u>
EXPENDITURES:				
Security of Persons and Property	<u>637,873</u>	<u>657,873</u>	<u>624,982</u>	<u>32,891</u>
Total Expenditures	<u>637,873</u>	<u>657,873</u>	<u>624,982</u>	<u>32,891</u>
Excess of Revenues Over (Under) Expenditures	(450,622)	(470,622)	(431,565)	39,057
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>425,000</u>	<u>425,000</u>	<u>425,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>425,000</u>	<u>425,000</u>	<u>425,000</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	(25,622)	(45,622)	(6,565)	39,057
FUND BALANCE BEGINNING OF YEAR	<u>53,333</u>	<u>53,333</u>	<u>53,333</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$27,711</u>	<u>\$7,711</u>	<u>\$46,768</u>	<u>\$39,057</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, 2004

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES:				
Fines and Forfeitures	<u>\$500</u>	<u>\$500</u>	<u>\$18,591</u>	<u>\$18,091</u>
Total Revenues	<u>500</u>	<u>500</u>	<u>18,591</u>	<u>18,091</u>
EXPENDITURES:				
Security of Persons and Property	<u>20,000</u>	<u>20,000</u>	<u>3,092</u>	<u>16,908</u>
Total Expenditures	<u>20,000</u>	<u>20,000</u>	<u>3,092</u>	<u>16,908</u>
NET CHANGE IN FUND BALANCE	(19,500)	(19,500)	15,499	34,999
FUND BALANCE BEGINNING OF YEAR	<u>26,030</u>	<u>26,030</u>	<u>26,030</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$6,530</u>	<u>\$6,530</u>	<u>\$41,529</u>	<u>\$34,999</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, 2004

	<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	\$102,611	\$102,611	\$106,913	\$4,302
Intergovernmental	17,740	17,740	94,745	77,005
Charges for Services	<u>198,000</u>	<u>198,000</u>	<u>207,397</u>	<u>9,397</u>
Total Revenues	<u>318,351</u>	<u>318,351</u>	<u>409,055</u>	<u>90,704</u>
EXPENDITURES:				
Leisure Time Activities	<u>809,478</u>	<u>809,478</u>	<u>780,876</u>	<u>28,602</u>
Total Expenditures	<u>809,478</u>	<u>809,478</u>	<u>780,876</u>	<u>28,602</u>
Excess of Revenues Over (Under) Expenditures	(491,127)	(491,127)	(371,821)	119,306
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>425,000</u>	<u>425,000</u>	<u>425,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>425,000</u>	<u>425,000</u>	<u>425,000</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	(66,127)	(66,127)	53,179	119,306
FUND BALANCE BEGINNING OF YEAR	108,445	108,445	108,445	0
Prior Year Encumbrances Appropriated	<u>254</u>	<u>254</u>	<u>254</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$42,572</u>	<u>\$42,572</u>	<u>\$161,878</u>	<u>\$119,306</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, 2004

	<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	\$56,000	\$56,000	\$54,497	(\$1,503)
Intergovernmental	670,000	670,000	773,211	103,211
Charges for Services:	<u>550</u>	<u>550</u>	<u>1,416</u>	<u>866</u>
Total Revenues	<u>726,550</u>	<u>726,550</u>	<u>829,124</u>	<u>102,574</u>
EXPENDITURES:				
Transportation	<u>1,611,207</u>	<u>1,611,207</u>	<u>1,531,604</u>	<u>79,603</u>
Total Expenditures	<u>1,611,207</u>	<u>1,611,207</u>	<u>1,531,604</u>	<u>79,603</u>
Excess of Revenues Over (Under) Expenditures	(884,657)	(884,657)	(702,480)	182,177
OTHER FINANCING SOURCES (USES):				
Transfers In	700,000	700,000	650,000	(50,000)
Other	<u>2,000</u>	<u>2,000</u>	<u>4,139</u>	<u>2,139</u>
Total Other Financing Sources (Uses)	<u>702,000</u>	<u>702,000</u>	<u>654,139</u>	<u>(47,861)</u>
NET CHANGE IN FUND BALANCE	(182,657)	(182,657)	(48,341)	134,316
FUND BALANCE BEGINNING OF YEAR	232,195	232,195	232,195	0
Prior Year Encumbrances Appropriated	<u>2,788</u>	<u>2,788</u>	<u>2,788</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$52,326</u>	<u>\$52,326</u>	<u>\$186,642</u>	<u>\$134,316</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, 2004

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Intergovernmental	<u>\$53,500</u>	<u>\$53,500</u>	<u>\$62,693</u>	<u>\$9,193</u>
Total Revenues	<u>53,500</u>	<u>53,500</u>	<u>62,693</u>	<u>9,193</u>
EXPENDITURES:				
Transportation	<u>68,000</u>	<u>68,000</u>	<u>64,669</u>	<u>3,331</u>
Total Expenditures	<u>68,000</u>	<u>68,000</u>	<u>64,669</u>	<u>3,331</u>
NET CHANGE IN FUND BALANCE	(14,500)	(14,500)	(1,976)	12,524
FUND BALANCE BEGINNING OF YEAR	<u>80,781</u>	<u>80,781</u>	<u>80,781</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$66,281</u>	<u>\$66,281</u>	<u>\$78,805</u>	<u>\$12,524</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, 2004

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Special Assessments	<u>\$25,500</u>	<u>\$25,500</u>	<u>\$61,929</u>	<u>\$36,429</u>
Total Revenues	<u>25,500</u>	<u>25,500</u>	<u>61,929</u>	<u>36,429</u>
EXPENDITURES:				
Community Environment	<u>40,700</u>	<u>75,000</u>	<u>63,938</u>	<u>11,062</u>
Total Expenditures	<u>40,700</u>	<u>75,000</u>	<u>63,938</u>	<u>11,062</u>
NET CHANGE IN FUND BALANCE	(15,200)	(49,500)	(2,009)	47,491
FUND BALANCE BEGINNING OF YEAR	32,017	32,017	32,017	0
Prior Year Encumbrances Appropriated	<u>178</u>	<u>178</u>	<u>178</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$16,995</u>	<u>(\$17,305)</u>	<u>\$30,186</u>	<u>\$47,491</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, 2004

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES:				
Fines and Forfeitures	<u>\$5,500</u>	<u>\$5,500</u>	<u>\$3,990</u>	<u>(\$1,510)</u>
Total Revenues	<u>5,500</u>	<u>5,500</u>	<u>3,990</u>	<u>(1,510)</u>
EXPENDITURES:				
Capital Outlay	<u>20,000</u>	<u>20,000</u>	<u>0</u>	<u>20,000</u>
Total Expenditures	<u>20,000</u>	<u>20,000</u>	<u>0</u>	<u>20,000</u>
NET CHANGE IN FUND BALANCE	(14,500)	(14,500)	3,990	18,490
FUND BALANCE BEGINNING OF YEAR	<u>24,734</u>	<u>24,734</u>	<u>24,734</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$10,234</u>	<u>\$10,234</u>	<u>\$28,724</u>	<u>\$18,490</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, 2004

	<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>\$39,000</u>	<u>\$39,000</u>	<u>\$39,826</u>	<u>\$826</u>
Total Revenues	<u>39,000</u>	<u>39,000</u>	<u>39,826</u>	<u>826</u>
EXPENDITURES:				
General Government	<u>50,000</u>	<u>50,000</u>	<u>49,330</u>	<u>670</u>
Total Expenditures	<u>50,000</u>	<u>50,000</u>	<u>49,330</u>	<u>670</u>
NET CHANGE IN FUND BALANCE	(11,000)	(11,000)	(9,504)	1,496
FUND BALANCE BEGINNING OF YEAR	<u>280,389</u>	<u>280,389</u>	<u>280,389</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$269,389</u>	<u>\$269,389</u>	<u>\$270,885</u>	<u>\$1,496</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, 2004

	<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>\$210,000</u>	<u>\$210,000</u>	<u>\$155,335</u>	<u>(\$54,665)</u>
Total Revenues	<u>210,000</u>	<u>210,000</u>	<u>155,335</u>	<u>(54,665)</u>
EXPENDITURES:				
General Government	250,000	250,000	77,710	172,290
Capital Outlay	<u>0</u>	<u>0</u>	<u>12,133</u>	<u>(12,133)</u>
Total Expenditures	<u>250,000</u>	<u>250,000</u>	<u>89,843</u>	<u>160,157</u>
Excess of Revenues Over (Under) Expenditures	(40,000)	(40,000)	65,492	105,492
OTHER FINANCING SOURCES (USES):				
Transfers Out	<u>(650,000)</u>	<u>(650,000)</u>	<u>0</u>	<u>650,000</u>
Total Other Financing Sources (Uses)	<u>(650,000)</u>	<u>(650,000)</u>	<u>0</u>	<u>650,000</u>
NET CHANGE IN FUND BALANCE	(690,000)	(690,000)	65,492	755,492
FUND BALANCE BEGINNING OF YEAR	<u>914,616</u>	<u>914,616</u>	<u>914,616</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$224,616</u>	<u>\$224,616</u>	<u>\$980,108</u>	<u>\$755,492</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, 2004

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE <u>(NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
REVENUES:				
Charges for Services	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$9,600</u>	<u>(\$400)</u>
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>9,600</u>	<u>(400)</u>
EXPENDITURES:				
Community Environment	<u>20,000</u>	<u>20,000</u>	<u>5,254</u>	<u>14,746</u>
Total Expenditures	<u>20,000</u>	<u>20,000</u>	<u>5,254</u>	<u>14,746</u>
NET CHANGE IN FUND BALANCE	(10,000)	(10,000)	4,346	14,346
FUND BALANCE BEGINNING OF YEAR	<u>32,941</u>	<u>32,941</u>	<u>32,941</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$22,941</u>	<u>\$22,941</u>	<u>\$37,287</u>	<u>\$14,346</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, 2004

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Intergovernmental	<u>\$20,865</u>	<u>\$20,865</u>	<u>\$28,768</u>	<u>\$7,903</u>
Total Revenues	<u>20,865</u>	<u>20,865</u>	<u>28,768</u>	<u>7,903</u>
EXPENDITURES:				
Security of Persons and Property	46,921	46,921	37,699	9,222
Capital Outlay	<u>0</u>	<u>0</u>	<u>2,581</u>	<u>(2,581)</u>
Total Expenditures	<u>46,921</u>	<u>46,921</u>	<u>40,280</u>	<u>6,641</u>
Excess of Revenues Over (Under) Expenditures	(26,056)	(26,056)	(11,512)	14,544
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	(16,056)	(16,056)	(1,512)	14,544
FUND BALANCE BEGINNING OF YEAR	<u>19,155</u>	<u>19,155</u>	<u>19,155</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$3,099</u>	<u>\$3,099</u>	<u>\$17,643</u>	<u>\$14,544</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, 2004

	<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>\$450,244</u>	<u>\$450,244</u>	<u>\$483,811</u>	<u>\$33,567</u>
Total Revenues	<u>450,244</u>	<u>450,244</u>	<u>483,811</u>	<u>33,567</u>
EXPENDITURES:				
Security of Persons and Property	500,000	500,000	466,993	33,007
General Government	<u>18,000</u>	<u>18,000</u>	<u>14,831</u>	<u>3,169</u>
Total Expenditures	<u>518,000</u>	<u>518,000</u>	<u>481,824</u>	<u>36,176</u>
NET CHANGE IN FUND BALANCE	(67,756)	(67,756)	1,987	69,743
FUND BALANCE BEGINNING OF YEAR	<u>409,961</u>	<u>409,961</u>	<u>409,961</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$342,205</u>	<u>\$342,205</u>	<u>\$411,948</u>	<u>\$69,743</u>

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL
FUTURE RETIREMENT RESERVE FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Other	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXPENDITURES:				
General Government	55,003	55,003	0	55,003
Security of Persons	153,500	153,500	130,099	23,401
Transportation	<u>83,150</u>	<u>83,150</u>	<u>33,224</u>	<u>49,926</u>
Total Expenditures	<u>291,653</u>	<u>291,653</u>	<u>163,323</u>	<u>128,330</u>
Excess of Revenues Over (Under) Expenditures	(291,653)	(291,653)	(163,323)	128,330
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>225,000</u>	<u>225,000</u>	<u>225,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>225,000</u>	<u>225,000</u>	<u>225,000</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	(66,653)	(66,653)	61,677	128,330
FUND BALANCE BEGINNING OF YEAR	<u>363,078</u>	<u>363,078</u>	<u>363,078</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$296,425</u>	<u>\$296,425</u>	<u>\$424,755</u>	<u>\$128,330</u>

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL
FEMA FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES:				
Intergovernmental	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXPENDITURES:				
Security of Persons and Property	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	0	0	0	0
OTHER FINANCING SOURCES (USES):				
Transfers In(Out)	<u>(19,936)</u>	<u>(19,936)</u>	<u>(19,936)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(19,936)</u>	<u>(19,936)</u>	<u>(19,936)</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	(19,936)	(19,936)	(19,936)	0
FUND BALANCE BEGINNING OF YEAR	<u>19,936</u>	<u>19,936</u>	<u>19,936</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
RAILROAD GRADE CROSSING FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES:				
Fines and Forfeitures	<u>\$500</u>	<u>\$500</u>	<u>\$0</u>	<u>(\$500)</u>
Total Revenues	<u>500</u>	<u>500</u>	<u>0</u>	<u>(500)</u>
EXPENDITURES:				
Security of Persons and Property	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	500	500	0	(500)
FUND BALANCE BEGINNING OF YEAR	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$500</u>	<u>\$500</u>	<u>\$0</u>	<u>(\$500)</u>

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL
SPECIAL ASSESSMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

	<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>\$200,000</u>	<u>\$200,000</u>	<u>\$204,149</u>	<u>\$4,149</u>
Total Revenues	<u>200,000</u>	<u>200,000</u>	<u>204,149</u>	<u>4,149</u>
EXPENDITURES:				
General Government	20,000	20,000	6,259	13,741
Debt Service				
Principal	142,288	142,288	142,288	0
Interest	<u>48,262</u>	<u>48,262</u>	<u>48,261</u>	<u>1</u>
Total Expenditures	<u>210,550</u>	<u>210,550</u>	<u>196,808</u>	<u>13,742</u>
NET CHANGE IN FUND BALANCE	(10,550)	(10,550)	7,341	17,891
FUND BALANCE BEGINNING OF YEAR	<u>494,498</u>	<u>494,498</u>	<u>494,498</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$483,948</u>	<u>\$483,948</u>	<u>\$501,839</u>	<u>\$17,891</u>

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN FUND EQUITY - BUDGET(Non-GAAP Basis) AND ACTUAL
WORKERS' COMPENSATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

	<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:				
Interest Income	<u>\$7,000</u>	<u>\$7,000</u>	<u>\$8,213</u>	<u>\$1,213</u>
Total Revenues	<u>7,000</u>	<u>7,000</u>	<u>8,213</u>	<u>1,213</u>
EXPENSES:				
Other	<u>150,000</u>	<u>150,000</u>	<u>3,143</u>	<u>146,857</u>
Total Expenses	<u>150,000</u>	<u>150,000</u>	<u>3,143</u>	<u>146,857</u>
NET CHANGE IN FUND BALANCE	(143,000)	(143,000)	5,070	148,070
FUND EQUITY BEGINNING OF YEAR	<u>674,943</u>	<u>674,943</u>	<u>674,943</u>	<u>0</u>
FUND EQUITY END OF YEAR	<u>\$531,943</u>	<u>\$531,943</u>	<u>\$680,013</u>	<u>\$148,070</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, 2004

	<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:				
Interest Income	\$0	\$0	(\$13,286)	(\$13,286)
Miscellaneous	<u>5,000</u>	<u>5,000</u>	<u>12,230</u>	<u>7,230</u>
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>(1,056)</u>	<u>(6,056)</u>
FUND BALANCE BEGINNING OF YEAR	<u>178,448</u>	<u>178,448</u>	<u>178,448</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$183,448</u>	<u>\$183,448</u>	<u>\$177,392</u>	<u>(\$6,056)</u>

Asset Schedules

Capital Assets Used in the Operation of Governmental Funds

CITY OF WILLOUGHBY, OHIO
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULE BY SOURCE
DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
GOVERNMENTAL FUNDS CAPITAL ASSETS:		
Land	\$7,747,450	\$7,005,240
Building	13,536,853	13,696,685
Improvements	14,944,360	14,934,241
Machinery and Equipment	10,354,722	10,131,670
Infrastructure	28,557,662	28,480,572
Construction in Progress	<u>7,963,907</u>	<u>6,202,862</u>
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	<u>\$83,104,954</u>	<u>\$80,451,270</u>
INVESTMENT IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE:		
General Fund	\$2,040,339	\$1,986,605
Special Revenue Funds	1,356,749	1,332,638
Grant Funds	86,458	34,941
Capital Projects Fund	59,780,076	56,978,489
Donations	17,034,355	17,311,620
Special Assessments Fund	<u>2,806,977</u>	<u>2,806,977</u>
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	<u>\$83,104,954</u>	<u>\$80,451,270</u>

CITY OF WILLOUGHBY, OHIO
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
DECEMBER 31, 2004

	<u>TOTAL</u>	<u>LAND</u>	<u>BUILDINGS</u>	<u>IMPROVEMENTS</u>	<u>MACHINERY AND EQUIPMENT</u>	<u>INFRASTRUCTURE</u>	<u>CONSTRUCTION IN PROGRESS</u>
GENERAL GOVERNMENT							
Legislative	\$1,437	\$0	\$0	\$0	\$1,437	\$0	\$0
Mayor	47,667	0	0	0	47,667	0	0
Legal	8,381	0	0	0	8,381	0	0
Personnel	4,577	0	0	0	4,577	0	0
Civil Service	3,781	0	0	0	3,781	0	0
Public Works Administration	95,507	3,820	0	0	91,687	0	0
Municipal Court	2,509,920	0	4,556	123,827	573,718	0	1,807,819
Vehicle Maintenance	178,577	0	0	0	178,577	0	0
Finance	103,607	0	0	2,510	101,097	0	0
Lands & Buildings	842,552	0	595,211	145,079	102,262	0	0
General Admin. Support	<u>4,039,926</u>	<u>2,796,180</u>	<u>960,642</u>	<u>22,177</u>	<u>227,172</u>	<u>0</u>	<u>33,755</u>
TOTAL	<u>7,835,932</u>	<u>2,800,000</u>	<u>1,560,409</u>	<u>293,593</u>	<u>1,340,356</u>	<u>0</u>	<u>1,841,574</u>
SECURITY OF PERSONS AND PROPERTY							
Police Law Enforcement	4,246,377	22,360	1,823,731	148,537	2,251,749	0	0
Fire Control	<u>9,715,470</u>	<u>170,000</u>	<u>6,455,833</u>	<u>0</u>	<u>3,089,637</u>	<u>0</u>	<u>0</u>
TOTAL	<u>13,961,847</u>	<u>192,360</u>	<u>8,279,564</u>	<u>148,537</u>	<u>5,341,386</u>	<u>0</u>	<u>0</u>
PUBLIC HEALTH AND WELFARE							
Cemetery	<u>361,400</u>	<u>115,495</u>	<u>25,824</u>	<u>44,320</u>	<u>175,761</u>	<u>0</u>	<u>0</u>
TOTAL	<u>361,400</u>	<u>115,495</u>	<u>25,824</u>	<u>44,320</u>	<u>175,761</u>	<u>0</u>	<u>0</u>
COMMUNITY ENVIRONMENT							
Building & Zoning	103,260	0	0	1,671	101,589	0	0
Economic Development	<u>108,769</u>	<u>0</u>	<u>30,143</u>	<u>70,084</u>	<u>8,542</u>	<u>0</u>	<u>0</u>
TOTAL	<u>212,029</u>	<u>0</u>	<u>30,143</u>	<u>71,755</u>	<u>110,131</u>	<u>0</u>	<u>0</u>
LEISURE TIME							
Administration	342,297	66,632	221,989	1,078	52,598	0	0
Recreation Programs	36,709	0	0	0	36,709	0	0
Senior Citizens	235,020	0	15,958	19,828	195,812	0	3,422
Parks & Playgrounds	4,160,148	315,452	1,310,770	1,833,709	609,530	90,687	0
Swimming Facilities	<u>3,121,611</u>	<u>0</u>	<u>70,800</u>	<u>2,895,454</u>	<u>155,357</u>	<u>0</u>	<u>0</u>
TOTAL	<u>7,895,785</u>	<u>382,084</u>	<u>1,619,517</u>	<u>4,750,069</u>	<u>1,050,006</u>	<u>90,687</u>	<u>3,422</u>
TRANSPORTATION							
Street Maint. & Repair	35,870,101	4,220,621	1,806,974	820,086	2,174,470	20,749,830	6,098,120
Traffic Signs & Signals	<u>1,740,535</u>	<u>4,260</u>	<u>85,802</u>	<u>0</u>	<u>147,412</u>	<u>1,495,740</u>	<u>7,321</u>
TOTAL	<u>37,610,636</u>	<u>4,224,881</u>	<u>1,892,776</u>	<u>820,086</u>	<u>2,321,882</u>	<u>22,245,570</u>	<u>6,105,441</u>
BASIC UTILITY SERVICE							
Storm Water - Collection	15,071,225	20,350	0	8,816,000	0	6,221,405	13,470
Solid Waste - Collection	<u>156,100</u>	<u>12,280</u>	<u>128,620</u>	<u>0</u>	<u>15,200</u>	<u>0</u>	<u>0</u>
TOTAL	<u>15,227,325</u>	<u>32,630</u>	<u>128,620</u>	<u>8,816,000</u>	<u>15,200</u>	<u>6,221,405</u>	<u>13,470</u>
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	<u>\$83,104,954</u>	<u>\$7,747,450</u>	<u>\$13,536,853</u>	<u>\$14,944,360</u>	<u>\$10,354,722</u>	<u>\$28,557,662</u>	<u>\$7,963,907</u>

CITY OF WILLOUGHBY, OHIO
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2004

	GOVERNMENTAL FUNDS CAPITAL ASSETS				GOVERNMENTAL FUNDS CAPITAL ASSETS
	01/01/04	ADDITIONS	TRANSFERS	DELETIONS	12/31/04
GENERAL GOVERNMENT					
Legislative	\$1,437	\$0	\$0	\$0	\$1,437
Mayor	46,451	1,216	0	0	47,667
Legal	8,381	0	0	0	8,381
Personnel	4,577	0	0	0	4,577
Civil Service	3,781	0	0	0	3,781
Public Works Administration	93,078	2,429	0	0	95,507
Municipal Court	832,389	1,692,337	0	(14,806)	2,509,920
Vehicle Maintenance	178,577	0	0	0	178,577
Finance	102,331	1,276	0	0	103,607
Lands & Buildings	842,552	0	0	0	842,552
General Admin. Support	<u>3,809,256</u>	<u>760,975</u>	<u>14,259</u>	<u>(544,564)</u>	<u>4,039,926</u>
TOTAL	<u>5,922,810</u>	<u>2,458,233</u>	<u>14,259</u>	<u>(559,370)</u>	<u>7,835,932</u>
SECURITY OF PERSONS AND PROPERTY					
Police Law Enforcement	4,203,149	214,466	(40,438)	(130,800)	4,246,377
Fire Control	<u>9,642,925</u>	<u>67,739</u>	<u>26,179</u>	<u>(21,373)</u>	<u>9,715,470</u>
TOTAL	<u>13,846,074</u>	<u>282,205</u>	<u>(14,259)</u>	<u>(152,173)</u>	<u>13,961,847</u>
PUBLIC HEALTH AND WELFARE					
Cemetery	<u>359,400</u>	<u>0</u>	<u>2,000</u>	<u>0</u>	<u>361,400</u>
TOTAL	<u>359,400</u>	<u>0</u>	<u>2,000</u>	<u>0</u>	<u>361,400</u>
COMMUNITY ENVIRONMENT					
Building & Zoning	103,260	0	0	0	103,260
Economic Development	<u>107,553</u>	<u>1,216</u>	<u>0</u>	<u>0</u>	<u>108,769</u>
TOTAL	<u>210,813</u>	<u>1,216</u>	<u>0</u>	<u>0</u>	<u>212,029</u>
LEISURE TIME					
Administration	341,081	1,216	0	0	342,297
Recreation Programs	36,709	0	0	0	36,709
Senior Citizens	222,675	12,345	0	0	235,020
Parks & Playgrounds	3,821,590	374,905	0	(36,347)	4,160,148
Swimming Facilities	<u>3,104,399</u>	<u>17,212</u>	<u>0</u>	<u>0</u>	<u>3,121,611</u>
TOTAL	<u>7,526,454</u>	<u>405,678</u>	<u>0</u>	<u>(36,347)</u>	<u>7,895,785</u>
TRANSPORTATION					
Street Maint. & Repair	35,619,433	250,668	0	0	35,870,101
Traffic Signs & Signals	<u>1,738,961</u>	<u>1,574</u>	<u>0</u>	<u>0</u>	<u>1,740,535</u>
TOTAL	<u>37,358,394</u>	<u>252,242</u>	<u>0</u>	<u>0</u>	<u>37,610,636</u>
BASIC UTILITY SERVICE					
Storm Water - Collection	15,071,225	0	0	0	15,071,225
Solid Waste - Collection	<u>156,100</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>156,100</u>
TOTAL	<u>15,227,325</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15,227,325</u>
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	<u>\$80,451,270</u>	<u>\$3,399,574</u>	<u>\$2,000</u>	<u>(\$747,890)</u>	<u>\$83,104,954</u>



The City of Willoughby™



Statistical

INFORMATION



CITY OF WILLOUGHBY, OHIO
GENERAL GOVERNMENTAL EXPENDITURES
BY FUNCTION LAST TEN YEARS

<u>YEAR</u>	<u>GENERAL GOVERNMENT</u>	<u>SECURITY OF PERSONS & PROPERTY</u>	<u>PUBLIC HEALTH & WELFARE</u>	<u>COMMUNITY ENVIRONMENT</u>	<u>LEISURE TIME ACTIVITIES</u>	<u>TRANSPORTATION</u>	<u>BASIC UTILITY SERVICES</u>	<u>CAPITAL OUTLAY</u>	<u>TOTAL</u>
1995	\$5,835,266	\$6,180,566	\$208,814	\$561,518	\$863,977	\$1,112,322	\$841,938	\$2,604,839	\$18,209,240
1996	\$5,836,472	\$6,534,718	\$205,281	\$545,954	\$930,669	\$1,151,561	\$742,993	\$3,834,239	\$19,781,887
1997	\$5,982,844	\$6,908,466	\$233,268	\$653,254	\$1,064,425	\$1,200,164	\$803,152	\$3,316,632	\$20,162,205
1998	\$5,858,354	\$6,959,434	\$248,499	\$624,382	\$1,093,118	\$984,836	\$860,534	\$2,891,394	\$19,520,551
1999	\$6,196,063	\$8,018,149	\$261,344	\$707,381	\$1,165,211	\$1,239,257	\$784,543	\$4,662,325	\$23,034,273
2000	\$7,761,648	\$8,573,790	\$282,611	\$636,717	\$1,301,193	\$1,366,847	\$858,730	\$9,129,477	\$29,911,013
2001	\$5,136,145	\$10,028,770	\$317,099	\$776,451	\$1,614,383	\$1,485,855	\$856,023	\$4,015,432	\$24,230,158
2002 *	\$5,962,383	\$11,538,823	\$360,111	\$906,903	\$2,017,390	\$2,892,787	\$1,541,443	\$ 0	\$25,219,840
2003 *	\$6,037,557	\$12,011,078	\$381,304	\$817,519	\$2,141,809	\$2,992,462	\$1,363,511	\$ 0	\$25,745,240
2004 *	\$6,030,958	\$11,987,818	\$370,060	\$867,212	\$2,037,094	\$2,853,179	\$1,574,874	\$ 0	\$25,721,195

Includes all Governmental Type Funds.

Does not include Debt Service principal or interest.

* 2002 - 2004 expenditures are full accrual amounts. Current year Capital Outlay of \$3,357,513 has been allocated to the functions. All prior years presented are modified statement amounts.

CITY OF WILLOUGHBY, OHIO
GENERAL GOVERNMENTAL REVENUES BY SOURCE
LAST TEN YEARS

<u>YEAR</u>	<u>MUNICIPAL INCOME TAX</u>	<u>PROPERTY LOCAL TAXES & INTERGOVERNMENTAL</u>	<u>CHARGES FOR SERVICES</u>	<u>SPECIAL ASSESSMENTS</u>	<u>FINES & FORFEITURES LIC. & PERMITS</u>	<u>INTEREST</u>	<u>MISC.</u>	<u>TOTAL</u>
1995	\$9,830,833	\$5,802,303	\$293,874	\$1,221,769	\$1,714,555	\$540,055	\$677,215	\$20,080,604
1996	\$10,906,548	\$6,038,753	\$283,473	\$1,244,411	\$1,502,235	\$652,758	\$646,031	\$21,274,209
1997	\$11,362,875	\$6,707,915	\$309,218	\$1,363,488	\$1,833,158	\$481,815	\$797,467	\$22,855,936
1998	\$12,655,910	\$7,453,110	\$359,546	\$1,196,634	\$1,746,999	\$958,359	\$1,019,766	\$25,390,324
1999	\$12,680,563	\$8,425,916	\$379,439	\$1,177,676	\$1,725,267	\$1,247,685	\$658,128	\$26,294,674
2000	\$13,246,097	\$8,090,060	\$465,399	\$1,050,957	\$2,022,640	\$1,524,249	\$705,779	\$27,105,181
2001	\$13,354,406	\$7,773,311	\$510,914	\$999,391	\$2,048,737	\$1,169,800	\$339,659	\$26,196,218
2002 *	\$13,158,582	\$7,835,034	\$546,521	\$522,288	\$2,228,379	\$753,337	\$219,719	\$25,263,860
2003 *	\$12,775,995	\$7,382,991	\$653,144	\$527,065	\$2,234,720	\$385,766	\$53,111	\$24,012,792
2004 *	\$12,335,764	\$8,075,880	\$1,014,863	\$574,737	\$2,842,606	\$347,035	\$79,457	\$25,270,342

Includes All Governmental Type Funds.

*2002 - 2004 revenues are full accrual amounts. All prior years are modified accrual amounts.

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

<u>TAX YEAR YEAR PAID</u>	<u>NET TAX LEVY</u>	<u>CURRENT COLLECTIONS</u>	<u>PERCENTAGE OF CURRENT COLLECTION TO NET LEVY</u>	<u>DELINQUENT COLLECTIONS</u>	<u>TOTAL COLLECTIONS</u>	<u>PERCENTAGE OF TOTAL COLLECTIONS TO NET LEVY</u>
1994-1995	\$1,392,165	\$1,368,613	98%	\$29,397	\$1,398,010	100%
1995-1996	\$1,412,445	\$1,366,894	97%	\$28,059	\$1,394,953	99%
1996-1997	\$1,439,406	\$1,404,326	98%	\$36,972	\$1,441,298	100%
1997-1998	\$1,485,266	\$1,454,448	98%	\$19,102	\$1,473,550	99%
1998-1999	\$1,833,757	\$1,796,616	98%	\$36,811	\$1,833,427	100%
1999-2000	\$1,836,700	\$1,822,467	99%	\$33,461	\$1,855,928	101%
2000-2001	\$1,949,795	\$1,884,905	97%	\$34,991	\$1,919,896	98%
2001-2002	\$2,042,246	\$1,940,284	95%	\$61,636	\$2,103,882	103%
2002-2003	\$2,004,503	\$1,941,218	97%	\$44,057	\$1,985,275	99%
2003-2004	\$2,240,564	\$2,184,322	97%	\$50,360	\$2,234,682	100%

Source: Lake County Auditor's Office

CITY OF WILLOUGHBY, OHIO
TANGIBLE TAX COLLECTED
LAST TEN YEARS
(UNAUDITED)

<u>YEAR PAID</u>	<u>AMOUNT</u> *
1995	\$429,310
1996	\$458,409
1997	\$493,048
1998	\$526,816
1999	\$607,483
2000	\$644,261
2001	\$640,381
2002	\$767,746
2003	\$606,670
2004	\$608,042
UNCOLLECTED AS OF 12-31-04	\$266,154

Source: Lake County Auditor's Office

* Not including \$10,000 Exempt

CITY OF WILLOUGHBY, OHIO
ASSESSED VALUATIONS AND ESTIMATED TRUE VALUES
LAST TEN YEARS

Assessed Valuation (1)

<u>TAX YEAR</u>	<u>YEAR PAID</u>	<u>REAL PROPERTY</u>	<u>OTHER REAL ESTATE & PUBLIC UTILITY PROPERTY</u>	<u>TANGIBLE PERSONAL PROPERTY</u>	<u>ASSESSED TOTAL</u>
1994	1995	\$187,049,360	\$143,162,970	\$62,121,860	\$392,334,190
1995	1996	\$191,170,030	\$145,241,020	\$64,686,327	\$401,097,377
1996	1997	\$195,732,390	\$149,773,760	\$75,274,034	\$420,780,184
1997	1998	\$232,995,960	\$148,235,870	\$80,742,082	\$461,973,912
1998	1999	\$236,618,180	\$156,943,480	\$89,622,109	\$483,183,769
1999	2000	\$239,993,720	\$160,415,160	\$88,382,847	\$488,791,727
2000	2001	\$272,028,680	\$180,290,940	\$94,429,869	\$546,749,489
2001	2002	\$278,452,040	\$181,886,770	\$100,628,958	\$560,967,768
2002	2003	\$282,336,240	\$185,031,020	\$108,073,950	\$575,441,210
2003	2004	\$345,032,390	\$204,180,670	\$85,187,771	\$634,400,831

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

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

For real property, the estimated true values for the last ten years are computed as follows:

<u>TAX YEAR</u>	<u>YEAR PAID</u>	<u>ESTIMATED TRUE VALUES</u>
1994	1995	\$534,426,743
1995	1996	\$546,200,086
1996	1997	\$559,235,400
1997	1998	\$665,702,077
1998	1999	\$676,051,267
1999	2000	\$685,695,657
2000	2001	\$777,224,023
2001	2002	\$795,576,462
2002	2003	\$806,674,165
2003	2004	\$985,805,843

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

<u>TAX YEAR</u>	<u>YEAR PAID</u>	<u>COUNTY LEVY</u>	<u>SCHOOL LEVY</u>	<u>CITY LEVY</u>	<u>TOTAL LEVY</u>	DEBT SERVICE INCLUDED IN TOTAL LEVY	
						<u>CITY LEVY</u>	<u>TOTAL LEVY</u>
1994	1995	14.00	48.31(1)	6.55	68.86	2.05	2.05
1995	1996	14.00	47.71(1)	6.55	68.26	2.05	2.05
1996	1997	14.00	47.92(1)	6.55	68.47	2.05	2.42
1997	1998	14.10	47.01(1)	6.29	67.40	2.19	2.46
1998	1999	15.60	47.01(1)	7.19	69.80	3.09	3.36
1999	2000	15.70	47.73(2)	7.19	70.62	3.09	3.34
2000	2001	15.70	47.14(2)	6.91	69.75	2.65	2.89
2001	2002	15.70	47.07(2)	6.91	69.68	2.65	2.89
2002	2003	15.70	46.89(2)	6.89	69.48	2.63	2.87
2003	2004	15.70	48.69(2)	6.79	71.18	2.19	2.43

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

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

Source: Lake County Auditor's Office

CITY OF WILLOUGHBY, OHIO
SPECIAL ASSESSMENT COLLECTIONS
LAST TEN YEARS

<u>YEAR</u>	<u>AMOUNT</u>
1995	\$ 1,220,160
1996	\$ 1,251,738
1997	\$ 1,320,306
1998	\$ 1,258,444
1999	\$ 1,208,381
2000	\$ 1,077,154
2001	\$ 1,054,801
2002	\$ 1,000,035
2003	\$ 882,210
2004	\$ 753,796
Uncollected as of 12/31/2004(1)	\$ 38,453

(1) Includes penalty and interest.

Source: Lake County Auditor's Office

CITY OF WILLOUGHBY, OHIO
RATIO OF NET BONDED DEBT TO
ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN YEARS

<u>TAX YEAR</u>	<u>YEAR PAID</u>	<u>BONDED DEBT (NOTE 1)</u>	<u>NET BONDED DEBT</u>	<u>ASSESSED VALUE (NOTE 3)</u>	<u>POPULATION (NOTE 2)</u>	<u>RATIO OF NET BONDED DEBT TO ASSESSED VALUE</u>	<u>NET BONDED DEBT PER CAPITA</u>
1994	1995	\$9,845,914	\$6,387,594	\$392,334,190	21,271	1.63%	\$300
1995	1996	\$12,264,119	\$10,894,119	\$401,097,377	21,271	2.72%	\$512
1996	1997	\$11,333,325	\$8,592,565	\$420,780,184	21,734	2.04%	\$395
1997	1998	\$10,396,530	\$8,022,550	\$461,973,912	21,734	1.74%	\$369
1998	1999	\$15,524,735	\$13,517,535	\$483,183,769	21,494	2.80%	\$629
1999	2000	\$14,430,071	\$12,784,719	\$488,791,727	22,621	2.62%	\$565
2000	2001	\$13,390,023	\$12,082,073	\$546,749,489	22,621	2.21%	\$534
2001	2002	\$12,314,301	\$11,343,754	\$560,967,768	22,621	2.02%	\$501
2002	2003	\$17,656,514	\$16,934,651	\$575,441,210	22,621	2.94%	\$749
2003	2004	\$16,743,727	\$16,164,152	\$634,400,831	22,621	2.55%	\$715

Note 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 currently are supported by Enterprise Activities are not included in the Net General Bonded Debt.

Note 2. Source: US Bureau of Census-1990 & 2000. Interim estimates from Lake County Planning Commission.

Note 3. Page S5 Assessed Valuations and True Estimated Values last ten years.

CITY OF WILLOUGHBY, OHIO
COMPUTATION OF LEGAL DEBT MARGIN
DECEMBER 31, 2004

	<u>2004</u>	<u>2003</u>
Overall Debt Limitation - 10.5% of Assessed Valuation	\$ 66,612,087	\$ 60,421,327
Gross Indebtedness	\$ 30,893,765	\$ 32,830,265
Less: OWDA	\$ (5,607,043)	\$ (6,485,430)
OPWC	\$ (411,724)	\$ (504,837)
Unvoted Special Assessment Note & Bond	\$ (5,229,575)	\$ (5,171,863)
Sewer System Debt	\$ (547,581)	\$ (616,029)
Recreation	\$ (2,955,000)	\$ (3,065,000)
	<u>\$ (14,750,923)</u>	<u>\$ (15,843,159)</u>
Net Debt Within 10.5% Limitations	\$ 16,142,842	\$ 16,987,106
Legal Debt Margin Within 10.5% Limitation*	<u>\$ 50,469,245</u>	<u>\$ 43,434,221</u>
Unvoted Debt Limitation - 5.5% of Assessed Valuation	<u>\$ 34,892,046</u>	<u>\$ 31,649,267</u>
Gross Indebtedness Authorized by Council	\$ 16,164,152	\$ 16,934,651
Less Debt Outside Limitations (Voted)	<u>\$ (5,480,000)</u>	<u>\$ (5,715,000)</u>
Debt Within 5.5% Limitations	<u>\$ 10,684,152</u>	<u>\$ 11,219,651</u>
Legal Debt Margin Within 5.5% Limitation*	<u>\$ 24,207,894</u>	<u>\$ 20,429,616</u>

* Calculated without regard to balance in Debt Service Funds.

CITY OF WILLOUGHBY, OHIO
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
DECEMBER 31, 2004
(UNAUDITED)

	<u>ASSESSED VALUATION (1)</u>	<u>NET GENERAL TAX SUPPORTED DEBT (2)</u>	<u>PERCENT OVERLAPPING</u>	<u>AMOUNT APPLICABLE TO CITY OF WILLOUGHBY</u>
Direct:				
City of Willoughby	\$ 634,400,831	\$ <u>16,164,152</u>	100.00%	\$ <u>16,164,152</u>
Overlapping:				
Willoughby-Eastlake City Schools	\$ 1,745,649,504	\$ 1,960,000	36.34%	\$ 712,264
Kirtland Local School District	\$ 299,305,345	\$ 1,277,653	4.61%	\$ 58,900
Auburn Joint Vocational S.D.	\$ 2,251,227,107	\$ 0	0.61%	\$ 0
Lake County	\$ 6,252,395,015	\$ <u>13,255,005</u>	10.15%	\$ <u>1,345,383</u>
Total Overlapping		\$ <u>16,492,658</u>		\$ <u>2,116,547</u>
Total		\$ <u>32,656,810</u>		\$ <u>18,280,699</u>

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

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

CITY OF WILLOUGHBY, OHIO
RATIO OF ANNUAL DEBT SERVICE FOR
BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN YEARS
(UNAUDITED)

<u>YEAR</u>	<u>DEBT SERVICE PRINCIPAL ON GENERAL OBLIGATIONS DEBT</u>	<u>GENERAL GOVERNMENTAL EXPENDITURES</u>	<u>RATIO</u>
1995	\$428,474	\$18,209,240	2.35%
1996	\$434,025	\$19,781,887	2.19%
1997	\$538,825	\$20,162,205	2.67%
1998	\$543,825	\$19,520,551	2.79%
1999	\$808,625	\$23,034,273	3.51%
2000	\$728,625	\$29,911,013	2.44%
2001	\$718,320	\$24,230,158	2.96%
2002	\$738,320	\$25,219,840	2.93%
2003	\$759,103	\$25,745,240	2.95%
2004	\$770,499	\$25,721,195	3.00%

CITY OF WILLOUGHBY, OHIO
DEMOGRAPHIC STATISTICS
1960-2000

<u>YEAR</u>	<u>TOTAL POPULATION</u>	<u>POPULATION IN GROUP QUARTERS</u>	<u>TOTAL DWELLING UNITS</u>	<u>OCCUPIED DWELLING UNITS HOUSEHOLDS</u>	<u>PERSONS PER/OWNER HOUSEHOLDS</u>	<u>OWNER OCCUPIED HOUSING UNITS (%)</u>	<u>MEDIAN INCOME</u>	<u>OCCUPIED COUNTY POPULATION</u>
1960	15,058	NA	4,501	4,276	3.50	79.6	\$7,486	148,700
1970	18,634	NA	5,995	5,878	3.20	66.3	\$12,048	197,200
1980	19,329	5	7,749	7,434	2.58	62.8	\$23,912	212,801
1990	20,510	264	8,969	8,732	2.58	61.4	\$38,980	215,499
2000	22,621	351	10,700	10,265	2.40	59.8	\$43,387	227,511

Sources: U.S. Census 1960, 1970, 1980, 1990, 2000

CITY OF WILLOUGHBY, OHIO
BANKING ACTIVITY, BUILDING PERMITS
AND REGISTERED VOTERS
LAST TEN FISCAL YEARS

<u>FISCAL YEAR</u>	<u>BANK DEPOSITS AT DECEMBER 31 (1)</u>	<u>BUILDING PERMITS ISSUED (2)</u>	<u>REGISTERED VOTERS NOVEMBER ELECTION (3)</u>
1995	\$22,458,573,000	\$41,361,045	12,805
1996	\$27,068,211,000	\$25,859,734	13,993
1997	\$53,941,971,000	\$51,307,636	13,969
1998	\$58,904,596,000	\$49,588,697	14,173
1999	\$57,816,942,000	\$43,172,684	14,045
2000	\$61,942,764,000	\$24,978,787	14,210
2001	\$63,893,769,000	\$20,512,243	14,333
2002	\$95,760,917,000	\$33,813,587	14,737
2003	\$97,238,973,000	\$42,498,618	14,277
2004	\$101,837,959,000	\$24,884,207	15,495

Sources: 1. Federal Reserve Bank of Cleveland
2. Willoughby Building Department
3. Lake County Board of Elections

CITY OF WILLOUGHBY, OHIO
PRINCIPAL TAXPAYERS
2004

<u>TAXPAYER</u>	<u>DESCRIPTION</u>	<u>REAL PROPERTY TAXABLE VALUATION</u>	<u>% OF TOTAL PROPERTY TAXABLE VALUATION</u>
<u>Real Property</u>			
Tam-A-Rac Estates	Apartments	8,050,680	1.27%
Kirtland Country Club	Private Club	5,048,200	0.80%
Ohio Presbyterian	Sr. Citizens Ret. Facility	4,699,660	0.74%
First Interstate	Real Estate Investors/Developers	4,473,690	0.71%
Sam's Investment Inc.	Motel	3,742,740	0.59%
36212 Euclid Ave LLC	Retail Development	3,255,010	0.51%
Friedman Properties LTD	Multi-Family Bldgs.	2,807,500	0.44%
West Point Partners	Shopping Center	2,775,400	0.44%
Pine Ridge Apt. Co. II LTD	Apartment Building	2,700,870	0.43%
Kaiser Foundation	Medical Building	2,635,600	0.42%
<u>Personal Property</u>			
GE Quartz Inc.	Industrial Quartz Plant	11,050,620	1.74%
Metal Seals & Products	Screw Machining Products	4,360,870	0.69%
Ekohwerks Co.	Finishing	2,456,900	0.39%
Classic of Willoughby LLC	Automotive Dealership	2,010,970	0.32%
Stoddard Imported Cars Inc.	Automotive Dealer	1,849,910	0.29%
Steel Technologies Corp.	Steel Warehouse	1,754,090	0.28%
Accurate Metal Machine	Bar Stock Production	1,745,436	0.28%
Universal Screw Machine	Machine Shop	1,681,080	0.26%
Leiken Oldsmobile Inc.	Automobile Dealership	1,678,680	0.26%
Swagelok Co	Mfg. of Fluid Systems	1,598,290	0.25%
Willow Hill Industries	Mfg. of Tubular Forgings	1,562,100	0.25%
BJS Wholesale Club	Wholesale Sales	1,297,120	0.20%
<u>Public Utility (Real and Tangible Personal)</u>			
Cleveland Electric Illuminating	Electric	7,857,130	1.24%
Ohio Bell Telephone	Telephone	7,447,910	1.17%
American Transmission System	Electric	946,880	0.15%
CSX Transportation	Railroad	406,740	0.06%
East Ohio Gas	Natural Gas	370,760	0.06%
Level 3 Communications	Telecommunications	198,400	0.03%
Ameritech Wireless Comm	Telecommunications	142,460	0.02%
SprintCom Inc	Telecommunications	139,480	0.02%
Norfolk & Southern	Railroad	119,990	0.02%
Sprint Communications	Telecommunications	103,450	0.02%
Total of Above		\$ 90,968,616	14.35%
Total Property Values		\$ 634,400,831	100.00%

Based on Valuation of Property for Taxes to be collected in 2004.

Source: Lake County Auditor's Office

CITY OF WILLOUGHBY, OHIO
MISCELLANEOUS STATISTICS
DECEMBER 31, 2004

Date of Village Incorporation	August 3, 1853
Date of City Charter	June 19, 1951
Form of Government	Mayor-Council
Area	9.9 Square Miles
Miles of Streets	89
Number of Street Lights	2920

Fire Protection:

Number of Stations	2
Number of Firefighters and Officers (Exclusive of Part-Time Firefighters)	41

Police Protection:

Number of Stations	1
Number of Police Officers	45

Hospitals:

Lake West Hospital	253 Beds
Laurelwood Hospital	160 Beds

Airport

2 Runways
Asphalt/Concrete
5,000 Feet Each

Sewers:

Sanitary Sewers	93 Miles
Storm Sewers	92 Miles

Recreation and Culture:

Number of Parks	14 with 186 Acres
Swimming Pools	2 Large, 1 Small
Ballfields	21 with 7 Lighted
Golf Course	18 holes, 141 Acres
Tennis Courts	12

Traffic Lights

354

Cemeteries

2 with 50 Acres

CITY OF WILLOUGHBY, OHIO
SALARIES OF PRINCIPAL OFFICIALS
DECEMBER 31, 2004

<u>Title</u>	<u>Annual Salary</u>
Mayor and Safety Director	\$79,636
President of City Council	\$7,200
Council Members	\$6,000
Director of Public Service	\$77,328
Director of Finance	\$81,562
Director of Parks and Recreation	\$71,539
Judge of Municipal Court	\$63,250
Clerk of Court	\$92,503
Chief of Police	\$97,260
Chief of Fire	\$95,980



The City of Willoughby™



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Family,
Fun,
Progress*

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**Auditor of State
Betty Montgomery**

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800-282-0370

Facsimile 614-466-4490

CITY OF WILLOUGHBY

LAKE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 21, 2005**