

CITY OF WILLOUGHBY, OHIO

AUDIT REPORT

FOR THE YEAR ENDED DECEMBER 31, 2008



Mary Taylor, CPA
Auditor of State

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, CPA, Inc., for the audit period January 1, 2008 through December 31, 2008. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

June 15, 2009

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**CITY OF WILLOUGHBY, OHIO
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2008**

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

Certified Public Accountants

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Garfield Hts., Ohio 44125

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Ohio Society of Certified Public Accountants

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

To the Members of City Council
City of Willoughby, Ohio

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Willoughby, Lake County, Ohio, as of and for the year ended December 31, 2008, which collectively comprise the City of Willoughby, Ohio's basic financial statements and have issued our report thereon dated April 21, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Willoughby, Ohio's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City of Willoughby, Ohio's financial statements that is more than inconsequential will not be prevented or detected by the City of Willoughby, Ohio's internal control.

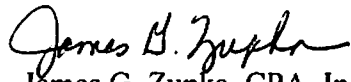
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City of Willoughby, Ohio's internal control.

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

Compliance and Other Matters

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

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


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

April 21, 2009



The City of Willoughby, Ohio



2008

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For the year ended December 31, 2008

2008

COMPREHENSIVE ANNUAL FINANCIAL REPORT

for the year ended December 31, 2008

The City of
Willoughby, Ohio

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

Director of Finance
Raymond J. Rogowski, CGFM

Deputy Finance Director
Diane C. Bosley, CPA

Staff Accountant
Cher Hoffman

Secretary
Mia Cicirello

Finance Staff
Nancy Kukoleck
Christine Pedersen
Martha Schneider
Debbie Schreiber
Shawn Wilson

The City of
Willoughby, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2008

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City Of Willoughby

David E. Anderson
Mayor and Safety Director

April 27, 2009

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, 2008, is hereby submitted. State law requires that all public offices shall file a financial report for each fiscal year. The law also requires that the report be submitted within one hundred fifty days of the close of the fiscal year.

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

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

The City's financial statements have been audited by James G. Zupka, CPA, Inc., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the year ended December 31, 2008, 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, 2008, are fairly presented in conformity with GAAP. The independent auditor's report is presented at the front of the financial section of this report.

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

PROFILE OF THE GOVERNMENT

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

"The Courtesy City"

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

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

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

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

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

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

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

LOCAL ECONOMY

The City's economic base is highly diversified. Willoughby is home to the eighth largest number of manufacturing firms in the State of Ohio. The City is home to companies such as General Electric, Metal Seal & Products and Universal Screw.

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

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

MAJOR INITIATIVES

The City made a decision in 2007 to switch agencies for collecting the municipal income tax. The City switched to the Regional Income Tax Agency in 2008 joining more than 100 other Ohio communities combining on this service.

The City undertook several projects to improve our sewer system and maintain and improve our roads. Combined planned sewer construction started in 2008 and completed in 2009 will exceed \$3,000,000. Road projects begun and completed in 2008 and 2009 including slope stabilization and road rehabilitation will exceed \$2,500,000. All projects will be paid for by a combination of grants, loans and tax levy exclusively for road improvements. The loans involving the Sewer fund will be paid back utilizing the City's rate structure.

The City will complete a project in 2009 at the City owned and operated golf course. The improvement will add a driving range, modernized drainage and new bridges throughout the course.

Preliminary design work was undertaken in 2008 and continues in 2009 for the renovation of City Hall. This nearly 50 year old facility previously housed the City's Municipal Court. The renovation will concentrate on better utilization of space, upgraded building technology and energy efficiency.

RELEVANT FINANCIAL POLICIES

Union contracts were negotiated and completed in the first quarter of 2007. The contracts included an employee contribution of 10% of the total health care cost on a bi-weekly basis. All negotiations were completed in a timely manner.

LONG TERM FINANCIAL PLANNING

In 2006, the City prepared a 5 year forecast for the major operations of the City as well as a 10 year Capital Improvement Plan. This resulted in the request of the voters for a 2 mill levy for road & bridge improvements. The levy was successful and has relieved significant pressure on the City's main source of revenue, municipal income tax, which can be used for operations and other capital purposes. An update to both plans is expected to begin in 2009.

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, 2007. This was the 22nd consecutive year that the City of Willoughby has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the City of Willoughby published an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

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

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

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Raymond J. Rogowski". The signature is fluid and cursive, with a large initial "R" and "J".

Raymond J. Rogowski, CGFM
Finance Director

A handwritten signature in black ink, appearing to read "Diane C. Bosley". The signature is cursive and elegant, with a large initial "D".

Diane C. Bosley, CPA
Deputy Finance Director



The City of Willoughby, Ohio

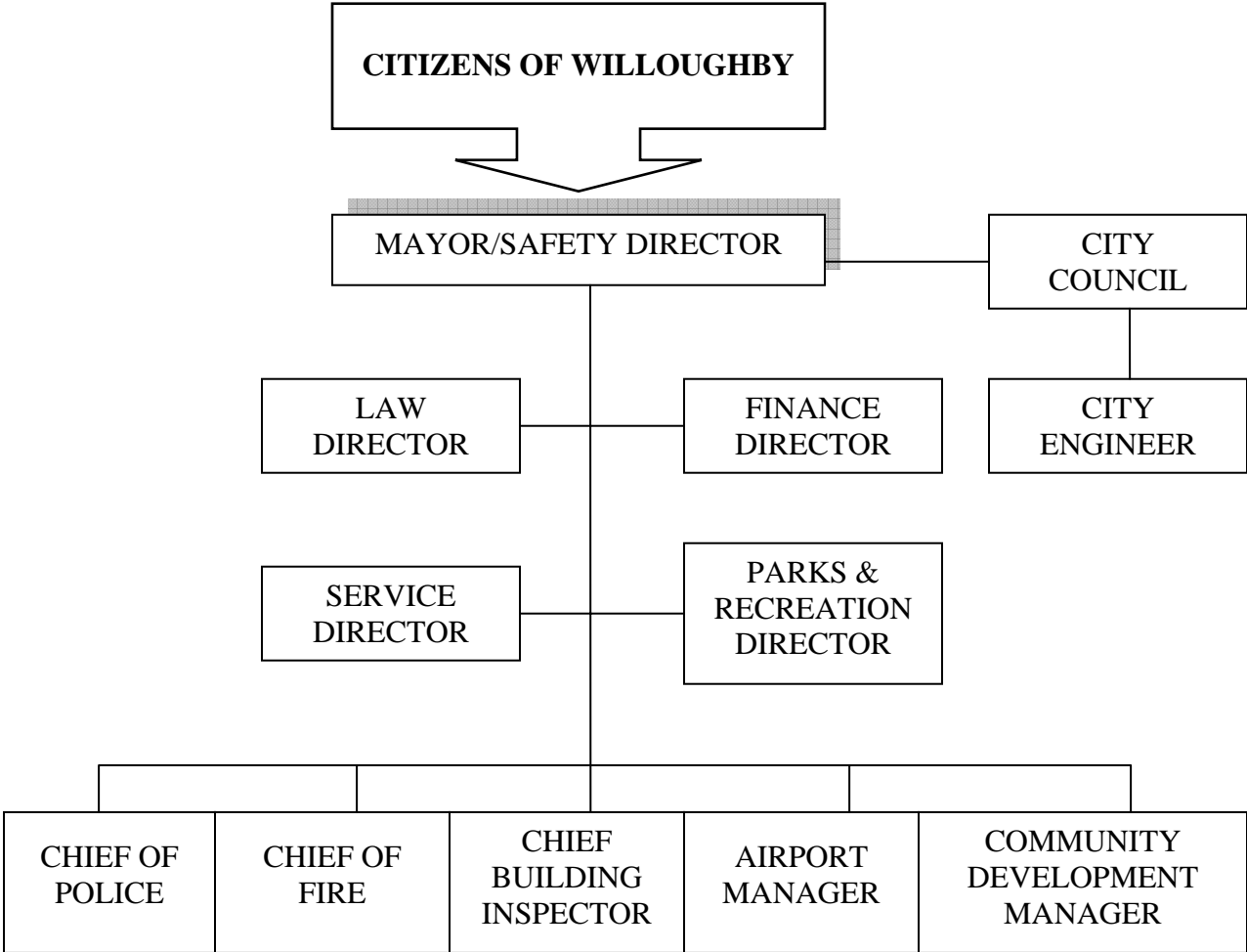


Enriched by its History

PREPARED FOR ITS
FUTURE

ORGANIZATIONAL CHART

The City of
Willoughby, Ohio



ELECTED & APPOINTED OFFICIALS

The City of
Willoughby, Ohio

Mayor
David E. Anderson

CITY COUNCIL

Ward 3
Jerome P. Ranally / President

Ward 1
Christopher W. Woodin

Ward 4
Robert E. Carr

Ward 6
Robert J. Harrold

Ward 2
Robert A. Fiala

Ward 5
Karen T. Manning

Councilman-At-Large
Jeffrey H. Black

Director of Finance
Raymond J. Rogowski

Director of Public Service
Angelo Tomaselli

Director of Law
John W. Wiles

*Director of
Parks & Recreation*
Brian L. Katz

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Willoughby
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2007

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



President

Executive Director



The City of Willoughby, Ohio



FINANCIAL INFORMATION

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

Certified Public Accountants

5240 East 98th Street

Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

The Members of City Council
City of Willoughby, Ohio

The Honorable Mary Taylor
Auditor of State
State of Ohio

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Willoughby, Lake County, Ohio, as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Willoughby, Ohio's management. Our responsibility is to express opinions on these financial statements based on our audit.

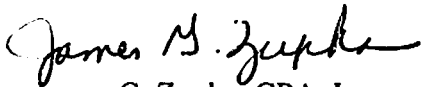
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 21, 2009, on our consideration of the City of Willoughby, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Willoughby, Ohio's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The accompanying introductory section and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected 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.
Certified Public Accountants

April 21, 2009

**CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

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, 2008. 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 \$93,073,427. Assets in Governmental activities exceeded liabilities by \$61,928,961 and \$31,144,466 in Business-Type activities.

Total liabilities of the City of Willoughby increased \$1,065,538 as compared to 2007. Total liabilities of governmental activities decreased by \$888,859 and total liabilities of business type-activities increased by \$1,954,217.

The total unrestricted net assets of the City is \$8,088,614, an increase of \$2,510,351 from 2007.

Long term liabilities of the City increased by \$741,029.

The overall financial condition of the City did not materially change from 2007 to 2008.

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, 2008**

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

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

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

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

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

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

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

The City maintains 24 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances, for the General fund, Capital Projects fund, and General Bond Retirement fund; these are considered to be major funds.

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

**CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

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

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

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

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

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

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

Notes to the Financial Statements

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

Other Information

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

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

**CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

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 (80%) 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 2008 compared to 2007.

	City of Willoughby's Net Assets					
	Governmental Activities		Business-type Activities		Total Government	
	2008	2007	2008	2007	2008	2007
Current and other assets	33,459,606	32,237,400	(235,690)	(516,838)	33,223,916	31,720,562
Capital assets	58,556,772	59,775,029	43,991,634	43,553,834	102,548,406	103,328,863
Total Assets	92,016,378	92,012,429	43,755,944	43,036,996	135,772,322	135,049,425
Current and other liabilities	11,349,022	11,907,301	2,595,280	1,712,672	13,944,302	13,619,973
Long term liabilities outstanding	18,738,395	19,068,975	10,016,198	8,944,589	28,754,593	28,013,564
Total Liabilities	30,087,417	30,976,276	12,611,478	10,657,261	42,698,895	41,633,537
Net Assets:						
Invested in capital assets, net of debt	41,374,191	41,994,662	33,115,680	35,229,071	74,489,871	77,223,733
Restricted	10,196,351	10,321,854	298,591	292,038	10,494,942	10,613,892
Unrestricted (deficit)	10,358,419	8,719,637	(2,269,805)	(3,141,374)	8,088,614	5,578,263
Total Net Assets	61,928,961	61,036,153	31,144,466	32,379,735	93,073,427	93,415,888

An additional portion of the City's net assets (11.3%) represents resources that have been restricted on how they may be used. The remaining balance of unrestricted net assets (\$8,088,614) 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, 2008**

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 \$2,269,805 which is primarily attributable to liabilities of the Airport fund consisting of amounts that are due to other funds.

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

City of Willoughby's Change in Net Assets						
	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues						
Program Revenues						
Charges for Services	4,797,851	4,802,946	4,801,526	5,273,752	9,599,377	10,076,698
Operating Grants, Contributions & Interest	233,398	118,956			233,398	118,956
Capital Grants & Contributions	287,167	110,980	239,440	247,053	526,607	358,033
General Revenues						
Municipal Income Taxes	16,591,292	15,570,705		200,000	16,591,292	15,770,705
Property & Other Local Taxes	4,544,357	4,981,602			4,544,357	4,981,602
Grants & Entitlements	5,342,717	4,797,309			5,342,717	4,797,309
Investment Earnings	733,253	990,190	51,342	53,393	784,595	1,043,583
Miscellaneous	106,277	7,511	14,812	3,012	121,089	10,523
Total Revenues	32,636,312	31,380,199	5,107,120	5,777,210	37,743,432	37,157,409
Expenses						
General Government	7,464,343	7,037,479			7,464,343	7,037,479
Security of Persons & Property	14,184,392	13,355,856			14,184,392	13,355,856
Public Health & Welfare	475,828	474,422			475,828	474,422
Community Environment	985,934	1,028,496			985,934	1,028,496
Leisure Time Activities	2,319,489	2,162,931			2,319,489	2,162,931
Transportation	3,526,993	3,316,323			3,526,993	3,316,323
Basic Utility Services	1,648,956	1,517,825			1,648,956	1,517,825
Interest & Fiscal Charges	842,569	879,804			842,569	879,804
Golf Course			992,417	923,882	992,417	923,882
Sewer			5,086,763	4,898,045	5,086,763	4,898,045
Airport			558,209	540,352	558,209	540,352
Total Expenses	31,448,504	29,773,136	6,637,389	6,362,279	38,085,893	36,135,415
Transfers	(295,000)	(68,000)	295,000	68,000	0	0
Change in Net Assets	892,808	1,539,063	(1,235,269)	(517,069)	(342,461)	1,021,994
Net Assets Beginning of Year	61,036,153	59,497,090	32,379,735	32,896,804	93,415,888	92,393,894
Net Assets End of Year	61,928,961	61,036,153	31,144,466	32,379,735	93,073,427	93,415,888

Governmental Activities

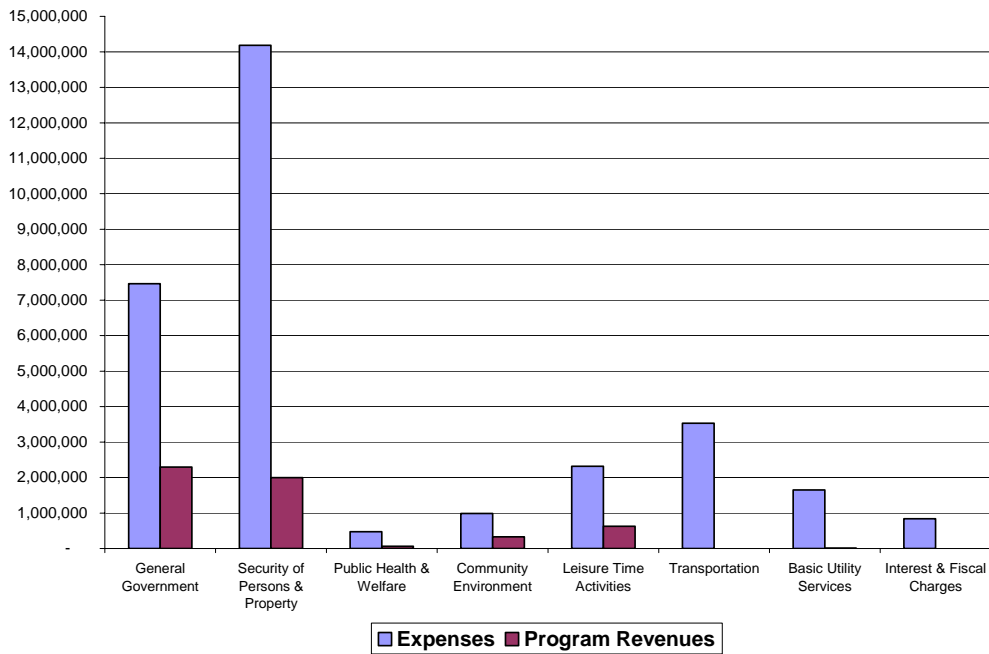
Income tax in governmental funds shows an increase of 6.55% because of increase in collections as well as a change in allocation of revenue away from Business-type activity funds.

Property and other local taxes decreased by more than 8% with the change in state law which effectively eliminated the personal property tax. Grants and entitlements increased by 11.3% and interest earnings were down 26% in a declining interest rate environment. The overall increase in revenue of 4% is a result of higher collection of income taxes and an increase in grants and entitlements, including an increase in estate tax collections.

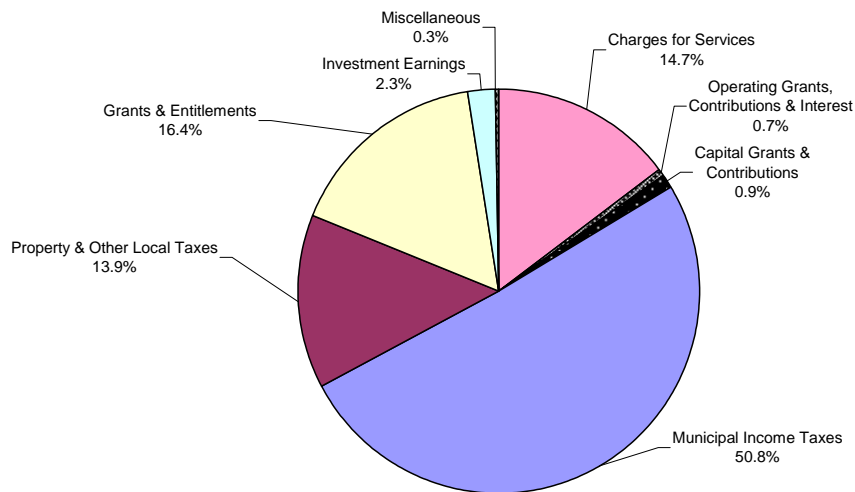
**CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

Expenses in governmental activity increased by 5.6% in 2008 primarily due to wage increases and rising health care benefit costs. Fulltime employment at the City remained static for 2008.

Expenses & Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities

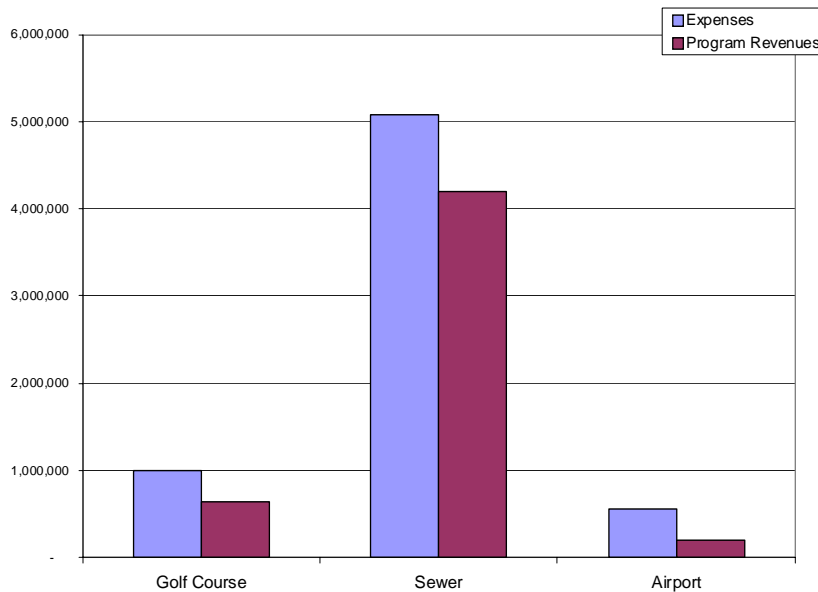


**CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

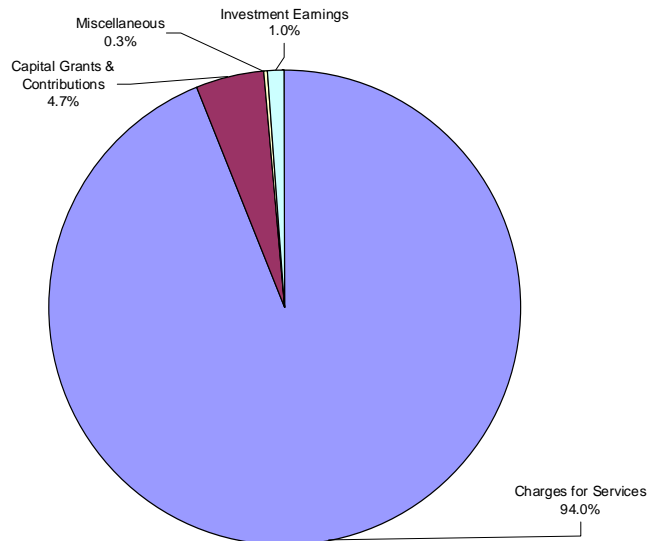
Business-Type Activities

Business-type activities account for 33.5% of the City of Willoughby's total net assets. Revenues were down in 2008 with charges for services down 8.9% for the year. Golf Course revenues were down as construction was underway. In 2007 Sewer fund revenues had included additional charges for a joint project that was not repeated in 2008. Expenses increased 4.3% with costs increasing for personal services, contractual services and materials and supplies.

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, 2008**

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 \$17,052,234, an increase of \$580,587 from last year. The increase occurred significantly in the General fund because of strong revenue collections. Decreases in fund balances at year end in the Capital Projects fund are explained by lower revenue allocated to capital purposes. Unreserved fund balance, which is available at the government's discretion, increased by more than \$1,000,000 in the General fund and the Capital Projects fund unreserved deficit increased by \$785,668. The amount reserved for various purposes was not significantly changed in total or by fund in 2008.

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

Unrestricted net assets of the Golf Course fund reflect a deficit of (\$144,388) compared to (\$363,182) in 2007. The amount due to other funds is \$333,445.

Unrestricted net assets of the Sewer fund increased from \$1,176,247 to \$1,976,839. The increase in unrestricted net assets is primarily because of increased revenue and proceeds due to other funds that were not expended in the year received.

Unrestricted net assets of the Airport fund carry a deficit unreserved balance of (\$4,102,256). The increase in the deficit is caused by the airport's inability to pay its own debt. The accumulated deficit is caused by past advances and debt payments that had to be made for the airport from other funds.

General Fund Budgetary Highlights - No changes to total budget were required to be made for the General Fund in 2008. The year saw revenues exceeding forecasts by \$1,649,218 and expenditures nearly \$1,700,000 under the amounts requested. The City Administration and Council made a decision to allocate revenues to the General fund when forecasts were exceeded for the year and to tighten the expenditures of the General fund departments in light of economic uncertainty. The City chooses to operate within its original budget framework even though forecasts will be exceeded on the revenue side and expenditures will be contained.

Capital Assets and Debt Administration

Capital Assets - The City's investment in capital assets for governmental and business-type activities as of December 31, 2008, was \$102,548,406 (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 OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

City's investment in capital assets reflects a .13% increase over the prior year for governmental activities and 1.97% over for business-type activities. These changes are calculated before depreciation.

	City of Willoughby's Capital Assets					
	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	7,747,452	7,747,452	10,009,383	10,009,383	17,756,835	17,756,835
Construction in Progress	6,751,876	6,529,130	1,163,842	336,356	7,915,718	6,865,486
Buildings	19,073,180	19,023,527	18,370,506	18,351,091	37,443,686	37,374,618
Improvements	14,198,824	14,218,925	41,177,183	39,877,404	55,376,007	54,096,329
Machinery & Equipment	10,233,815	10,117,248	4,509,423	5,203,783	14,743,238	15,321,031
Infrastructure	34,992,185	35,236,996			34,992,185	35,236,996
Total Capital Assets	92,997,332	92,873,278	75,230,337	73,778,017	168,227,669	166,651,295
Accumulated Depreciation	(34,440,560)	(33,098,249)	(31,238,703)	(30,224,183)	(65,679,263)	(63,322,432)
Capital Assets (Net)	58,556,772	59,775,029	43,991,634	43,553,834	102,548,406	103,328,863

Major capital asset events during 2008 were as follows:

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

Several vehicles were purchased and put into service for the Service Department including a street sweeper. Six new police cars were put into service for the Police Department as well as a new bus to be used by the City's senior center.

The Lost Nation Golf Course underwent major renovations in 2008 including bridges, parking lots, drainage improvements and rebuilding hole #2. The new range will be completed in the Spring of 2009.

Plans were completed and construction underway on the River Road Sanitary Sewer and Route 91 Sewer Project.

The computer systems were upgraded and replaced at the Municipal Court.

Plans were completed and construction began on the Route 84 and Route 91 Slope Stabilization Projects.

Plans were completed and construction began on the Police and Fire dispatch renovation.

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

**CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

Outstanding Debt - The City's outstanding debt increased by \$738,464 (2.7%).

City of Willoughby's Outstanding Debt at December 31						
	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
General Obligation Bonds	11,966,207	12,762,760			11,966,207	12,762,760
Special Assessment Bonds	250,000	275,000			250,000	275,000
Enterprise Bonds w/ G.O. Commitment			3,031,117	3,450,662	3,031,117	3,450,662
OWDA & OPWC	16,374	17,607	6,247,768	4,724,594	6,264,142	4,742,201
Capital Notes Payable	5,200,000	5,000,000	1,610,000	1,350,000	6,810,000	6,350,000
Police Pension Liability	116,892	119,271			116,892	119,271
TOTAL	17,549,473	18,174,638	10,888,885	9,525,256	28,438,358	27,699,894

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 \$676,337,345 at the end of 2008. The City has borrowed 40% 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 \$460,000. The City has outstanding notes of \$5,200,000 for the Riverside Commons Special Assessment project and a \$1,610,000 note for improvements to the City owned and operated municipal golf course. Additional information regarding the City's debt can be found starting on page 54 of the notes to the financial statements.

Economic Factors and Next Year's Budget

The City of Willoughby has remained strong despite a challenging state and national economy, continues to weather the economic storm and had a slight increase in income tax collections in 2008. The City has not cut any services or employees as we planned for 2009. The City has opted to delay a capital improvement program till at least the 3rd quarter so we can assess the economic conditions at that time. We will go forward with previously authorized projects as well as a significant road program utilizing road levy money.

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

Requests for Information

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



The City of Willoughby™

CITY OF WILLOUGHBY, OHIO
STATEMENT OF NET ASSETS
DECEMBER 31, 2008

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Equity in City Treasury Cash and Investments	\$ 14,354,505	\$ 2,260,792	\$ 16,615,297
Inventory	201,600	43,592	245,192
Accrued Interest Receivable	139,006	16,994	156,000
Accounts Receivable	207,274	382,243	589,517
Prepaid Items	2,589	3,618	6,207
Intergovernmental Receivable	2,898,784	2,099,343	4,998,127
Taxes Receivable	9,069,458	0	9,069,458
Internal Balances	5,652,386	(5,652,386)	0
Restricted Assets -Cash	0	597,183	597,183
Special Assessments Receivable	934,004	0	934,004
Unamortized Bond Issuance Costs	0	12,931	12,931
Nondepreciable Capital Assets	14,499,328	11,173,225	25,672,553
Depreciable Capital Assets, Net	44,057,444	32,818,409	76,875,853
TOTAL ASSETS	<u>92,016,378</u>	<u>43,755,944</u>	<u>135,772,322</u>
LIABILITIES			
Accounts Payable	594,579	767,375	1,361,954
Salaries, Wages and Benefits Payable	1,318,494	111,076	1,429,570
Accrued Interest Payable	93,188	102,504	195,692
Property Taxes Payable	0	4,113	4,113
Intergovernmental Payable	34,731	212	34,943
Notes Payable	5,200,000	1,610,000	6,810,000
Unearned Revenue	4,105,090	0	4,105,090
Matured Bonds and Interest Payable	2,940	0	2,940
Long-Term Liabilities:			
Due Within One Year	2,338,679	992,976	3,331,655
Due In More Than One Year	16,399,716	9,023,222	25,422,938
TOTAL LIABILITIES	<u>30,087,417</u>	<u>12,611,478</u>	<u>42,698,895</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	41,374,191	33,115,680	74,489,871
Restricted for:			
Capital Projects	3,102,440	0	3,102,440
Debt Service	3,895,510	0	3,895,510
Equipment Replacement	0	298,591	298,591
Special Revenue	2,985,369	0	2,985,369
Permanent Fund Purpose:			
Nonexpendable - Cemetery Fund	213,032	0	213,032
Unrestricted (Deficit)	10,358,419	(2,269,805)	8,088,614
TOTAL NET ASSETS	<u>\$ 61,928,961</u>	<u>\$ 31,144,466</u>	<u>\$ 93,073,427</u>

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008

	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS		
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES							
General Government	\$ 7,464,343	\$ 2,293,642	\$ 0	\$ 0	\$ (5,170,701)		\$ (5,170,701)
Security of Persons and Property	14,184,392	1,620,997	233,398	140,573	(12,189,424)		(12,189,424)
Public Health and Welfare	475,828	62,655	0	0	(413,173)		(413,173)
Community Environment	985,934	327,925	0	0	(658,009)		(658,009)
Leisure Time Activities	2,319,489	492,257	0	138,246	(1,688,986)		(1,688,986)
Transportation	3,526,993	375	0	0	(3,526,618)		(3,526,618)
Basic Utility Services	1,648,956	0	0	8,348	(1,640,608)		(1,640,608)
Interest and Fiscal Charges	842,569	0	0	0	(842,569)		(842,569)
TOTAL GOVERNMENTAL ACTIVITIES	31,448,504	4,797,851	233,398	287,167	(26,130,088)		(26,130,088)
BUSINESS-TYPE ACTIVITIES							
Golf Course	992,417	648,189	0	0		\$ (344,228)	(344,228)
Sewer	5,086,763	3,961,100	0	239,440		(886,223)	(886,223)
Airport	558,209	192,237	0	0		(365,972)	(365,972)
TOTAL BUSINESS-TYPE ACTIVITIES	6,637,389	4,801,526	0	239,440		(1,596,423)	(1,596,423)
TOTAL	\$38,085,893	\$9,599,377	\$233,398	\$526,607	(26,130,088)	(1,596,423)	(27,726,511)
GENERAL REVENUES							
Property Taxes Levied for:							
					1,706,745		1,706,745
					1,562,488		1,562,488
					1,162,242		1,162,242
					112,882		112,882
Income Taxes Levied for:							
					15,943,959		15,943,959
					647,333		647,333
					5,342,717		5,342,717
					91,103	2,021	93,124
					733,253	51,342	784,595
					15,174	12,791	27,965
TOTAL GENERAL REVENUE					27,317,896	66,154	27,384,050
Transfers					(295,000)	295,000	0
TOTAL GENERAL REVENUES AND TRANSFERS					27,022,896	361,154	27,384,050
CHANGE IN NET ASSETS					892,808	(1,235,269)	(342,461)
NET ASSETS BEGINNING OF YEAR					61,036,153	32,379,735	93,415,888
NET ASSETS END OF YEAR					\$ 61,928,961	\$ 31,144,466	\$ 93,073,427

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2008

	<u>GENERAL</u>	<u>CAPITAL PROJECTS</u>	<u>GENERAL BOND RETIREMENT</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS					
Assets:					
Equity in City Treasury Cash and Investments	\$6,798,734	\$3,337,779	\$120,945	\$4,097,047	\$14,354,505
Inventory-Supplies	101,902	0	0	99,698	201,600
Accrued Interest Receivable	111,061	27,945	0	0	139,006
Accounts Receivable	206,305	296	0	673	207,274
Prepaid Items	2,589	0	0	0	2,589
Due from Other Governments	2,197,551	8,843	46,192	646,198	2,898,784
Taxes Receivable	6,020,669	0	1,361,784	1,687,005	9,069,458
Due from Other Funds	2,375,214	28,176	3,280,167	0	5,683,557
Special Assessments Receivable	<u>0</u>	<u>0</u>	<u>0</u>	<u>934,004</u>	<u>934,004</u>
TOTAL ASSETS	<u>\$17,814,025</u>	<u>\$3,403,039</u>	<u>\$4,809,088</u>	<u>\$7,464,625</u>	<u>\$33,490,777</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$135,845	\$256,271	\$0	\$202,463	\$594,579
Salaries, Wages, and Benefits Payable	1,230,393	0	0	88,101	1,318,494
Due to Other Governments	1,958	0	0	32,773	34,731
Due to Other Funds	16,171	0	0	15,000	31,171
Notes Payable	0	5,200,000	0	0	5,200,000
Deferred Revenue	4,748,161	0	1,407,976	3,100,491	9,256,628
Matured Bonds & Interest Payable	<u>0</u>	<u>0</u>	<u>2,940</u>	<u>0</u>	<u>2,940</u>
TOTAL LIABILITIES	<u>6,132,528</u>	<u>5,456,271</u>	<u>1,410,916</u>	<u>3,438,828</u>	<u>16,438,543</u>
Fund Balances:					
Reserved for Encumbrances	470,007	1,164,191	9,466	232,134	1,875,798
Reserved for Inventory	101,902	0	0	99,698	201,600
Reserved for Debt Service	0	0	401,984	318,555	720,539
Reserved for Prepaid Items	2,589	0	0	0	2,589
Reserved for Long-Term Loan -Airport	1,325,214	23,176	2,986,722	0	4,335,112
Unreserved	9,781,785	(3,240,599)	0	0	6,541,186
Unreserved, Reported in Nonmajor					
Special Revenue Funds	0	0	0	3,162,378	3,162,378
Permanent Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>213,032</u>	<u>213,032</u>
TOTAL FUND BALANCES	<u>11,681,497</u>	<u>(2,053,232)</u>	<u>3,398,172</u>	<u>4,025,797</u>	<u>17,052,234</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$17,814,025</u>	<u>\$3,403,039</u>	<u>\$4,809,088</u>	<u>\$7,464,625</u>	<u>\$33,490,777</u>

See accompanying notes to the basic financial statements.

<p>CITY OF WILLOUGHBY, OHIO RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET ASSETS OF GOVERNMENTAL ACTIVITIES AS OF DECEMBER 31, 2008</p>
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TOTAL GOVERNMENTAL FUND BALANCES	\$17,052,234
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Amounts reported for government activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	58,556,772
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Other long-term assets are not available to pay for current-period expenditures and therefore are not revenue in the funds.

Property Taxes	278,900
Grants and Entitlements	1,822,105
Municipal Income Taxes	1,964,249
Special Assessments	934,004
Charges for Services	141,999
Fines and Forfeitures	10,281

Total	5,151,538
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Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds.

General Obligation Bonds	(11,966,207)
OPWC Loans	(16,374)
Special Assessments	(250,000)
Police Pension Liability	(116,892)
Landfill Post Closure Care Liability	(910,036)
Compensated Absences	(5,478,886)
Accrued Interest Payable	(93,188)

Total	(18,831,583)
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NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 61,928,961</u>
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See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>GENERAL</u>	<u>CAPITAL PROJECTS</u>	<u>GENERAL BOND RETIREMENT</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
REVENUES:					
Municipal Income Taxes	\$14,836,082	\$647,333	\$0	\$0	\$15,483,415
Property and Other Local Taxes	1,697,747	112,882	1,152,165	1,552,169	4,514,963
Intergovernmental	3,853,120	142,973	212,680	1,607,878	5,816,651
Charges for Services	1,216,730	0	0	237,236	1,453,966
Special Assessments	0	0	0	653,084	653,084
Fines and Forfeitures	2,015,284	0	0	377,131	2,392,415
Licenses & Permits	259,563	0	0	0	259,563
Interest	655,713	16,365	61,175	0	733,253
Miscellaneous	<u>0</u>	<u>0</u>	<u>0</u>	<u>15,174</u>	<u>15,174</u>
TOTAL REVENUES	<u>24,534,239</u>	<u>919,553</u>	<u>1,426,020</u>	<u>4,442,672</u>	<u>31,322,484</u> #
EXPENDITURES:					
Current:					
General Government	6,862,162	36,455	26,785	194,864	7,120,266
Security of Persons and Property	10,836,956	70,757	0	2,168,224	13,075,937
Public Health and Welfare	466,208	3,800	0	0	470,008
Community Environment	926,505	795	0	36,304	963,604
Leisure Time Activities	966,305	30,363	0	935,474	1,932,142
Transportation	0	2,630	0	1,894,423	1,897,053
Basic Utility Services	1,229,993	0	0	0	1,229,993
Capital Outlay	11,898	1,163,778	0	1,108,344	2,284,020
Debt Service:					
Principal	0	0	797,786	25,000	822,786
Interest	<u>0</u>	<u>200,000</u>	<u>603,655</u>	<u>16,087</u>	<u>819,742</u>
TOTAL EXPENDITURES	<u>21,300,027</u>	<u>1,508,578</u>	<u>1,428,226</u>	<u>6,378,720</u>	<u>30,615,551</u> #
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,234,212	(589,025)	(2,206)	(1,936,048)	706,933
OTHER FINANCING SOURCES (USES):					
Transfers In	71,594	56,927	200,000	2,315,000	2,643,521
Transfers Out	(2,621,927)	0	0	(316,594)	(2,938,521)
Sale of Assets	<u>0</u>	<u>108,639</u>	<u>0</u>	<u>0</u>	<u>108,639</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,550,333)</u>	<u>165,566</u>	<u>200,000</u>	<u>1,998,406</u>	<u>(186,361)</u>
NET CHANGE IN FUND BALANCES	683,879	(423,459)	197,794	62,358	520,572
FUND BALANCE BEGINNING OF YEAR	10,983,332	(1,629,773)	3,200,378	3,917,710	16,471,647
INCREASE (DECREASE) IN RESERVE FOR INVENTORY	<u>14,286</u>	<u>0</u>	<u>0</u>	<u>45,729</u>	<u>60,015</u>
FUND BALANCES END OF YEAR	<u>\$11,681,497</u>	<u>(\$2,053,232)</u>	<u>\$3,398,172</u>	<u>\$4,025,797</u>	<u>\$17,052,234</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, 2008

NET CHANGES IN FUND BALANCES-TOTAL GOVERNMENTAL FUNDS \$ 520,572

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

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

Capital Asset Additions	2,284,022	
Current Year Depreciation	<u>(3,484,741)</u>	
Total		(1,200,719)

The net effect of sales and disposals of capital assets is a decrease to net assets.

Total		(17,538)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property Taxes	29,394	
Grants and Entitlements	38,283	
Municipal Income Taxes	1,107,877	
Special Assessments	(22,286)	
Charges for Services	89,176	
Fines and Forfeitures	<u>(19,719)</u>	
Total		1,222,725

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.

862,155

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

(22,827)

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	(531,575)	
Change in Inventory	<u>60,015</u>	
Total		<u>(471,560)</u>

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 892,808

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>(NEGATIVE)</u>
REVENUES:				
Municipal Income Taxes	\$13,955,154	\$13,955,154	\$14,673,177	\$718,023
Property and Other Local Taxes	1,736,841	1,736,841	1,796,527	59,686
Intergovernmental	3,224,851	3,224,851	3,708,938	484,087
Charges for Services	939,300	939,300	1,105,224	165,924
Fines and Forfeitures	1,917,500	1,917,500	2,027,960	110,460
Licenses and Permits	247,200	247,200	259,495	12,295
Interest Income	550,000	550,000	652,743	102,743
Other	<u>116,500</u>	<u>116,500</u>	<u>112,500</u>	<u>(4,000)</u>
Total Revenues	<u>22,687,346</u>	<u>22,687,346</u>	<u>24,336,564</u>	<u>1,649,218</u>
EXPENDITURES:				
General Government	7,340,944	7,340,944	6,550,353	790,591
Security of Persons and Property	11,426,411	11,426,411	10,944,547	481,864
Public Health and Welfare	480,950	480,950	467,014	13,936
Community Environment	999,410	999,410	883,683	115,727
Leisure Time Activities	1,057,142	1,057,142	999,419	57,723
Basic Utility Service	<u>1,357,800</u>	<u>1,357,800</u>	<u>1,125,674</u>	<u>232,126</u>
Total Expenditures	<u>22,662,657</u>	<u>22,662,657</u>	<u>20,970,690</u>	<u>1,691,967</u>
Excess of Revenues Over (Under) Expenditures	24,689	24,689	3,365,874	3,341,185
OTHER FINANCING SOURCES (USES):				
Transfers Out	(2,171,927)	(2,621,927)	(2,621,927)	0
Transfers In	0	0	71,594	71,594
Advance Repaid	0	0	5,000	5,000
Other	<u>0</u>	<u>0</u>	<u>200,983</u>	<u>200,983</u>
Total Other Financing Sources (Uses)	<u>(2,171,927)</u>	<u>(2,621,927)</u>	<u>(2,344,350)</u>	<u>277,577</u>
NET CHANGE IN FUND BALANCE	(2,147,238)	(2,597,238)	1,021,524	3,618,762
FUND BALANCE BEGINNING OF YEAR	5,213,792	5,213,792	5,213,792	0
Prior Year Encumbrances Appropriated	<u>4,319</u>	<u>4,319</u>	<u>4,319</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$3,070,873</u>	<u>\$2,620,873</u>	<u>\$6,239,635</u>	<u>\$3,618,762</u>

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
AS OF DECEMBER 31, 2008

BUSINESS-TYPE ACTIVITIES

	<u>GOLF COURSE</u>	<u>SEWER</u>	<u>AIRPORT</u>	<u>TOTAL</u> <u>2008</u>
ASSETS				
CURRENT ASSETS				
Equity in City Treasury Cash and Investments	\$295,546	\$1,821,900	\$143,346	\$2,260,792
Inventory	7,810	35,782	0	43,592
Accrued Interest Receivable	0	16,994	0	16,994
Accounts Receivable	600	123,952	257,691	382,243
Prepaid Expenses	0	858	2,760	3,618
Due from Other Funds	2,491	171,777	640	174,908
Due from Other Governments	<u>0</u>	<u>2,099,343</u>	<u>0</u>	<u>2,099,343</u>
TOTAL CURRENT ASSETS	<u>306,447</u>	<u>4,270,606</u>	<u>404,437</u>	<u>4,981,490</u>
NONCURRENT ASSETS				
Restricted Assets:				
Cash Investments	0	597,183	0	597,183
Unamortized Bond Issuance Costs	12,931	0	0	12,931
Land and Construction in Progress	2,373,476	1,464,373	7,335,376	11,173,225
Depreciable Capital Assets, Net	<u>2,493,138</u>	<u>28,707,741</u>	<u>1,617,530</u>	<u>32,818,409</u>
TOTAL NONCURRENT ASSETS	<u>4,879,545</u>	<u>30,769,297</u>	<u>8,952,906</u>	<u>44,601,748</u>
TOTAL ASSETS	<u>5,185,992</u>	<u>35,039,903</u>	<u>9,357,343</u>	<u>49,583,238</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable	23,029	740,575	3,771	767,375
Salaries, Wages & Benefits Payable	19,953	361,767	4,416	386,136
Accrued Interest Payable	19,082	82,878	544	102,504
Property Taxes Payable	0	0	4,113	4,113
Note Payable	1,610,000	0	0	1,610,000
Due to Other Funds	333,445	1,000,000	4,493,849	5,827,294
Due to Other Governments	153	59	0	212
Bonds Payable	<u>130,000</u>	<u>437,916</u>	<u>150,000</u>	<u>717,916</u>
TOTAL CURRENT LIABILITIES	<u>2,135,662</u>	<u>2,623,195</u>	<u>4,656,693</u>	<u>9,415,550</u>
NONCURRENT LIABILITIES				
Salaries, Wages & Benefits Payable	55,173	407,080	0	462,253
Bonds Payable	<u>2,350,000</u>	<u>6,210,969</u>	<u>0</u>	<u>8,560,969</u>
TOTAL NONCURRENT LIABILITIES	<u>2,405,173</u>	<u>6,618,049</u>	<u>0</u>	<u>9,023,222</u>
TOTAL LIABILITIES	<u>4,540,835</u>	<u>9,241,244</u>	<u>4,656,693</u>	<u>18,438,772</u>
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	789,545	23,523,229	8,802,906	33,115,680
Restricted for:				
Equipment Replacement	0	298,591	0	298,591
Unrestricted (Deficit)	<u>(144,388)</u>	<u>1,976,839</u>	<u>(4,102,256)</u>	<u>(2,269,805)</u>
TOTAL NET ASSETS	<u>\$645,157</u>	<u>\$25,798,659</u>	<u>\$4,700,650</u>	<u>\$31,144,466</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, 2008

BUSINESS-TYPE ACTIVITIES

	<u>GOLF COURSE</u>	<u>SEWER</u>	<u>AIRPORT</u>	<u>TOTAL</u> <u>2008</u>
OPERATING REVENUES:				
Charges for Services	\$648,189	\$3,961,100	\$35,493	\$4,644,782
Rentals	0	0	156,744	156,744
Other	<u>0</u>	<u>12,791</u>	<u>0</u>	<u>12,791</u>
Total Operating Revenues	<u>648,189</u>	<u>3,973,891</u>	<u>192,237</u>	<u>4,814,317</u>
OPERATING EXPENSES:				
Personal Services	411,975	2,348,431	113,103	2,873,509
Contractual Services	104,256	440,725	38,987	583,968
Materials & Supplies	143,605	182,865	16,152	342,622
Heat, Light & Power	32,445	475,032	13,889	521,366
Other Expenses	2,948	10,700	1,688	15,336
Depreciation	<u>115,426</u>	<u>1,438,861</u>	<u>362,149</u>	<u>1,916,436</u>
Total Operating Expenses	<u>810,655</u>	<u>4,896,614</u>	<u>545,968</u>	<u>6,253,237</u>
Net Income (Loss) from Operations	<u>(162,466)</u>	<u>(922,723)</u>	<u>(353,731)</u>	<u>(1,438,920)</u>
NON-OPERATING REVENUES (EXPENSES):				
Interest - Income	18,664	31,672	1,006	51,342
- Expense	(181,762)	(190,149)	(12,241)	(384,152)
Other - Income	<u>0</u>	<u>2,021</u>	<u>0</u>	<u>2,021</u>
Total Non-Operating Revenues (Expenses)	<u>(163,098)</u>	<u>(156,456)</u>	<u>(11,235)</u>	<u>(330,789)</u>
Net Income (Loss) Before Contributions and Transfers	<u>(325,564)</u>	<u>(1,079,179)</u>	<u>(364,966)</u>	<u>(1,769,709)</u>
Capital Contributions	0	239,440	0	239,440
Transfers In	<u>295,000</u>	<u>0</u>	<u>0</u>	<u>295,000</u>
CHANGE IN NET ASSETS	(30,564)	(839,739)	(364,966)	(1,235,269)
NET ASSETS BEGINNING OF YEAR	<u>675,721</u>	<u>26,638,398</u>	<u>5,065,616</u>	<u>32,379,735</u>
NET ASSETS END OF YEAR	<u>\$645,157</u>	<u>\$25,798,659</u>	<u>\$4,700,650</u>	<u>\$31,144,466</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, 2008

(continued on following page)

	<u>Business-Type Activities</u>			
	<u>Golf</u>	<u>Sewer</u>	<u>Airport</u>	<u>Total</u>
	<u>Course</u>			
Cash flows from operating activities:				
Receipts from customers and users	\$651,551	\$2,310,325	\$176,660	\$3,138,536
Receipts from other fund	(1,993)	998,736	156,955	1,153,698
Payments to suppliers	(250,413)	(565,748)	(69,825)	(885,986)
Payments to employees	(406,953)	(2,328,543)	(111,812)	(2,847,308)
Other operating revenues	<u>0</u>	<u>12,791</u>	<u>0</u>	<u>12,791</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>(7,808)</u>	<u>427,561</u>	<u>151,978</u>	<u>571,731</u>
Cash flows from noncapital financing activities:				
Transfers from other funds	<u>295,000</u>	<u>0</u>	<u>0</u>	<u>295,000</u>
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	<u>295,000</u>	<u>0</u>	<u>0</u>	<u>295,000</u>
Cash flows from capital and related financing activities:				
Proceeds from sale of debt	260,000	1,795,909	0	2,055,909
Acquisition and construction of capital assets	(1,188,630)	(1,165,606)	0	(2,354,236)
Principal reduction on long-term debt	(125,000)	(422,280)	(145,000)	(692,280)
Interest paid on long-term debt	(181,762)	(190,149)	(12,241)	(384,152)
Contributions from customers		239,440	0	239,440
Proceeds from the sale of capital assets	<u>0</u>	<u>2,021</u>	<u>0</u>	<u>2,021</u>
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(1,235,392)</u>	<u>259,335</u>	<u>(157,241)</u>	<u>(1,133,298)</u>
Cash flows from investing activities:				
Interest on investments	<u>18,664</u>	<u>31,672</u>	<u>1,006</u>	<u>51,342</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>18,664</u>	<u>31,672</u>	<u>1,006</u>	<u>51,342</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(929,536)	718,568	(4,257)	(215,225)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,225,082</u>	<u>1,700,515</u>	<u>147,603</u>	<u>3,073,200</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$295,546</u>	<u>\$2,419,083</u>	<u>\$143,346</u>	<u>\$2,857,975</u>

(Sewer Fund includes \$597,183 of cash and cash equivalent in restricted assets)

check

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

(continued)

	<u>Business-Type Activities</u>			
	<u>Golf Course</u>	<u>Sewer</u>	<u>Airport</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:				
Operating income (loss)	(\$162,466)	(\$922,723)	(\$353,731)	(\$1,438,920)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation	115,426	1,438,861	362,149	\$1,916,436
Change in assets and liabilities:				
(Increase) decrease in inventory of supplies	(2,046)	1,916	0	(130)
(Increase) decrease in accounts receivable	2,605	(7,047)	(16,415)	(20,857)
(Increase) decrease in accrued interest receivable	0	(11,025)	0	(11,025)
(Increase) decrease in prepaid expense	0	(107)	224	117
(Increase) decrease in due from other funds	757	2,771	838	4,366
(Increase) decrease in due from other govts	0	(1,635,474)	0	(1,635,474)
Increase (decrease) in accounts payable	16,750	545,275	1,201	563,226
Increase (decrease) in accrued salaries, wages, and benefits	5,022	19,888	1,291	26,201
Increase (decrease) in accrued interest payable	5,052	(3,553)	(519)	980
Increase (decrease) in property tax liabilities	0	0	(15)	(15)
Increase (decrease) in due to other funds	(1,993)	998,736	156,955	1,153,698
Increase (decrease) in due to other governments	153	43	0	196
(Increase) decrease in deferred charges	12,932	0	0	12,932
TOTAL ADJUSTMENTS	<u>154,658</u>	<u>1,350,284</u>	<u>505,709</u>	<u>2,010,651</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>(\$7,808)</u>	<u>\$427,561</u>	<u>\$151,978</u>	<u>\$571,731</u>

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
AS OF DECEMBER 31, 2008

	AGENCY
ASSETS	
Equity in City Treasury Cash and Investments	\$1,451,646
Accounts Receivable	<u>121,161</u>
TOTAL ASSETS	<u>\$1,572,807</u>
LIABILITIES	
Accounts Payable	\$1,124,228
Deposits Held and Due to Others	176,276
Due to Other Governments	<u>272,303</u>
TOTAL LIABILITIES	<u>\$1,572,807</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, 2008

NOTE 1: REPORTING ENTITY

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

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

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

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

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

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

A. Basis of Presentation

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

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

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

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

B. Fund Accounting

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

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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. The City has no internal service funds.

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

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

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

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

C. Measurement Focus

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

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

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

D. Basis of Accounting

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

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

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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, 2008 but which were levied to finance year 2009 operations, have been recorded as Unearned Revenue on the Statement of Net Assets. Grants and entitlements received before the eligibility requirements are met are also recorded as unearned revenue.

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

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

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

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E. **Pooled Cash and Cash Equivalents**

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

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

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

The City complies with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. In applying GASB Statement No. 31, the City utilized the following methods and assumptions as of December 31, 2008:

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

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

Following Ohio statutes, the City has specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General fund during fiscal year 2008 amounted to \$655,713 which includes \$298,918 assigned from other City funds.

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F. Receivables

Receivables at December 31, 2008 consist of taxes, amounts due from other governments, accounts (billings for user charged services), special assessments, and accrued interest on investments. All are deemed collectible in full.

G. Materials and Supplies Inventory

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

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

Inventory consists of expendable supplies held for consumption.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2008 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

I. Capital Assets

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

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

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

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

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

J. Interfund Balances

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

K. Compensated Absences

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

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

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

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

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

M. Fund Balance Reserves

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

N. Net Assets

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

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

O. Grants and Intergovernmental Revenues

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

CITY OF WILLOUGHBY, OHIO
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P. **Operating Revenues and Expenses**

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

Q. **Contributions of Capital**

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

R. **Interfund Activity**

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

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

S. **Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence; neither occurred in 2008.

T. **Estimates**

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

CITY OF WILLOUGHBY, OHIO
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U. Budgetary Data

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The primary level of budgetary control for those funds paying wages is at the department program level (general government, security of persons, public health, community environment, leisure, transportation and basic utility services) and within each program at the account classification level of personal services and benefits as required by Ohio law. For other account classifications including services and supplies, capital and transfers the level of control selected by Council is at the fund level. Budgetary modifications may only be made by resolution of the City Council at the legal level of control.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during 2008.

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

NOTE 3: COMPLIANCE AND ACCOUNTABILITY

A. Change in Accounting Principles

For fiscal year 2008, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 49, "Accounting and Financial Reporting for Pollution Remediation Obligations" and GASB Statement No. 50, "Pension Disclosures".

GASB Statement No. 49 identifies circumstances under which a government would be required to estimate and record a liability of expected outlays for pollution remediation.

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GASB Statement No. 50 requires employers contributing to defined benefit pension plans to include the legal or contractual maximum contribution rates in the notes to the financial statements.

The implementation of GASB Statements No. 49 and No. 50 did not have an effect on the financial statements of the City.

B. Fund Deficits

At December 31, 2008, the Airport fund had deficit unrestricted net assets of \$4,102,256. 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 \$4,493,849, which consists of \$1,325,214 due to the General fund, \$2,986,722 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 fund had deficit unrestricted net assets of \$144,388. The "Due to Other Funds" amount includes \$335,445 of advances from the General, General Bond and Capital Projects funds.

The Capital Projects fund had a deficit unreserved fund balance of \$3,240,599. The Notes Payable liability of \$5,200,000 remains. Encumbrances of \$1,164,191 are primarily for the Riverside Commons project, the dispatch center renovation and several infrastructure projects.

NOTE 4: DEPOSITS AND INVESTMENTS

A. Deposits

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

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

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

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

B. Investments

The Finance Director is permitted to invest in any security authorized by the Ohio Revised Code, Section 135.14, or other relevant sections as amended. All investment procedures are conducted as specified in the Ohio Revised Code including, but not limited to, the collateralization of deposits and repurchase agreements. The maximum final maturity of any investment will be five years from the date of purchase. The City's investment practices have consistently protected the portfolio from unnecessary credit risk (safety) and market risks (liquidity) while providing a competitive yield. Generally only eligible investments with remaining terms of two years or less are purchased. Average days to maturity of the City's investments at December 31, 2008 were 237.

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

Investments are permitted in the following securities:

- United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above;
- Bonds or other obligations of the State of Ohio;
- Certificates of deposits (collateralized as described below) in eligible institutions or savings or deposit accounts;

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- No-load money market funds consisting exclusively of obligations described in division 1 or 2 of this section and repurchase agreements secured as described are made only through eligible institutions mentioned in Section 135.03 of the Ohio Revised Code;
- The State Treasury Asset Reserve Funds (STAROhio) as provided in Section 135.45 of the Ohio Revised Code;
- Bankers' acceptances and commercial paper, if training requirements have been met.

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

Cash on Hand

At December 31, 2008 the City had \$4,770 in undeposited cash on hand, which is included on the balance sheet of the City as part of "Equity in City Treasury Cash and Investments".

Deposits

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

At December 31, 2008, the carrying amount of the City's deposits was \$14,361,917 including restricted cash of \$597,183 and the bank balance was \$14,756,481. \$1,871,743 of the City's bank balance was covered by Federal Depository Insurance. \$12,884,738 was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name. Although the securities were held by the pledging institution's trust department and all statutory requirements for the investments of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

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Investments

As of December 31, 2008 the City had the following investments and maturities:

Investment Type	Moody's Rating	S&P Rating	Fair Value	Investment Maturities	
				Less than 1 Year	1 to 2 Years
STAROhio		AAAm	\$ 1,079,542	\$ 1,079,542	\$ 0
FHLB	Aaa	AAA	1,020,300	1,020,300	0
FNMA	Aaa	AAA	1,010,161	0	1,010,161
FHLMC	Aaa	AAA	1,026,033	0	1,026,033
Repurchase Agreements	Aaa	AAA	161,403	161,403	0
			<u>\$ 4,297,439</u>	<u>\$ 2,261,245</u>	<u>\$ 2,036,194</u>

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

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

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

Concentration of Credit Risk: The City investment policy places no limit on the amount it may invest in any one issuer. Of the City's total investments 23.5% are in FNMA, 23.9% in FHLMC and 23.7% in FHLB Notes. Other investments not specifically guaranteed by the U.S. government total 28.9% of the City's investments.

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NOTE 5: INTERFUND TRANSFERS AND BALANCES

As of December 31, 2008 interfund transfers were as follows:

<u>Transfer To</u>	<u>Transfer From</u>		<u>Total</u>
	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	
General Fund	\$ 0	\$ 71,594	\$ 71,594
Capital Projects Fund	56,927	0	56,927
General Bond Retirement Fund	0	200,000	200,000
Golf Course	250,000	45,000	295,000
Nonmajor Governmental Funds	2,315,000	0	2,315,000
Total	<u>\$ 2,621,927</u>	<u>\$ 316,594</u>	<u>\$ 2,938,521</u>

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

As of December 31, 2008 interfund balances were as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
<u>Major Funds</u>		
General	\$ 2,375,214	\$ 16,171
Capital Projects	28,176	0
General Bond Retirement	3,280,167	0
Golf Course	2,491	333,445
Sewer	171,777	1,000,000
Airport	640	4,493,849
<u>Nonmajor Governmental</u>	<u>0</u>	<u>15,000</u>
	<u>\$ 5,858,465</u>	<u>\$ 5,858,465</u>

Interfund balances of \$5,652,386 are a result of advances from the General fund for Airport and Golf Course operations and \$1,000,000 of internal borrowings. These borrowings consist of internal notes issued to finance sewer projects internally rather than through outside parties. The General Bond Retirement fund balances are for Airport and Golf Course debt payments and the Capital Projects fund balances are for equipment purchases of the Airport and Golf enterprise funds. Remaining amounts are for reimbursements due from operations.

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FOR THE YEAR ENDED DECEMBER 31, 2008

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).

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	\$ 683,879
Net Adjustment for Revenue Accruals	(1,333,190)
Fair Value Adjustment for Investments	(43,691)
Net Adjustment for Expenditure Accruals	1,312,436
Encumbrances	(375,337)
Current Expense Against Prior Year Encumbrances	777,427
Budget Basis	<u>\$ 1,021,524</u>

NOTE 7: RECEIVABLES

Receivables at December 31, 2008, consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements and shared revenues, special assessments, accrued interest on investments, and accounts (billings for user charged services).

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

CITY OF WILLOUGHBY, OHIO
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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 2008 for real and public property taxes represents collections of 2007 taxes. Property tax payments received during 2008 for tangible personal property (other than public utility property) are for 2008 taxes.

2008 real property taxes are levied after October 1, 2008, on the assessed value as of January 1, 2008, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2008 real property taxes are collected in and intended to finance 2009 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. 2008 public utility property taxes which became a lien December 31, 2007, are levied after October 1, 2008, and are collected in 2009 with real property taxes.

2008 tangible personal property taxes are levied after October 1, 2007, on the value as of December 31, 2007. Collections are made in 2008. Tangible personal property assessments are 25 percent of true value.

The full tax rate for all City operations for the year ended December 31, 2008, was \$8.54 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2008 property tax receipts were based are as follows:

Real Property	\$635,202,310
Public Utility Tangible	\$9,532,120
Tangible Personal	\$31,602,915
Total	\$676,337,345

Real property taxes are payable annually or semiannually. The due date for the 2008 levy was February 18, 2009, for all or one half of the taxes due. The second half due date is July 15, 2009.

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

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

CITY OF WILLOUGHBY, OHIO
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Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2008 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 2008 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

B. Municipal Income Taxes

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

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

C. Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

Governmental Activities:	
Property & Other Local Taxes	\$ 13,264
Estate Tax	533,329
Gasoline & Motor Vehicle Tax	500,992
Local Government	1,317,404
Charges for Service	51,304
Homestead and Rollback	141,894
Grants	56,750
Fines	283,847
Total Governmental	2,898,784
Business-Type Activities:	
Charges for Service	303,434
Bonds Payable - LT	1,795,909
Total Business-Type	2,099,343
Total Intergovernmental Receivables	\$ 4,998,127

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 8: CAPITAL ASSETS

A summary of changes in capital assets during 2008 follows:

	Balance 01/01/08	Additions	Deletions	Balance 12/31/08
Governmental Activities				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$7,747,452	\$0	\$0	\$7,747,452
Construction in Progress	<u>6,529,130</u>	<u>477,087</u>	<u>(254,341)</u>	<u>6,751,876</u>
<i>Total Capital Assets Not Being Depreciated</i>	<u>14,276,582</u>	<u>477,087</u>	<u>(254,341)</u>	<u>14,499,328</u>
<i>Capital Assets Being Depreciated</i>				
Buildings	19,023,527	191,233	(141,580)	19,073,180
Improvements	14,218,925	22,105	(42,206)	14,198,824
Machinery and Equipment	10,117,248	876,322	(759,755)	10,233,815
Infrastructure:				
Roads	23,167,752	904,595	(1,216,427)	22,855,920
Sidewalks	1,152,961	0	0	1,152,961
Curbs & Gutters	985,795	0	0	985,795
Storm Sewers	7,852,268	67,021	0	7,919,289
Street Lights	41,948	0	0	41,948
Traffic Signals	1,503,061	0	0	1,503,061
Bridges	<u>533,211</u>	<u>0</u>	<u>0</u>	<u>533,211</u>
<i>Total Capital Assets Being Depreciated</i>	<u>78,596,696</u>	<u>2,061,276</u>	<u>(2,159,968)</u>	<u>78,498,004</u>
<i>Less Accumulated Depreciation</i>				
Buildings	(5,398,992)	(588,668)	141,580	(5,846,080)
Improvements	(7,466,287)	(481,800)	42,206	(7,905,881)
Machinery and Equipment	(6,210,791)	(761,103)	742,217	(6,229,677)
Infrastructure:				
Roads	(9,151,514)	(1,234,772)	1,216,427	(9,169,859)
Sidewalks	(504,427)	(41,477)	0	(545,904)
Curbs & Gutters	(449,661)	(34,589)	0	(484,250)
Storm Sewers	(2,699,868)	(246,680)	0	(2,946,548)
Street Lights	(27,965)	(2,797)	0	(30,762)
Traffic Signals	(1,105,654)	(82,191)	0	(1,187,845)
Bridges	<u>(83,090)</u>	<u>(10,664)</u>	<u>0</u>	<u>(93,754)</u>
<i>Total Accumulated Depreciation</i>	<u>(33,098,249)</u>	<u>(3,484,741)</u>	<u>2,142,430</u>	<u>(34,440,560)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>45,498,447</u>	<u>(1,423,465)</u>	<u>(17,538)</u>	<u>44,057,444</u>
Total Government Activities Capital Assets, Net	<u><u>\$59,775,029</u></u>	<u><u>(\$946,378)</u></u>	<u><u>(\$271,879)</u></u>	<u><u>\$58,556,772</u></u>

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 8: CAPITAL ASSETS (CONTINUED)

	Balance 01/01/08	Additions	Deletions	Balance 12/31/08
<u>Business-Type Activities</u>				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$10,009,383	\$0	\$0	\$10,009,383
Construction in Progress	336,356	843,390	(15,904)	1,163,842
<i>Total Capital Assets Not Being Depreciated</i>	<u>10,345,739</u>	<u>843,390</u>	<u>(15,904)</u>	<u>11,173,225</u>
<i>Capital Assets Being Depreciated</i>				
Buildings	18,351,091	26,932	(7,517)	18,370,506
Improvements	39,877,404	1,299,779	0	41,177,183
Machinery and Equipment	5,203,783	200,039	(894,399)	4,509,423
<i>Total Capital Assets Being Depreciated</i>	<u>63,432,278</u>	<u>1,526,750</u>	<u>(901,916)</u>	<u>64,057,112</u>
<i>Less Accumulated Depreciation</i>				
Buildings	(9,647,464)	(480,635)	7,517	(10,120,582)
Improvements	(17,691,876)	(1,215,406)	0	(18,907,282)
Machinery and Equipment	(2,884,843)	(220,395)	894,399	(2,210,839)
<i>Total Accumulated Depreciation</i>	<u>(30,224,183)</u>	<u>(1,916,436)</u>	<u>901,916</u>	<u>(31,238,703)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>33,208,095</u>	<u>(389,686)</u>	<u>0</u>	<u>32,818,409</u>
Total Business-Type Capital Assets, Net	<u><u>\$43,553,834</u></u>	<u><u>\$453,704</u></u>	<u><u>(\$15,904)</u></u>	<u><u>\$43,991,634</u></u>
*Depreciation expense was charged to governmental functions as follows:				
General Government				\$329,312
Security of Persons and Property				697,031
Public Health and Welfare				15,091
Community Environment				9,133
Leisure Time Activities				369,415
Transportation				1,645,796
Basic Utility Service				418,963
Total				<u><u>\$3,484,741</u></u>
Depreciation expense was charged to business-type activities as follows:				
Golf				\$362,149
Sewer				115,426
Airport				1,438,861
Total				<u><u>\$1,916,436</u></u>

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 9: PENSION PLANS

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

A. Ohio Public Employees Retirement System (OPERS)

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

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

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

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

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2008, member and employer contribution rates were consistent across all three plans (TP, MD and CO).

CITY OF WILLOUGHBY, OHIO
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Plan members, other than those engaged in law enforcement and public safety, are required to contribute 10 percent of their annual covered salary to fund pension obligations. For 2008, the City was required to contribute 14 percent of covered payroll. The City's contributions for all plans (TP, MD and CO) for the years 2008, 2007, and 2006 were \$ 1,243,513, \$ 928,441, and \$ 1,137,836, respectively. As of December 31, 2008 93 percent of 2008's required contributions had been paid out, 85 percent for the year 2007 and 100 percent for 2006.

Effective with the January 2008 liability, as part of House Bill 272, employers were required to move to a monthly liability payment schedule from a quarterly basis. The bill provides employers with a deferral program of their fourth quarter liability for 2007 which the City has opted to do. The City's deferred liability remaining from fourth quarter amounts to \$173,103. The result of this program requires employers to remit 13 monthly payments for the years 2008 through 2010: October 2007 liabilities were paid in December, 2008, November 2007 liabilities will be due by December 31, 2009 and December 2007 will be due by December 31, 2010.

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

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

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

Police and firefighters are required to contribute 10.00 percent of their annual covered salary to fund pension obligations and the City is required to contribute 19.50 percent for police and 24.00 percent for firefighters. The City's contributions to OP&F for the years 2008, 2007 and 2006 were \$ 678,367, \$643,599, and \$625,442 for police and \$711,921, \$691,923, and \$670,851 for firefighters, respectively. As of December 31, 2008, only 77 percent of 2008's required contributions for both police and firefighters had been paid and 100 percent for the years 2007 and 2006.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 10: POST-EMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System (OPERS)

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

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

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

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

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2008, local government employer units contributed at 14% of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for state and local employer units. Active members do not make contributions to the OPEB Plan.

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

CITY OF WILLOUGHBY, OHIO
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For 2008, the employer contribution allocated to the health care plan was 7.0% of covered payroll. The City's actual contributions for 2008 which were used to fund post-employment benefits were \$621,756. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

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

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

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

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

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

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

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

CITY OF WILLOUGHBY, OHIO
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Both are within the defined benefit pension plan under the authority granted to the OP&F Board of Trustees by the Ohio Revised Code. The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account for retiree health care benefits. For the year 2008, the employer contribution allocated to the healthcare plan was 6.75% of covered payroll. The amount of employer contributions allocated to the healthcare plan each year is subject to the trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City of Willoughby's contributions to OP&F for the years ending December 31, 2008, 2007, and 2006 were \$ 678,367, \$ 643,599 and \$ 625,442 for police and \$ 711,921, \$ 691,923 and \$ 670,851 for firefighters, respectively. The portion of the City's contributions that was used to pay post-employment benefits for 2008, 2007 and 2006 was \$ 234,715, \$ 222,685 and \$ 248,301 for police and \$ 200,050, \$ 194,430 and \$ 216,685 for firefighters, respectively.

NOTE 11: OTHER EMPLOYEE BENEFITS – COMPENSATED ABSENCES

A. Accumulated Unpaid Vacation

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

B. Accumulated Unpaid Sick Leave

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

CITY OF WILLOUGHBY, OHIO
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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, 2008, the City's significant contractual commitments consisted of:

Project	Contract Amount	Amount Paid	Remaining on Contract
·Riverside Commons	\$ 4,419,631	\$ 4,254,779	\$ 164,852
·Road Programs	897,599	824,914	72,685
·Municipal Court Computer System	221,072	201,610	19,462
·River St Sanitary Sewer Replacement	2,091,606	634,844	1,456,762
·Dispatch Renovation	351,475	200,010	151,465
·Willoughby Municipal Pool Liner	106,027	83,027	23,000
·Som Center Rd. Sanitary Sewer Project	364,155	0	364,155
·Ridge Rd./Breckenridge Retaining Wall Improvement	407,347	0	407,347
·SR 91 Slope Stabilization	218,510	0	218,510
Total	\$9,077,422	\$6,199,184	\$2,878,238

NOTE 13: CONTINGENCIES, CLAIMS AND JUDGMENTS

A. Litigation

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

B. Special Assessment/Enterprise Bonds

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

CITY OF WILLOUGHBY, OHIO
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However, management does not foresee any circumstances that would change the source of funding for these bonds. In addition, options exist in the law to assist in protecting general tax dollars from the special assessment obligations should those assessed default. General obligation bonds in the enterprise funds are being retired by use of revenues generated by those funds. An exception is the Airport fund where current income does not support debt repayment. The General Bond Retirement fund is currently paying the obligation. As a result of lower revenues following the FEMA flood incident in 2006 and during reconstruction, a portion of the Golf Course debt is also being paid by this fund.

NOTE 14: OTHER COMMITMENTS

Water/Sewer Billing Agreement

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

CITY OF WILLOUGHBY, OHIO
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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 Obligation Bonds Voted</u>				
Fire Station Construction	1999	2024	4.95%	6,200,000
<u>General Obligation Bonds Unvoted</u>				
Lost Nation Road Improvement	1990	2011	6.25%-7.40%	2,600,000
Landfill and Erosion Control	1992	2012	3.0%-6.375%	1,601,148
Various Purpose Bond Issue	1996	2016	4.3%-5.45%	3,230,000
Municipal Building Improvement	2003	2023	3.94%	6,350,000
<u>OPWC</u>				
Karen Isle Watermains	2001	2020	Interest Free	9,003
Brown Avenue Watermains	2001	2022	Interest Free	15,675
<u>Special Assessment Bonds</u>				
Biltmore Place	1995	2016	5.66%	464,000
<u>Other General Long -Term Liabilities</u>				
Police Pension Liability	1968	2035	4.25%	148,460
Landfill Postclosure Care	1994	2024		1,227,640
<u>Business-Type Activities:</u>				
<u>Enterprise Fund G.O. Debt Sewer Bonds</u>				
Sewer 1992	1992	2012	3.0%-6.375%	1,343,852
Sewer Equipment	2005	2010	3.34%	400,000
<u>OPWC</u>				
Waldamere-Glenwood Sanitary Sewer	1997	2017	Interest Free	200,000
Vine Street Area Sanitary Sewer	2001	2022	Interest Free	223,351
Center-Wood Sanitary Sewer	2003	2024	Interest Free	78,505
Lakeshore Blvd	2007	2028	Interest Free	115,102
<u>OWDA</u>				
Grove-Erie Sanitary Sewer	1994	2013	4.8%	639,009
Waldamere-Glenwood Sanitary Sewer	1997	2017	4.04%	305,320
Downtown Sanitary Sewer	2001	2020	3.91%	1,372,534
Highland-Maple-Wood Sanitary Sewer	2002	2022	3.53-3.99%	1,734,234
Center-Wood Sanitary Sewer	2003	2023	3.65%	974,020
Van Gorder Sewer Lining	2003	2023	4.78%	88,505
Lakeshore Blvd	2007	2027	3.34%	544,207
River Road Sanitary Sewer	2008	2029	3.30%	1,784,227
<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, 2008

Long-Term Obligations (cont)

Changes in long-term obligations of the City during 2008 were as follows:

	<u>Balance 01/01/08</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 12/31/08</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
<u>General Obligation Bonds Voted</u>					
Fire Station Construction	\$ 4,740,000	\$ 0	\$ 185,000	\$ 4,555,000	\$ 195,000
<i>Subtotal - General Obligation Bonds Voted</i>	<u>4,740,000</u>	<u>0</u>	<u>185,000</u>	<u>4,555,000</u>	<u>195,000</u>
<u>General Obligation Bonds Unvoted</u>					
Lost Nation Road Improvement	520,000	0	130,000	390,000	130,000
Landfill and Erosion Control	407,760	0	81,553	326,207	81,553
Various Purpose Bond Issue	1,500,000	0	135,000	1,365,000	140,000
Municipal Building Improvement	5,595,000	0	265,000	5,330,000	270,000
<u>OPWC</u>					
Karen Isle Watermains	5,851	0	450	5,401	450
Brown Avenue Watermains	11,756	0	783	10,973	784
<i>Subtotal - General Obligation Bonds Unvoted</i>	<u>8,040,367</u>	<u>0</u>	<u>612,786</u>	<u>7,427,581</u>	<u>622,787</u>
Total Government Fund General Obligation Bonds	<u>12,780,367</u>	<u>0</u>	<u>797,786</u>	<u>11,982,581</u>	<u>817,787</u>
<u>Special Assessment Bonds</u>					
Biltmore Place	275,000	0	25,000	250,000	25,000
<i>Subtotal - Special Assessment Bonds</i>	<u>275,000</u>	<u>0</u>	<u>25,000</u>	<u>250,000</u>	<u>25,000</u>
<u>Other General Long Term Liabilities</u>					
Police Pension Liability	119,271	0	2,379	116,892	2,481
Landfill Post Closure Care	947,026	0	36,990	910,036	48,346
Compensated Absences	4,947,311	1,892,834	1,361,259	5,478,886	1,445,065
<i>Subtotal - Other General Long -Term Liabilities</i>	<u>6,013,608</u>	<u>1,892,834</u>	<u>1,400,628</u>	<u>6,505,814</u>	<u>1,495,892</u>
Subtotal Governmental Activities	<u>\$ 19,068,975</u>	<u>\$ 1,892,834</u>	<u>\$ 2,223,414</u>	<u>\$ 18,738,395</u>	<u>\$ 2,338,679</u>

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

Long-Term Obligations (cont)

	Balance 01/01/08	Increases	Decreases	Balance 12/31/08	Amounts Due Within One Year
Business-Type Activities:					
<i>Enterprise Fund General Obligation</i>					
<i>Debt - Sewer Bonds</i>					
1992 Sewer Bond	\$ 342,239	\$ 0	\$ 68,447	\$ 273,792	\$ 68,447
2005 Sewer Equipment	208,423	0	81,098	127,325	83,830
<i>OPWC</i>					
Waldamere-Glenwood Sanitary Sewer	95,000	0	10,000	85,000	10,000
Vine Street Area Sanitary Sewer	155,758	0	10,384	145,374	10,384
Center-Wood Sanitary Sewer	66,730	0	3,925	62,805	3,925
Lakeshore Blvd	103,420	11,682	0	115,102	2,878
<i>OWDA</i>					
Grove-Erie Sanitary Sewer	258,309	0	38,110	220,199	39,962
Waldamere-Glenwood Sanitary Sewer	175,282	0	15,474	159,808	16,105
Downtown Sanitary Sewer	1,007,099	0	60,768	946,331	63,168
Highland-Maple-Wood Sanitary Sewer	1,420,979	0	70,901	1,350,078	73,745
Center-Wood Sanitary Sewer	831,170	0	39,060	792,110	40,499
Van Gorder Sewer Lining	76,796	0	3,289	73,507	3,448
Lakeshore Blvd	534,051	0	20,824	513,227	21,525
River Road Sanitary Sewer	0	1,784,227	0	1,784,227	0
Subtotal - Sewer Bonds	5,275,256	1,795,909	422,280	6,648,885	437,916
<i>Airport Bonds</i>					
Airport Improvement	295,000	0	145,000	150,000	150,000
Subtotal - Airport Bonds	295,000	0	145,000	150,000	150,000
<i>Golf Bonds</i>					
Golf Course Improvement	2,605,000	0	125,000	2,480,000	130,000
Total Bonds Payable	8,175,256	1,795,909	692,280	9,278,885	717,916
<i>Other Liabilities</i>					
Compensated Absences	769,333	262,427	294,447	737,313	275,060
Subtotal Business-Type Activities	8,944,589	2,058,336	986,727	10,016,198	992,976
Total Long-Term Liabilities	\$ 28,013,564	\$ 3,951,170	\$ 3,210,141	\$ 28,754,593	\$ 3,331,655

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

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

During the year 2002, the City refunded golf course debt with bond issuance costs being recognized over the remaining life of the original debt. At December 31, 2008, the balance of the unamortized bond issuance costs is \$12,931.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

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

Year Ending December 31	General Obligation Bonds			
	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2009	816,553	564,248	432,277	131,836
2010	841,553	523,868	241,943	113,843
2011	861,548	481,973	208,447	104,769
2012	761,553	439,177	213,450	95,328
2013	710,000	403,110	150,000	85,528
2014-2018	3,675,000	1,497,984	875,000	329,632
2019-2023	3,900,000	661,632	910,000	111,298
2024-2025	400,000	20,000	0	0
Total	\$ 11,966,207	\$ 4,591,992	\$ 3,031,117	\$ 972,234

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

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

Year Ending December 31	Special Assessment	
	Governmental Activities	
	Principal	Interest
2009	25,000	14,626
2010	25,000	13,162
2011	30,000	11,700
2012	30,000	9,946
2013	35,000	8,190
2014-2016	105,000	12,286
Total	\$ 250,000	\$ 69,910

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

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

The City's legal debt margin at December 31, 2008 was \$71,015,421. Annual debt service requirements to maturity for other debt are as follows:

Year Ending December 31	Other Debt				
	Governmental Activities			Business-type Activities	
	Police Pension Principal	Liability Interest	O.P.W.C. Principal	O.W.D.A. & O.P.W.C. Principal	O.W.D.A. & O.P.W.C. Interest
2009	2,481	4,942	1,234	285,639	155,585
2010	2,588	4,835	1,234	363,172	203,505
2011	2,698	4,724	1,234	376,166	190,506
2012	2,815	4,608	1,234	389,681	176,995
2013	2,935	4,487	1,234	403,740	162,939
2014-2018	16,681	20,434	6,170	1,921,214	613,276
2019-2023	20,586	16,528	4,034	1,708,381	276,998
2024-2028	25,405	11,712	0	677,293	80,963
2029-2033	31,348	5,768	0	122,482	0
2034-2035	9,355	371	0	0	0
Total	\$ 116,892	\$ 78,409	\$ 16,374	\$ 6,247,768	\$ 1,860,767

NOTE 16: CONDUIT DEBT

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

TYPE	ON BEHALF OF	ORIGINAL AMOUNT	OUTSTANDING BALANCE	YEAR OF ISSUE
Multi-Family Housing Mortgage Revenue Bonds	Oakhill Village	\$5,955,000	\$5,955,000	2002A
	Oakhill Village	\$3,395,000	\$2,605,000	2002B
Industrial Development Revenue Bonds	Kennedy Group	\$6,500,000	\$2,755,000	1998
Industrial Development Revenue Refunding Bonds	Ohio Presbyterian Retirement Services	\$8,200,000	\$4,580,000	1996

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

NOTE 17: NOTES PAYABLE

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

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

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, 2008:

	Maturity Date	Balance December 31, 2007	Issued	Retired	Balance December 31, 2008
Capital Projects Note Payable: 3.0%	Oct. 14, 2009	\$5,000,000	\$5,200,000	\$5,000,000	\$5,200,000
Golf Improvement Note Payable: 3.0%	Oct. 14, 2009	\$1,350,000	\$1,610,000	\$1,350,000	\$1,610,000
Total Note Payable		<u>\$6,350,000</u>	<u>\$6,810,000</u>	<u>\$6,350,000</u>	<u>\$6,810,000</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 \$910,036 reported as Landfill Postclosure Care at December 31, 2008 represents estimated cost of maintenance and monitoring through 2024. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

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

NOTE 19: INSURANCE AND RISK MANAGEMENT

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

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

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

Coverage	Company	Claim Limit	Deductible
General Liability	Selective Insurance	\$1,000,000	\$ 0
Public Officials Liability	Scottsdale Indemnity Company	2,000,000	25,000
Law Enforcement Liability	Scottsdale Indemnity Company	1,000,000	10,000
Commercial Property	Selective Insurance	65,863,320	25,000
Commercial Crime	Selective Insurance	10,000	2,500
Equipment Breakdown	Selective Insurance	65,863,320	25,000
Automobile Liability	Selective Insurance	1,000,000	0
Automobile Comprehensive	Selective Insurance	Per Schedule	1,000/2,000
Automobile Collision	Selective Insurance	Per Schedule	1,000/2,000
Excess General Liability (Umbrella)	American Alternative Ins.	10,000,000	10,000
Fire Errors and Omissions	Selective Insurance	1,000,000	0
Ambulance Malpractice	Selective Insurance	1,000,000	0
Blanket Bond	Selective Insurance	100,000	2,500
Bond-Finance Director	State Automobile Mutual Insurance Company	40,000	0

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

NOTE 20: JOINT ORGANIZATION

Northeast Ohio Public Energy Council

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

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The City of Willoughby did not contribute to NOPEC during 2008. Financial information can be obtained by contacting Joseph Migliorini, Board Chairman, 31320 Solon Road, Suite 20, Solon, Ohio 44139.

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

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES:				
Municipal Income Taxes	\$ 13,955,154	\$13,955,154	\$ 14,673,177	\$ 718,023
Property and Other Local Taxes	1,736,841	1,736,841	1,796,527	59,686
Intergovernmental	3,224,851	3,224,851	3,708,938	484,087
Charges for Services	939,300	939,300	1,105,224	165,924
Fines and Forfeitures	1,917,500	1,917,500	2,027,960	110,460
Licenses and Permits	247,200	247,200	259,495	12,295
Interest	550,000	550,000	652,743	102,743
Miscellaneous	116,500	116,500	112,500	(4,000)
Total Revenues	<u>22,687,346</u>	<u>22,687,346</u>	<u>24,336,564</u>	<u>1,649,218</u>
EXPENDITURES:				
Current:				
General Government:				
Council				
Personal Services	226,902	226,902	225,479	1,423
Other	36,225	36,225	34,593	1,632
Total Council	<u>263,127</u>	<u>263,127</u>	<u>260,072</u>	<u>3,055</u>
Municipal Court				
Personal Services	1,922,351	1,922,351	1,793,416	128,935
Other	133,500	133,500	104,039	29,461
Total Municipal Court	<u>2,055,851</u>	<u>2,055,851</u>	<u>1,897,455</u>	<u>158,396</u>
Mayor-Safety Director				
Personal Services	177,715	182,715	182,351	364
Other	20,500	15,500	14,980	520
Total Mayor-Safety Director	<u>198,215</u>	<u>198,215</u>	<u>197,331</u>	<u>884</u>
Personnel Administration				
Personal Services	71,784	71,784	71,480	304
Other	67,675	67,675	27,472	40,203
Total Personnel Administration	<u>139,459</u>	<u>139,459</u>	<u>98,952</u>	<u>40,507</u>

(continued)

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, 2008

	<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>
Finance				
Personal Services	685,583	685,583	673,290	12,293
Other	681,300	681,300	653,101	28,199
Total Finance	<u>1,366,883</u>	<u>1,366,883</u>	<u>1,326,391</u>	<u>40,492</u>
Law				
Personal Services	168,508	168,508	167,649	859
Other	182,200	182,200	165,910	16,290
Total Law	<u>350,708</u>	<u>350,708</u>	<u>333,559</u>	<u>17,149</u>
Service Administration				
Personal Services	468,624	468,624	455,612	13,012
Other	71,150	71,150	52,231	18,919
Total Service Administration	<u>539,774</u>	<u>539,774</u>	<u>507,843</u>	<u>31,931</u>
Vehicle Maintenance				
Personal Services	399,521	399,521	387,156	12,365
Other	193,725	193,725	177,688	16,037
Total Vehicle Maintenance	<u>593,246</u>	<u>593,246</u>	<u>564,844</u>	<u>28,402</u>
Land and Buildings				
Personal Services	593,555	593,555	541,552	52,003
Other	728,889	728,889	684,701	44,188
Total Land and Buildings	<u>1,322,444</u>	<u>1,322,444</u>	<u>1,226,253</u>	<u>96,191</u>
General Admin Support				
Personal Services	40,437	40,437	35,835	4,602
Other	470,800	470,800	101,818	368,982
Total General Admin Support	<u>511,237</u>	<u>511,237</u>	<u>137,653</u>	<u>373,584</u>
Total General Govt	<u>7,340,944</u>	<u>7,340,944</u>	<u>6,550,353</u>	<u>790,591</u>
Security of Persons and Property:				
Police				
Personal Services	5,149,745	5,149,745	4,993,593	156,152
Other	539,402	539,402	463,110	76,292
Total Police	<u>5,689,147</u>	<u>5,689,147</u>	<u>5,456,703</u>	<u>232,444</u>

(continued)

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, 2008

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	FINAL BUDGET
				POSITIVE
				(NEGATIVE)
Fire				
Personal Services	4,517,644	4,517,644	4,382,241	135,403
Other	375,700	375,700	333,265	42,435
Total Fire	4,893,344	4,893,344	4,715,506	177,838
Communications				
Personal Services	744,393	744,393	704,808	39,585
Other	99,527	99,527	67,530	31,997
Total Communications	843,920	843,920	772,338	71,582
Total Security of Persons and Property	11,426,411	11,426,411	10,944,547	481,864
Public Health and Welfare:				
Public Health				
Other	229,290	229,290	223,249	6,041
Total Public Health	229,290	229,290	223,249	6,041
Cemetery				
Personal Services	226,860	226,860	222,564	4,296
Other	24,800	24,800	21,201	3,599
Total Cemetery	251,660	251,660	243,765	7,895
Total Public Health and Welfare	480,950	480,950	467,014	13,936
Community Environment:				
Boards and Commissions				
Personal Services	41,677	41,677	41,674	3
Other	83,850	83,850	47,768	36,082
Total Boards and Commissions	125,527	125,527	89,442	36,085
Building and Zoning				
Personal Services	541,637	541,737	541,705	32
Other	34,650	34,550	22,093	12,457
Total Building and Zoning	576,287	576,287	563,798	12,489

(continued)

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, 2008

	BUDGETED AMOUNTS			VARIANCE WITH
	ORIGINAL	FINAL	ACTUAL	FINAL BUDGET POSITIVE (NEGATIVE)
Economic Development				
Personal Services	158,516	158,516	158,464	52
Other	99,080	99,080	52,634	46,446
Total Economic Development	257,596	257,596	211,098	46,498
Sidewalks				
Other	40,000	40,000	19,345	20,655
Total Sidewalks	40,000	40,000	19,345	20,655
Total Community Environment	999,410	999,410	883,683	115,727
Leisure Time Activities:				
Parks and Swimming Facilities				
Personal Services	728,917	728,917	688,093	40,824
Other	328,225	328,225	311,326	16,899
Total Parks and Swimming Facilities	1,057,142	1,057,142	999,419	57,723
Total Leisure Time Activities	1,057,142	1,057,142	999,419	57,723
Basic Utility Service:				
Storm Water/Solid Waste - Collection				
Other	1,357,800	1,357,800	1,125,674	232,126
Collection	1,357,800	1,357,800	1,125,674	232,126
Total Basic Utility Service	1,357,800	1,357,800	1,125,674	232,126
Total Expenditures	22,662,657	22,662,657	20,970,690	1,691,967
Excess of Revenues Over (Under) Expenditures	24,689	24,689	3,365,874	3,341,185
OTHER FINANCING SOURCES (USES):				
Transfers Out	(2,171,927)	(2,621,927)	(2,621,927)	0
Transfers In	0	0	71,594	71,594
Advance Repaid	0	0	5,000	5,000
Other	0	0	200,983	200,983
Total Other Financing Sources (Uses)	(2,171,927)	(2,621,927)	(2,344,350)	277,577
NET CHANGE IN FUND BALANCE	(2,147,238)	(2,597,238)	1,021,524	234,828
FUND BALANCE BEGINNING OF YEAR	5,213,792	5,213,792	5,213,792	0
Prior Year Encumbrances Appropriated	4,319	4,319	4,319	0
FUND BALANCE END OF YEAR	\$ 3,070,873	\$ 2,620,873	\$ 6,239,635	\$ 3,618,762

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, 2008

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
REVENUES:				
Municipal Income Taxes	\$1,733,376	\$1,733,376	\$1,083,376	(\$650,000)
Property and Other Local Taxes	110,000	110,000	112,881	2,881
Intergovernmental	0	385,200	2,400	(382,800)
Interest Income	<u>15,000</u>	<u>15,000</u>	<u>14,684</u>	<u>(316)</u>
Total Revenues	<u>1,858,376</u>	<u>2,243,576</u>	<u>1,213,341</u>	<u>(1,030,235)</u>
EXPENDITURES:				
Capital Outlay	2,716,038	3,623,454	2,102,055	1,521,399
Debt Service				
Principal Retirement	5,000,000	5,000,000	5,000,000	0
Interest	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>0</u>
Total Expenditures	<u>7,916,038</u>	<u>8,823,454</u>	<u>7,302,055</u>	<u>1,521,399</u>
Excess of Revenues Over (Under) Expenditures	(6,057,662)	(6,579,878)	(6,088,714)	491,164
OTHER FINANCING SOURCES (USES):				
Notes Issued	5,235,000	5,235,000	5,200,000	(35,000)
Other	0	0	247,173	247,173
Transfers In	<u>56,927</u>	<u>56,927</u>	<u>56,927</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>5,291,927</u>	<u>5,291,927</u>	<u>5,504,100</u>	<u>212,173</u>
NET CHANGE IN FUND BALANCE	(765,735)	(1,287,951)	(584,614)	703,337
FUND BALANCE BEGINNING OF YEAR	2,337,174	2,337,174	2,337,174	<u>0</u>
Prior Year Encumbrances Appropriated	<u>153,562</u>	<u>153,562</u>	<u>153,562</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$1,725,001</u>	<u>\$1,202,785</u>	<u>\$1,906,122</u>	<u>\$703,337</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, 2008

	<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	\$1,187,096	\$1,187,096	\$1,152,165	(\$34,931)
Intergovernmental	183,413	183,413	212,680	29,267
Interest Income	<u>0</u>	<u>0</u>	<u>61,175</u>	<u>61,175</u>
Total Revenues	<u>1,370,509</u>	<u>1,370,509</u>	<u>1,426,020</u>	<u>55,511</u>
EXPENDITURES:				
General Government	36,000	36,000	26,785	9,215
Debt Service				
Principal	942,787	942,787	942,786	1
Interest	<u>616,615</u>	<u>616,615</u>	<u>616,415</u>	<u>200</u>
Total Expenditures	<u>1,595,402</u>	<u>1,595,402</u>	<u>1,585,986</u>	<u>9,416</u>
Excess of Revenues Over (Under) Expenditures	(224,893)	(224,893)	(159,966)	64,927
OTHER FINANCING SOURCES (USES):				
Transfer In	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	(24,893)	(24,893)	40,034	64,927
FUND BALANCE BEGINNING OF YEAR	<u>71,446</u>	<u>71,446</u>	<u>71,446</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$46,553</u>	<u>\$46,553</u>	<u>\$111,480</u>	<u>\$64,927</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, 2008

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
REVENUES:				
Charges for Services	\$903,000	\$903,000	\$647,288	(\$255,712)
Interest Income	0	0	21,461	21,461
Other	<u>0</u>	<u>0</u>	900	900
Total Revenues	<u>903,000</u>	<u>903,000</u>	<u>669,649</u>	<u>(233,351)</u>
EXPENSES:				
Leisure Time Activities	709,700	709,700	699,167	10,533
Capital Outlay	1,236,595	1,391,595	1,188,356	203,239
Debt Principal	1,475,000	1,475,000	1,475,000	0
Debt Interest	<u>163,778</u>	<u>163,778</u>	<u>163,778</u>	<u>0</u>
Total Expenses	<u>3,585,073</u>	<u>3,740,073</u>	<u>3,526,301</u>	<u>213,772</u>
Excess of Revenues Over (Under) Expenses	(2,682,073)	(2,837,073)	(2,856,652)	(19,579)
OTHER FINANCING SOURCES (USES):				
Other	0	0	7,308	7,308
Transfer In	0	99,000	295,000	196,000
Sale of Notes	<u>1,554,000</u>	<u>1,610,000</u>	<u>1,610,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>1,554,000</u>	<u>1,709,000</u>	<u>1,912,308</u>	<u>203,308</u>
NET CHANGE IN FUND BALANCE	(1,128,073)	(1,128,073)	(944,344)	183,729
FUND EQUITY BEGINNING OF YEAR	1,131,944	1,131,944	1,131,944	0
Prior Year Encumbrances Appropriated	<u>1,063</u>	<u>1,063</u>	<u>1,063</u>	<u>0</u>
FUND EQUITY END OF YEAR	<u>\$4,934</u>	<u>\$4,934</u>	<u>\$188,663</u>	<u>\$183,729</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, 2008

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES:				
Intergovernmental	\$420,596	\$420,596	\$0	(\$420,596)
Charges for Services	4,296,839	4,296,839	4,237,859	(58,980)
Interest Income	50,000	50,000	29,729	(20,271)
Other	<u>150,000</u>	<u>150,000</u>	<u>279,809</u>	<u>129,809</u>
Total Revenues	<u>4,917,435</u>	<u>4,917,435</u>	<u>4,547,397</u>	<u>(370,038)</u>
EXPENSES:				
Basic Utility Service	8,513,472	6,946,407	5,030,354	1,916,053
Debt Principal	426,622	426,622	422,280	4,342
Debt Interest	<u>194,362</u>	<u>194,362</u>	<u>193,703</u>	<u>659</u>
Total Expenses	<u>9,134,456</u>	<u>7,567,391</u>	<u>5,646,337</u>	<u>1,921,054</u>
Excess of Revenues Over (Under) Expenses	(4,217,021)	(2,649,956)	(1,098,940)	1,551,016
OTHER FINANCING SOURCES (USES):				
Sale of Debt	3,567,886	1,911,536	0	(1,911,536)
Sale of Note	<u>0</u>	<u>86,000</u>	<u>1,000,000</u>	<u>914,000</u>
Total Other Financing Sources (Uses)	<u>3,567,886</u>	<u>1,997,536</u>	<u>1,000,000</u>	<u>(997,536)</u>
NET CHANGE IN FUND BALANCE	(649,135)	(652,420)	(98,940)	553,480
FUND EQUITY BEGINNING OF YEAR	1,330,931	1,330,931	1,330,931	0
Prior Year Encumbrances Appropriated	<u>7,308</u>	<u>7,308</u>	<u>7,308</u>	<u>0</u>
FUND EQUITY END OF YEAR	<u>\$689,104</u>	<u>\$685,819</u>	<u>\$1,239,299</u>	<u>\$553,480</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, 2008

	<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	\$27,000	\$27,000	\$29,889	\$2,889
Interest Income	0	0	1,110	1,110
Rental	<u>131,500</u>	<u>131,500</u>	<u>142,630</u>	<u>11,130</u>
Total Revenues	<u>158,500</u>	<u>158,500</u>	<u>173,629</u>	<u>15,129</u>
EXPENSES:				
Transportation	<u>216,442</u>	<u>216,442</u>	<u>177,260</u>	<u>39,182</u>
Total Expenses	<u>216,442</u>	<u>216,442</u>	<u>177,260</u>	<u>39,182</u>
NET CHANGE IN FUND BALANCE	(57,942)	(57,942)	(3,631)	54,311
FUND EQUITY BEGINNING OF YEAR	<u>138,708</u>	<u>138,708</u>	<u>138,708</u>	<u>0</u>
FUND EQUITY END OF YEAR	<u>\$80,766</u>	<u>\$80,766</u>	<u>\$135,077</u>	<u>\$54,311</u>



The City of Willoughby™

Combining Statements and Individual Fund Schedules

Combining Statements – Nonmajor Funds

NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

FEMA Fund – to account for Federal and State grants to reimburse the City for costs incurred in managing a 2006 flood with labor and equipment use as well as property damage, and a 2008 snow storm incident.

Railroad Grade Crossing Fund – to account for fines received and expenditures for crossing improvements. This is a state mandated fund. There has been no activity therefore there are no financial statement presentations in 2008.

NONMAJOR DEBT SERVICE FUND

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

PERMANENT FUND

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

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

CITY OF WILLOUGHBY, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2008

	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	\$3,565,460	\$318,555	\$213,032	\$4,097,047
Inventory - Supplies	99,698	0	0	99,698
Accounts Receivable	673	0	0	673
Due from Other Governments	646,198	0	0	646,198
Taxes Receivable	1,687,005	0	0	1,687,005
Special Assessments Receivable	<u>590,061</u>	<u>343,943</u>	<u>0</u>	<u>934,004</u>
TOTAL ASSETS	<u>\$6,589,095</u>	<u>\$662,498</u>	<u>\$213,032</u>	<u>\$7,464,625</u>
LIABILITIES				
Accounts Payable	\$202,463	\$0	\$0	\$202,463
Salaries, Wages & Benefits Payable	88,101	0	0	88,101
Due to Other Governments	32,773	0	0	32,773
Due to Other Funds	15,000	0	0	15,000
Deferred Revenue	<u>2,756,548</u>	<u>343,943</u>	<u>0</u>	<u>3,100,491</u>
TOTAL LIABILITIES	<u>3,094,885</u>	<u>343,943</u>	<u>0</u>	<u>3,438,828</u>
FUND BALANCES				
Reserved for Encumbrances	232,134	0	0	232,134
Reserved for Inventory	99,698	0	0	99,698
Reserved for Debt Service	0	318,555	0	318,555
Unreserved, Undesignated Reported in:				
Special Revenue Funds	3,162,378	0	0	3,162,378
Permanent Fund	<u>0</u>	<u>0</u>	<u>213,032</u>	<u>213,032</u>
TOTAL FUND BALANCES	<u>3,494,210</u>	<u>318,555</u>	<u>213,032</u>	<u>4,025,797</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$6,589,095</u>	<u>\$662,498</u>	<u>\$213,032</u>	<u>\$7,464,625</u>

CITY OF WILLOUGHBY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	NONMAJOR SPECIAL REVENUE <u>FUNDS</u>	SPECIAL ASSESSMENTS DEBT SERVICE <u>FUND</u>	CEMETERY CARE PERMANENT <u>FUND</u>	TOTAL NONMAJOR GOVERNMENTAL <u>FUNDS</u>
REVENUES:				
Property and Other Local Taxes	\$1,552,169	\$0	\$0	\$1,552,169
Intergovernmental	1,607,878	0	0	1,607,878
Charges for Services	228,976	0	8,260	237,236
Special Assessments	606,016	47,068	0	653,084
Fines and Forfeitures	377,131	0	0	377,131
Miscellaneous	<u>15,174</u>	<u>0</u>	<u>0</u>	<u>15,174</u>
Total Revenues	<u>4,387,344</u>	<u>47,068</u>	<u>8,260</u>	<u>4,442,672</u>
EXPENDITURES:				
Current:				
General Government	193,154	1,710	0	194,864
Security of Persons and Property	2,168,224	0	0	2,168,224
Community Environment	36,304	0	0	36,304
Leisure Time Activities	935,474	0	0	935,474
Transportation	1,894,423	0	0	1,894,423
Capital Outlay	1,108,344	0	0	1,108,344
Debt Service:				
Principal	0	25,000	0	25,000
Interest	<u>0</u>	<u>16,087</u>	<u>0</u>	<u>16,087</u>
Total Expenditures	<u>6,335,923</u>	<u>42,797</u>	<u>0</u>	<u>6,378,720</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,948,579)	4,271	8,260	(1,936,048)
OTHER FINANCING SOURCES (USES):				
Transfers In	2,315,000	0	0	2,315,000
Transfers (Out)	<u>(316,594)</u>	<u>0</u>	<u>0</u>	<u>(316,594)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,998,406</u>	<u>0</u>	<u>0</u>	<u>1,998,406</u>
NET CHANGE IN FUND BALANCES	49,827	4,271	8,260	62,358
FUND BALANCES BEGINNING OF YEAR	3,398,654	314,284	204,772	3,917,710
INCREASE (DECREASE) IN RESERVE FOR INVENTORY	<u>45,729</u>	<u>0</u>	<u>0</u>	<u>45,729</u>
FUND BALANCES END OF YEAR	<u>\$3,494,210</u>	<u>\$318,555</u>	<u>\$213,032</u>	<u>\$4,025,797</u>

CITY OF WILLOUGHBY, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2008

	<u>FIRE PENSION</u>	<u>POLICE PENSION</u>	<u>LAW ENFORCEMENT</u>	<u>RECREATION</u>	<u>STREET CONSTRUCTION MAINTENANCE AND REPAIR</u>	<u>STATE HIGHWAY</u>	<u>ROAD & BRIDGE</u>	<u>CORPORATE MAINTENANCE</u>	<u>ENFORCEMENT AND EDUCATION</u>
ASSETS									
Equity in City Treasury Cash and Investments	\$56,330	\$40,574	\$18,892	\$135,481	\$210,132	\$58,427	\$591,935	\$54,418	\$10,255
Inventory - Supplies	0	0	0	0	99,698	0	0	0	0
Accounts Receivable	0	0	0	573	0	0	0	100	0
Due from Other Governments	7,107	7,107	0	2,313	467,839	37,574	42,252	0	94
Taxes Receivable	218,492	218,492	0	112,904	0	0	1,137,117	0	0
Special Assessments Receivable	0	0	0	0	0	0	0	19,591	0
TOTAL ASSETS	<u>\$281,929</u>	<u>\$266,173</u>	<u>\$18,892</u>	<u>\$251,271</u>	<u>\$777,669</u>	<u>\$96,001</u>	<u>\$1,771,304</u>	<u>\$74,109</u>	<u>\$10,349</u>
LIABILITIES									
Accounts Payable	\$0	\$0	\$0	\$7,522	\$60,572	\$0	\$38,723	\$0	\$0
Salaries, Wages & Benefits Payable	22,103	21,169	0	14,523	29,554	0	0	0	0
Due to Other Funds	0	0	0	0	0	0	0	10,000	0
Due to Other Governments	0	0	0	1,533	0	31,240	0	0	0
Deferred Revenue	225,599	225,599	0	115,217	389,151	31,552	1,179,369	19,591	0
TOTAL LIABILITIES	<u>247,702</u>	<u>246,768</u>	<u>0</u>	<u>138,795</u>	<u>479,277</u>	<u>62,792</u>	<u>1,218,092</u>	<u>29,591</u>	<u>0</u>
FUND BALANCES									
Reserved for Encumbrances	0	0	0	26,047	45,121	0	43,865	32,462	0
Reserved for Inventory	0	0	0	0	99,698	0	0	0	0
Unreserved, Undesignated Reported in:									
Special Revenue Funds	34,227	19,405	18,892	86,429	153,573	33,209	509,347	12,056	10,349
TOTAL FUND BALANCES	<u>34,227</u>	<u>19,405</u>	<u>18,892</u>	<u>112,476</u>	<u>298,392</u>	<u>33,209</u>	<u>553,212</u>	<u>44,518</u>	<u>10,349</u>
TOTAL LIABILITIES AND FUND BALANCE:	<u>\$281,929</u>	<u>\$266,173</u>	<u>\$18,892</u>	<u>\$251,271</u>	<u>\$777,669</u>	<u>\$96,001</u>	<u>\$1,771,304</u>	<u>\$74,109</u>	<u>\$10,349</u>

<u>INDIGENT DRIVERS TREATMENT</u>	<u>COURT COMPUTER</u>	<u>GENERAL SPECIAL PROJECTS</u>	<u>SPECIAL PROJECTS DUI</u>	<u>URBAN FOREST MANAGEMENT</u>	<u>VICTIMS ASSISTANCE</u>	<u>POLICE CONTINUING PROFESSIONAL TRAINING</u>	<u>STREET LIGHTING</u>	<u>FUTURE RETIREMENT RESERVE</u>	<u>FEMA</u>	<u>TOTAL 2008</u>
\$290,585	\$101,301	\$139,757	\$600	\$52,784	\$8,500	\$3,780	\$596,378	\$1,051,460	\$143,871	\$3,565,460
0	0	0	0	0	0	0	0	0	0	99,698
0	0	0	0	0	0	0	0	0	0	673
1,335	9,754	15,808	650	0	0	0	0	0	54,365	646,198
0	0	0	0	0	0	0	0	0	0	1,687,005
0	0	0	0	0	0	0	570,470	0	0	590,061
<u>\$291,920</u>	<u>\$111,055</u>	<u>\$155,565</u>	<u>\$1,250</u>	<u>\$52,784</u>	<u>\$8,500</u>	<u>\$3,780</u>	<u>\$1,166,848</u>	<u>\$1,051,460</u>	<u>\$198,236</u>	<u>\$6,589,095</u>
\$0	\$4,202	\$50	\$0	\$0	\$210	\$0	\$83,823	\$0	\$7,361	\$202,463
0	0	0	0	0	752	0	0	0	0	88,101
0	5,000	0	0	0	0	0	0	0	0	15,000
0	0	0	0	0	0	0	0	0	0	32,773
0	0	0	0	0	0	0	570,470	0	0	2,756,548
0	<u>9,202</u>	<u>50</u>	<u>0</u>	<u>0</u>	<u>962</u>	<u>0</u>	<u>654,293</u>	<u>0</u>	<u>7,361</u>	<u>3,094,885</u>
26,428	49,089	0	0	3,368	0	0	4,541	0	1,213	232,134
0	0	0	0	0	0	0	0	0	0	99,698
<u>265,492</u>	<u>52,764</u>	<u>155,515</u>	<u>1,250</u>	<u>49,416</u>	<u>7,538</u>	<u>3,780</u>	<u>508,014</u>	<u>1,051,460</u>	<u>189,662</u>	<u>3,162,378</u>
<u>291,920</u>	<u>101,853</u>	<u>155,515</u>	<u>1,250</u>	<u>52,784</u>	<u>7,538</u>	<u>3,780</u>	<u>512,555</u>	<u>1,051,460</u>	<u>190,875</u>	<u>3,494,210</u>
<u>\$291,920</u>	<u>\$111,055</u>	<u>\$155,565</u>	<u>\$1,250</u>	<u>\$52,784</u>	<u>\$8,500</u>	<u>\$3,780</u>	<u>\$1,166,848</u>	<u>\$1,051,460</u>	<u>\$198,236</u>	<u>\$6,589,095</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, 2008

	FIRE	POLICE	LAW		STREET					
	PENSION	PENSION	ENFORCEMENT	RECREATION	CONSTRUCTION	STATE	ROAD &	CORPORATE	ENFORCEMENT	
					MAINTENANCE	HIGHWAY	BRIDGE	MAINTENANCE	AND EDUCATION	
					AND REPAIR					
REVENUES:										
Property and Other Local Taxes	\$177,256	\$177,256	\$0	\$71,680	\$56,440	\$0	\$1,069,537	\$0	\$0	\$0
Intergovernmental	39,057	39,057	0	176,498	953,760	77,332	111,307	0	0	0
Charges for Services	0	0	0	223,001	375	0	0	0	0	0
Special Assessments	0	0	0	0	0	0	0	55,291	0	0
Fines and Forfeitures	0	0	9,898	0	0	0	0	0	1,819	0
Miscellaneous	<u>0</u>	<u>0</u>	<u>4,570</u>	<u>0</u>	<u>10,604</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>216,313</u>	<u>216,313</u>	<u>14,468</u>	<u>471,179</u>	<u>1,021,179</u>	<u>77,332</u>	<u>1,180,844</u>	<u>55,291</u>	<u>1,819</u>	<u>1,819</u>
EXPENDITURES:										
Current:										
General Government	2,121	2,121	0	0	0	0	12,877	478	0	0
Security of Persons and Property	784,452	787,212	979	0	0	0	0	0	0	0
Community Environment	0	0	0	0	0	0	0	36,304	0	0
Leisure Time Activities	0	0	0	935,474	0	0	0	0	0	0
Transportation	0	0	0	0	1,778,440	115,983	0	0	0	0
Capital Outlay	<u>0</u>	<u>0</u>	<u>119,775</u>	<u>7,969</u>	<u>0</u>	<u>0</u>	<u>888,600</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>786,573</u>	<u>789,333</u>	<u>120,754</u>	<u>943,443</u>	<u>1,778,440</u>	<u>115,983</u>	<u>901,477</u>	<u>36,782</u>	<u>0</u>	<u>0</u>
EXCESS OF REVENUES OVER										
(UNDER) EXPENDITURES	(570,260)	(573,020)	(106,286)	(472,264)	(757,261)	(38,651)	279,367	18,509	1,819	1,819
OTHER FINANCING SOURCES (USES):										
Transfers In	550,000	500,000	0	500,000	525,000	0	0	0	0	0
Transfers (Out)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>550,000</u>	<u>500,000</u>	<u>0</u>	<u>500,000</u>	<u>525,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET CHANGE IN FUND BALANCES	(20,260)	(73,020)	(106,286)	27,736	(232,261)	(38,651)	279,367	18,509	1,819	1,819
FUND BALANCES BEGINNING OF YEAR	54,487	92,425	125,178	84,740	484,924	71,860	273,845	26,009	8,530	8,530
INCREASE (DECREASE) IN RESERVE										
FOR INVENTORY	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>45,729</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCES END OF YEAR	<u>\$34,227</u>	<u>\$19,405</u>	<u>\$18,892</u>	<u>\$112,476</u>	<u>\$298,392</u>	<u>\$33,209</u>	<u>\$553,212</u>	<u>\$44,518</u>	<u>\$10,349</u>	<u>\$10,349</u>

INDIGENT DRIVERS TREATMENT	COURT COMPUTER	GENERAL SPECIAL PROJECTS	SPECIAL PROJECTS DUI	URBAN FOREST MANAGEMENT	VICTIMS ASSISTANCE	POLICE CONTINUING PROFESSIONAL TRAINING	STREET LIGHTING	FUTURE RETIREMENT RESERVE	FEMA	TOTAL 2008
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,552,169
0	0	0	0	0	31,097	3,780	0	0	175,990	1,607,878
0	0	0	0	5,600	0	0	0	0	0	228,976
0	0	0	0	0	0	0	550,725	0	0	606,016
34,232	125,133	204,799	1,250	0	0	0	0	0	0	377,131
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15,174</u>
<u>34,232</u>	<u>125,133</u>	<u>204,799</u>	<u>1,250</u>	<u>5,600</u>	<u>31,097</u>	<u>3,780</u>	<u>550,725</u>	<u>0</u>	<u>175,990</u>	<u>4,387,344</u>
39,925	89,489	6,823	0	0	0	0	16,586	22,734	0	193,154
0	0	0	0	0	43,126	0	503,962	22,893	25,600	2,168,224
0	0	0	0	0	0	0	0	0	0	36,304
0	0	0	0	0	0	0	0	0	0	935,474
0	0	0	0	0	0	0	0	0	0	1,894,423
<u>0</u>	<u>92,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,108,344</u>
<u>39,925</u>	<u>181,489</u>	<u>6,823</u>	<u>0</u>	<u>0</u>	<u>43,126</u>	<u>0</u>	<u>520,548</u>	<u>45,627</u>	<u>25,600</u>	<u>6,335,923</u>
(5,693)	(56,356)	197,976	1,250	5,600	(12,029)	3,780	30,177	(45,627)	150,390	(1,948,579)
0	0	0	0	0	15,000	0	0	225,000	0	2,315,000
<u>0</u>	<u>0</u>	<u>(200,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(116,594)</u>	<u>(316,594)</u>
<u>0</u>	<u>0</u>	<u>(200,000)</u>	<u>0</u>	<u>0</u>	<u>15,000</u>	<u>0</u>	<u>0</u>	<u>225,000</u>	<u>(116,594)</u>	<u>1,998,406</u>
(5,693)	(56,356)	(2,024)	1,250	5,600	2,971	3,780	30,177	179,373	33,796	49,827
297,613	158,209	157,539	0	47,184	4,567	0	482,378	872,087	157,079	3,398,654
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>45,729</u>
<u>\$291,920</u>	<u>\$101,853</u>	<u>\$155,515</u>	<u>\$1,250</u>	<u>\$52,784</u>	<u>\$7,538</u>	<u>\$3,780</u>	<u>\$512,555</u>	<u>\$1,051,460</u>	<u>\$190,875</u>	<u>\$3,494,210</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, 2008

	<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	\$182,263	\$182,263	\$177,256	(\$5,007)
Intergovernmental	<u>34,751</u>	<u>34,751</u>	<u>39,057</u>	<u>4,306</u>
Total Revenues	<u>217,014</u>	<u>217,014</u>	<u>216,313</u>	<u>(701)</u>
EXPENDITURES:				
Security of Persons and Property	<u>742,098</u>	<u>817,098</u>	<u>780,851</u>	<u>36,247</u>
Total Expenditures	<u>742,098</u>	<u>817,098</u>	<u>780,851</u>	<u>36,247</u>
Excess of Revenues Over (Under) Expenditures	(525,084)	(600,084)	(564,538)	35,546
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>475,000</u>	<u>550,000</u>	<u>550,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>475,000</u>	<u>550,000</u>	<u>550,000</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	(50,084)	(50,084)	(14,538)	35,546
FUND BALANCE BEGINNING OF YEAR	<u>70,868</u>	<u>70,868</u>	<u>70,868</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$20,784</u>	<u>\$20,784</u>	<u>\$56,330</u>	<u>\$35,546</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, 2008

	<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	\$182,263	\$182,263	\$177,256	(\$5,007)
Intergovernmental	<u>34,751</u>	<u>34,751</u>	<u>39,057</u>	<u>4,306</u>
Total Revenues	<u>217,014</u>	<u>217,014</u>	<u>216,313</u>	<u>(701)</u>
EXPENDITURES:				
Security of Persons and Property	<u>730,612</u>	<u>805,612</u>	<u>783,318</u>	<u>22,294</u>
Total Expenditures	<u>730,612</u>	<u>805,612</u>	<u>783,318</u>	<u>22,294</u>
Excess of Revenues Over (Under) Expenditures	(513,598)	(588,598)	(567,005)	21,593
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>425,000</u>	<u>500,000</u>	<u>500,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>425,000</u>	<u>500,000</u>	<u>500,000</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	(88,598)	(88,598)	(67,005)	21,593
FUND BALANCE BEGINNING OF YEAR	<u>107,579</u>	<u>107,579</u>	<u>107,579</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$18,981</u>	<u>\$18,981</u>	<u>\$40,574</u>	<u>\$21,593</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, 2008

	<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	\$500	\$500	\$9,898	\$9,398
Other	<u>0</u>	<u>0</u>	<u>4,569</u>	<u>4,569</u>
Total Revenues	<u>500</u>	<u>500</u>	<u>14,467</u>	<u>13,967</u>
EXPENDITURES:				
Security of Persons and Property	<u>125,000</u>	<u>125,000</u>	<u>120,754</u>	<u>4,246</u>
Total Expenditures	<u>125,000</u>	<u>125,000</u>	<u>120,754</u>	<u>4,246</u>
NET CHANGE IN FUND BALANCE	(124,500)	(124,500)	(106,287)	18,213
FUND BALANCE BEGINNING OF YEAR	<u>125,178</u>	<u>125,178</u>	<u>125,178</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$678</u>	<u>\$678</u>	<u>\$18,891</u>	<u>\$18,213</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, 2008

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
REVENUES:				
Property and Other Local Taxes	\$76,316	\$76,316	\$71,680	(\$4,636)
Intergovernmental	118,545	118,545	176,499	57,954
Charges for Services	<u>215,000</u>	<u>215,000</u>	<u>223,176</u>	<u>8,176</u>
Total Revenues	<u>409,861</u>	<u>409,861</u>	<u>471,355</u>	<u>61,494</u>
EXPENDITURES:				
Leisure Time Activities	<u>922,296</u>	<u>962,296</u>	<u>941,585</u>	<u>20,711</u>
Total Expenditures	<u>922,296</u>	<u>962,296</u>	<u>941,585</u>	<u>20,711</u>
Excess of Revenues Over (Under) Expenditures	(512,435)	(552,435)	(470,230)	82,205
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	(12,435)	(52,435)	29,770	82,205
FUND BALANCE BEGINNING OF YEAR	70,722	70,722	70,722	0
Prior Year Encumbrances Appropriated	<u>485</u>	<u>485</u>	<u>485</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$58,772</u>	<u>\$18,772</u>	<u>\$100,977</u>	<u>\$82,205</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, 2008

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
REVENUES:				
Property and Other Local Taxes	\$55,000	\$55,000	\$56,439	\$1,439
Intergovernmental	930,000	930,000	957,053	27,053
Charges for Services	<u>250</u>	<u>250</u>	<u>375</u>	<u>125</u>
Total Revenues	<u>985,250</u>	<u>985,250</u>	<u>1,013,867</u>	<u>28,617</u>
EXPENDITURES:				
Transportation	<u>1,769,274</u>	<u>1,769,274</u>	<u>1,729,636</u>	<u>39,638</u>
Total Expenditures	<u>1,769,274</u>	<u>1,769,274</u>	<u>1,729,636</u>	<u>39,638</u>
Excess of Revenues Over (Under) Expenditures	(784,024)	(784,024)	(715,769)	68,255
OTHER FINANCING SOURCES (USES):				
Transfers In	525,000	525,000	525,000	0
Other	<u>0</u>	<u>0</u>	<u>10,604</u>	<u>10,604</u>
Total Other Financing Sources (Uses)	<u>525,000</u>	<u>525,000</u>	<u>535,604</u>	<u>10,604</u>
NET CHANGE IN FUND BALANCE	(259,024)	(259,024)	(180,165)	78,859
FUND BALANCE BEGINNING OF YEAR	282,874	282,874	282,874	0
Prior Year Encumbrances Appropriated	<u>3,896</u>	<u>3,896</u>	<u>3,896</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$27,746</u>	<u>\$27,746</u>	<u>\$106,605</u>	<u>\$78,859</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, 2008

	<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>\$73,000</u>	<u>\$73,000</u>	<u>\$77,599</u>	<u>\$4,599</u>
Total Revenues	<u>73,000</u>	<u>73,000</u>	<u>77,599</u>	<u>4,599</u>
EXPENDITURES:				
Transportation	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>0</u>
Total Expenditures	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	(7,000)	(7,000)	(2,401)	4,599
FUND BALANCE BEGINNING OF YEAR	<u>32,360</u>	<u>32,360</u>	<u>32,360</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$25,360</u>	<u>\$25,360</u>	<u>\$29,959</u>	<u>\$4,599</u>

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (Non-GAAP Basis) AND ACTUAL
ROAD AND BRIDGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	<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	\$1,102,869	\$1,102,869	\$1,069,537	(\$33,332)
Intergovernmental	<u>86,870</u>	<u>86,870</u>	<u>111,307</u>	<u>24,437</u>
Total Revenues	<u>1,189,739</u>	<u>1,189,739</u>	<u>1,180,844</u>	<u>(8,895)</u>
EXPENDITURES:				
Transportation	<u>1,150,000</u>	<u>1,150,000</u>	<u>985,305</u>	<u>164,695</u>
Total Expenditures	<u>1,150,000</u>	<u>1,150,000</u>	<u>985,305</u>	<u>164,695</u>
NET CHANGE IN FUND BALANCE	39,739	39,739	195,539	155,800
FUND BALANCE BEGINNING OF YEAR	207,062	207,062	207,062	0
Prior Year Encumbrances Appropriated	<u>66,549</u>	<u>66,549</u>	<u>66,549</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$313,350</u>	<u>\$313,350</u>	<u>\$469,150</u>	<u>\$155,800</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, 2008

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Special Assessments	<u>\$80,500</u>	<u>\$80,500</u>	<u>\$56,661</u>	<u>(\$23,839)</u>
Total Revenues	<u>80,500</u>	<u>80,500</u>	<u>56,661</u>	<u>(23,839)</u>
EXPENDITURES:				
Community Environment	<u>82,700</u>	<u>82,700</u>	<u>46,625</u>	<u>36,075</u>
Total Expenditures	<u>82,700</u>	<u>82,700</u>	<u>46,625</u>	<u>36,075</u>
NET CHANGE IN FUND BALANCE	(2,200)	(2,200)	10,036	12,236
FUND BALANCE BEGINNING OF YEAR	11,270	11,270	11,270	0
Prior Year Encumbrances Appropriated	<u>650</u>	<u>650</u>	<u>650</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$9,720</u>	<u>\$9,720</u>	<u>\$21,956</u>	<u>\$12,236</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, 2008

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	VARIANCE WITH
	<u>ORIGINAL</u>	<u>FINAL</u>		FINAL BUDGET
				(NEGATIVE)
REVENUES:				
Fines and Forfeitures	<u>\$3,000</u>	<u>\$3,000</u>	<u>\$1,880</u>	<u>(\$1,120)</u>
Total Revenues	<u>3,000</u>	<u>3,000</u>	<u>1,880</u>	<u>(1,120)</u>
EXPENDITURES:				
Capital Outlay	<u>8,000</u>	<u>8,000</u>	<u>0</u>	<u>8,000</u>
Total Expenditures	<u>8,000</u>	<u>8,000</u>	<u>0</u>	<u>8,000</u>
NET CHANGE IN FUND BALANCE	(5,000)	(5,000)	1,880	6,880
FUND BALANCE BEGINNING OF YEAR	<u>8,375</u>	<u>8,375</u>	<u>8,375</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$3,375</u>	<u>\$3,375</u>	<u>\$10,255</u>	<u>\$6,880</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, 2008

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES:				
Fines and Forfeitures	<u>\$35,000</u>	<u>\$35,000</u>	<u>\$33,976</u>	<u>(\$1,024)</u>
Total Revenues	<u>35,000</u>	<u>35,000</u>	<u>33,976</u>	<u>(1,024)</u>
EXPENDITURES:				
General Government	<u>75,000</u>	<u>75,000</u>	<u>50,000</u>	<u>25,000</u>
Total Expenditures	<u>75,000</u>	<u>75,000</u>	<u>50,000</u>	<u>25,000</u>
NET CHANGE IN FUND BALANCE	(40,000)	(40,000)	(16,024)	23,976
FUND BALANCE BEGINNING OF YEAR	<u>280,181</u>	<u>280,181</u>	<u>280,181</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$240,181</u>	<u>\$240,181</u>	<u>\$264,157</u>	<u>\$23,976</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, 2008

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Fines and Forfeitures	<u>\$119,000</u>	<u>\$119,000</u>	<u>\$123,711</u>	<u>\$4,711</u>
Total Revenues	<u>119,000</u>	<u>119,000</u>	<u>123,711</u>	<u>4,711</u>
EXPENDITURES:				
General Government	<u>100,000</u>	<u>115,000</u>	<u>96,514</u>	<u>18,486</u>
Total Expenditures	<u>100,000</u>	<u>115,000</u>	<u>96,514</u>	<u>18,486</u>
Excess of Revenues Over (Under) Expenditures	19,000	4,000	27,197	23,197
OTHER FINANCING SOURCES (USES):				
Advance repaid	<u>0</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	19,000	(1,000)	22,197	23,197
FUND BALANCE BEGINNING OF YEAR	12,387	12,387	12,387	0
Prior Year Encumbrances Appropriated	<u>13,984</u>	<u>13,984</u>	<u>13,984</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$45,371</u>	<u>\$25,371</u>	<u>\$48,568</u>	<u>\$23,197</u>

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL
GENERAL SPECIAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Fines and Forfeitures	<u>\$185,000</u>	<u>\$185,000</u>	<u>\$202,435</u>	<u>\$17,435</u>
Total Revenues	<u>185,000</u>	<u>185,000</u>	<u>202,435</u>	<u>17,435</u>
EXPENDITURES:				
General Government	<u>25,000</u>	<u>25,000</u>	<u>6,773</u>	<u>18,227</u>
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>6,773</u>	<u>18,227</u>
Excess of Revenues Over (Under) Expenditures	160,000	160,000	195,662	35,662
OTHER FINANCING SOURCES (USES):				
Transfers Out	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	(40,000)	(40,000)	(4,338)	35,662
FUND BALANCE BEGINNING OF YEAR	142,789	142,789	142,789	0
Prior Year Encumbrances Appropriated	<u>1,306</u>	<u>1,306</u>	<u>1,306</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$104,095</u>	<u>\$104,095</u>	<u>\$139,757</u>	<u>\$35,662</u>

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL
SPECIAL PROJECTS DUI FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>(NEGATIVE)</u>
REVENUES:				
Fines and Forfeitures	<u>\$0</u>	<u>\$10,000</u>	<u>\$600</u>	<u>(\$9,400)</u>
Total Revenues	<u>0</u>	<u>10,000</u>	<u>600</u>	<u>(9,400)</u>
EXPENDITURES:				
General Government	<u>0</u>	<u>250</u>	<u>0</u>	<u>250</u>
Total Expenditures	<u>0</u>	<u>250</u>	<u>0</u>	<u>250</u>
NET CHANGE IN FUND BALANCE	0	9,750	600	(9,150)
FUND BALANCE BEGINNING OF YEAR	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$0</u>	<u>\$9,750</u>	<u>\$600</u>	<u>(\$9,150)</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, 2008

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Charges for Services	\$8,000	\$8,000	\$5,600	(\$2,400)
Total Revenues	<u>8,000</u>	<u>8,000</u>	<u>5,600</u>	<u>(2,400)</u>
EXPENDITURES:				
Community Environment	<u>25,000</u>	<u>25,000</u>	<u>0</u>	<u>25,000</u>
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>0</u>	<u>25,000</u>
NET CHANGE IN FUND BALANCE	(17,000)	(17,000)	5,600	22,600
FUND BALANCE BEGINNING OF YEAR	<u>43,816</u>	<u>43,816</u>	<u>43,816</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$26,816</u>	<u>\$26,816</u>	<u>\$49,416</u>	<u>\$22,600</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, 2008

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Intergovernmental	<u>\$32,000</u>	<u>\$32,000</u>	<u>\$31,097</u>	<u>(\$903)</u>
Total Revenues	<u>32,000</u>	<u>32,000</u>	<u>31,097</u>	<u>(903)</u>
EXPENDITURES:				
Security of Persons and Property	<u>48,868</u>	<u>48,868</u>	<u>42,985</u>	<u>5,883</u>
Total Expenditures	<u>48,868</u>	<u>48,868</u>	<u>42,985</u>	<u>5,883</u>
Excess of Revenues Over (Under) Expenditures	(16,868)	(16,868)	(11,888)	4,980
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	(1,868)	(1,868)	3,112	4,980
FUND BALANCE BEGINNING OF YEAR	<u>5,333</u>	<u>5,333</u>	<u>5,333</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$3,465</u>	<u>\$3,465</u>	<u>\$8,445</u>	<u>\$4,980</u>

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL
POLICE CONTINUING PROFESSIONAL TRAINING FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES:				
Intergovernmental	<u>\$3,780</u>	<u>\$3,780</u>	<u>\$3,780</u>	<u>\$0</u>
Total Revenues	<u>3,780</u>	<u>3,780</u>	<u>3,780</u>	<u>0</u>
EXPENDITURES:				
Security of Persons	<u>3,780</u>	<u>3,780</u>	<u>0</u>	<u>3,780</u>
Total Expenditures	<u>3,780</u>	<u>3,780</u>	<u>0</u>	<u>3,780</u>
NET CHANGE IN FUND BALANCE	0	0	3,780	3,780
FUND BALANCE BEGINNING OF YEAR	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$0</u>	<u>\$0</u>	<u>\$3,780</u>	<u>\$3,780</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, 2008

	<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>\$525,303</u>	<u>\$525,303</u>	<u>\$550,725</u>	<u>\$25,422</u>
Total Revenues	<u>525,303</u>	<u>525,303</u>	<u>550,725</u>	<u>25,422</u>
EXPENDITURES:				
Security of Persons and Property	550,000	550,000	502,462	47,538
General Government	<u>20,000</u>	<u>20,000</u>	<u>16,586</u>	<u>3,414</u>
Total Expenditures	<u>570,000</u>	<u>570,000</u>	<u>519,048</u>	<u>50,952</u>
NET CHANGE IN FUND BALANCE	(44,697)	(44,697)	31,677	76,374
FUND BALANCE BEGINNING OF YEAR	<u>518,114</u>	<u>518,114</u>	<u>518,114</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$473,417</u>	<u>\$473,417</u>	<u>\$549,791</u>	<u>\$76,374</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, 2008

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES:				
Other	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXPENDITURES:				
General Government	92,753	92,753	22,734	70,019
Security of Persons	231,518	231,518	145,851	85,667
Community Environment	65,087	65,087	0	65,087
Transportation	<u>43,478</u>	<u>43,478</u>	<u>43,478</u>	<u>0</u>
Total Expenditures	<u>432,836</u>	<u>432,836</u>	<u>212,063</u>	<u>220,773</u>
Excess of Revenues Over (Under) Expenditures	(432,836)	(432,836)	(212,063)	220,773
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	(207,836)	(207,836)	12,937	220,773
FUND BALANCE BEGINNING OF YEAR	<u>1,038,523</u>	<u>1,038,523</u>	<u>1,038,523</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$830,687</u>	<u>\$830,687</u>	<u>\$1,051,460</u>	<u>\$220,773</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, 2008

	<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>\$86,208</u>	<u>\$86,208</u>	<u>\$121,625</u>	<u>\$35,417</u>
Total Revenues	<u>86,208</u>	<u>86,208</u>	<u>121,625</u>	<u>35,417</u>
EXPENDITURES:				
Security of Persons and Property	<u>3,572</u>	<u>36,388</u>	<u>22,012</u>	<u>14,376</u>
Total Expenditures	<u>3,572</u>	<u>36,388</u>	<u>22,012</u>	<u>14,376</u>
Excess of Revenues Over (Under) Expenditures	82,636	49,820	99,613	49,793
OTHER FINANCING SOURCES (USES):				
Transfers Out	<u>(232,816)</u>	<u>(200,000)</u>	<u>(116,594)</u>	<u>83,406</u>
Total Other Financing Sources (Uses)	<u>(232,816)</u>	<u>(200,000)</u>	<u>(116,594)</u>	<u>83,406</u>
NET CHANGE IN FUND BALANCE	(150,180)	(150,180)	(16,981)	133,199
FUND BALANCE BEGINNING OF YEAR	150,180	150,180	150,180	0
Prior Year Encumbrances Appropriated	<u>2,098</u>	<u>2,098</u>	<u>2,098</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$2,098</u>	<u>\$2,098</u>	<u>\$135,297</u>	<u>\$133,199</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, 2008

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES:				
Special Assessments	<u>\$39,110</u>	<u>\$39,110</u>	<u>\$47,068</u>	<u>\$7,958</u>
Total Revenues	<u>39,110</u>	<u>39,110</u>	<u>47,068</u>	<u>7,958</u>
EXPENDITURES:				
General Government	10,000	10,000	1,710	8,290
Debt Service				
Principal	25,000	25,000	25,000	0
Interest	<u>16,088</u>	<u>16,088</u>	<u>16,088</u>	<u>0</u>
Total Expenditures	<u>51,088</u>	<u>51,088</u>	<u>42,798</u>	<u>8,290</u>
NET CHANGE IN FUND BALANCE	(11,978)	(11,978)	4,270	16,248
FUND BALANCE BEGINNING OF YEAR	<u>314,284</u>	<u>314,284</u>	<u>314,284</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$302,306</u>	<u>\$302,306</u>	<u>\$318,554</u>	<u>\$16,248</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, 2008

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES:				
Miscellaneous	<u>\$5,000</u>	<u>\$5,000</u>	<u>\$8,335</u>	<u>\$3,335</u>
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>8,335</u>	<u>3,335</u>
FUND BALANCE BEGINNING OF YEAR	<u>204,697</u>	<u>204,697</u>	<u>204,697</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$209,697</u>	<u>\$209,697</u>	<u>\$213,032</u>	<u>\$3,335</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, 2008

	<u>DEPOSITS & INSPECTIONS</u>	<u>MUNICIPAL COURT</u>	<u>TOTAL 2008</u>
ASSETS			
Equity in City Treasury Cash and Investments	\$1,039,309	\$412,337	\$1,451,646
Accounts Receivable	<u>0</u>	<u>121,161</u>	<u>121,161</u>
TOTAL ASSETS	<u>\$1,039,309</u>	<u>\$533,498</u>	<u>\$1,572,807</u>
LIABILITIES			
Accounts Payable	\$1,039,138	\$85,090	\$1,124,228
Deposits Held and Due to Others	0	176,276	176,276
Due to Other Governments	<u>171</u>	<u>272,132</u>	<u>272,303</u>
TOTAL LIABILITIES	<u>\$1,039,309</u>	<u>\$533,498</u>	<u>\$1,572,807</u>

CITY OF WILLOUGHBY, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>BALANCE</u> <u>1/1/2008</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>12/31/2008</u>
DEPOSITS & INSPECTIONS				
ASSETS				
Equity in City Treasury Cash and Investments	\$974,406	\$1,416,753	\$1,351,850	\$1,039,309
TOTAL ASSETS	<u>\$974,406</u>	<u>\$1,416,753</u>	<u>\$1,351,850</u>	<u>\$1,039,309</u>
LIABILITIES				
Accounts Payable	\$972,597	\$1,320,866	\$1,254,325	\$1,039,138
Due to Other Governments	<u>1,809</u>	<u>95,887</u>	<u>97,525</u>	<u>171</u>
TOTAL LIABILITIES	<u>\$974,406</u>	<u>\$1,416,753</u>	<u>\$1,351,850</u>	<u>\$1,039,309</u>
MUNICIPAL COURT				
ASSETS				
Equity in City Treasury Cash and Investments	\$337,649	\$5,200,241	\$5,125,553	\$412,337
Accounts Receivable	<u>100,000</u>	<u>121,161</u>	<u>100,000</u>	<u>121,161</u>
TOTAL ASSETS	<u>\$437,649</u>	<u>\$5,321,402</u>	<u>\$5,225,553</u>	<u>\$533,498</u>
LIABILITIES				
Accounts Payable	\$68,339	\$1,632,811	\$1,616,060	\$85,090
Deposits Held and Due to Others	163,718	2,328,567	2,316,009	176,276
Due to Other Governments	<u>205,592</u>	<u>1,360,024</u>	<u>1,293,484</u>	<u>272,132</u>
TOTAL LIABILITIES	<u>\$437,649</u>	<u>\$5,321,402</u>	<u>\$5,225,553</u>	<u>\$533,498</u>
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Equity in City Treasury Cash and Investments	\$1,312,055	\$6,616,994	\$6,477,403	\$1,451,646
Accounts Receivable	<u>100,000</u>	<u>121,161</u>	<u>100,000</u>	<u>121,161</u>
TOTAL ASSETS	<u>\$1,412,055</u>	<u>\$6,738,155</u>	<u>\$6,577,403</u>	<u>\$1,572,807</u>
LIABILITIES				
Accounts Payable	\$1,040,936	\$2,953,677	\$2,870,385	\$1,124,228
Deposits Held and Due to Others	163,718	2,328,567	2,316,009	176,276
Due to Other Governments	<u>207,401</u>	<u>1,455,911</u>	<u>1,391,009</u>	<u>272,303</u>
TOTAL LIABILITIES	<u>\$1,412,055</u>	<u>\$6,738,155</u>	<u>\$6,577,403</u>	<u>\$1,572,807</u>



The City of Willoughby™



The City of Willoughby, Ohio



STATISTICAL INFORMATION

Statistical Section

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

<u>Contents</u>	<u>Page #</u>
<i>Financial Trends</i>	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	106-112
<i>Revenue Capacity</i>	
These schedules contain information to help the reader assess the City's most significant local revenue sources, the municipal income tax and the property tax.	113-116
<i>Debt Capacity</i>	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	117-121
<i>Demographic and Economic Information</i>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	122-123
<i>Operating Information</i>	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the government provides and the activities it performs.	124-126

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

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
GOVERNMENTAL ACTIVITIES							
Invested in Capital Assets, Net of Related Debt	\$ 36,040,109	\$ 40,931,168	\$ 39,876,454	\$ 36,274,834	\$ 41,288,394	\$ 41,994,662	\$ 41,374,191
Restricted For:							
Capital Projects	5,697,451	5,837,728	4,275,201	4,576,666	3,929,148	3,352,145	3,102,440
Debt Service	4,275,119	273,062	1,812,314	3,353,591	3,477,601	3,694,588	3,895,510
Special Revenue	2,674,081	1,532,116	2,128,717	2,695,024	2,911,387	3,070,349	2,985,369
Permanent Fund Purpose	158,408	167,340	177,502	185,650	194,057	204,772	213,032
Unrestricted (Deficit)	<u>9,282,482</u>	<u>8,415,071</u>	<u>7,514,212</u>	<u>8,009,598</u>	<u>7,696,503</u>	<u>8,719,637</u>	<u>10,358,419</u>
Total Governmental Activities Net Assets	<u>58,127,650</u>	<u>57,156,485</u>	<u>55,784,400</u>	<u>55,095,363</u>	<u>59,497,090</u>	<u>61,036,153</u>	<u>61,928,961</u>
BUSINESS-TYPE ACTIVITIES							
Invested in Capital Assets, Net of Related Debt	34,642,111	35,223,998	35,096,164	34,959,081	35,534,234	35,229,071	33,115,680
Restricted For:							
Equipment Replacement	558,381	510,868	456,940	456,973	418,600	292,038	298,591
Unrestricted (Deficit)	<u>(289,790)</u>	<u>(1,461,194)</u>	<u>(2,322,769)</u>	<u>(2,517,822)</u>	<u>(3,056,030)</u>	<u>(3,141,374)</u>	<u>(2,269,805)</u>
Total Business-type Activities Net Assets	<u>34,910,702</u>	<u>34,273,672</u>	<u>33,230,335</u>	<u>32,898,232</u>	<u>32,896,804</u>	<u>32,379,735</u>	<u>31,144,466</u>
PRIMARY GOVERNMENT							
Invested in Capital Assets, Net of Related Debt	70,682,220	76,155,166	74,972,618	71,233,915	76,822,628	77,223,733	74,489,871
Restricted For:							
Capital Projects	5,697,451	5,837,728	4,275,201	4,576,666	3,929,148	3,352,145	3,102,440
Debt Service	4,275,119	273,062	1,812,314	3,353,591	3,477,601	3,694,588	3,895,510
Equipment Replacement	558,381	510,868	456,940	456,973	418,600	292,038	298,591
Special Revenue	2,674,081	1,532,116	2,128,717	2,695,024	2,911,387	3,070,349	2,985,369
Permanent Fund Purpose	158,408	167,340	177,502	185,650	194,057	204,772	213,032
Unrestricted (Deficit)	<u>8,992,692</u>	<u>6,953,877</u>	<u>5,191,443</u>	<u>5,491,776</u>	<u>4,640,473</u>	<u>5,578,263</u>	<u>8,088,614</u>
Total Primary Government Net Assets	<u>\$ 93,038,352</u>	<u>\$ 91,430,157</u>	<u>\$ 89,014,735</u>	<u>\$ 87,993,595</u>	<u>\$ 92,393,894</u>	<u>\$ 93,415,888</u>	<u>\$ 93,073,427</u>

CITY OF WILLOUGHBY, OHIO

CHANGES IN NET ASSETS

LAST SEVEN YEARS

(Accrual Basis of Accounting)

(continued on following page)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
PROGRAM REVENUES							
Governmental Activities							
Charges for Services:							
General Government	\$ 1,859,780	\$ 1,808,601	\$ 2,073,794	\$ 1,979,498	\$ 2,329,581	\$ 2,273,281	\$ 2,293,642
Security of Persons and Property	767,404	774,148	1,133,232	1,595,353	1,464,031	1,635,610	1,620,997
Public Health and Welfare	67,620	69,642	82,227	60,859	57,752	77,460	62,655
Community Environment	325,590	329,721	731,694	380,138	410,789	350,933	327,925
Leisure Time Activities	436,663	415,191	408,566	463,156	482,654	465,415	492,257
Transportation	980	850	1,416	1,360	720	247	375
Operating Grants, Contributions and Interest	986,298	78,071	56,572	51,133	358,392	118,956	233,398
Capital Grants and Contributions	<u>73,232</u>	<u>541,506</u>	<u>143,860</u>	<u>1,183,817</u>	<u>4,165,287</u>	<u>110,980</u>	<u>287,167</u>
Total Governmental Activities Program Revenues	<u>4,517,567</u>	<u>4,017,730</u>	<u>4,631,361</u>	<u>5,715,314</u>	<u>9,269,206</u>	<u>5,032,882</u>	<u>5,318,416</u>
Business-type Activities:							
Charges for Services:							
Golf Course	793,405	727,217	793,299	882,293	778,425	783,322	648,189
Sewer	3,185,803	3,320,402	3,532,603	3,858,155	3,849,829	4,352,307	3,961,100
Airport	153,950	164,347	179,783	180,788	187,222	138,123	192,237
Capital Grants and Contributions	<u>408,749</u>	<u>456,368</u>	<u>102,787</u>	<u>277,783</u>	<u>564,392</u>	<u>247,053</u>	<u>239,440</u>
Total Business-type Activities Program Revenues	<u>4,541,907</u>	<u>4,668,334</u>	<u>4,608,472</u>	<u>5,199,019</u>	<u>5,379,868</u>	<u>5,520,805</u>	<u>5,040,966</u>
Total Primary Government Program Revenues	<u>9,059,474</u>	<u>8,686,064</u>	<u>9,239,833</u>	<u>10,914,333</u>	<u>14,649,074</u>	<u>10,553,687</u>	<u>10,359,382</u>
EXPENSES							
Governmental Activities							
General Government	5,962,383	6,037,557	6,030,958	6,617,751	6,750,982	7,037,479	7,464,343
Security of Persons and Property	11,538,823	12,011,078	11,987,818	12,910,718	12,743,637	13,355,856	14,184,392
Public Health and Welfare	360,111	381,304	370,060	391,957	448,521	474,422	475,828
Community Environment	906,903	817,519	867,212	893,576	984,576	1,028,496	985,934
Leisure Time Activities	2,017,390	2,141,809	2,037,094	2,229,233	2,047,353	2,162,931	2,319,489
Transportation	2,892,787	2,992,462	2,853,179	3,218,135	2,736,148	3,316,323	3,526,993
Basic Utility Services	1,541,443	1,363,511	1,574,874	1,458,202	1,429,110	1,517,825	1,648,956
Interest and Fiscal Charges	<u>700,779</u>	<u>734,157</u>	<u>918,977</u>	<u>938,369</u>	<u>881,977</u>	<u>879,804</u>	<u>842,569</u>
Total Governmental Activities Expenses	<u>25,920,619</u>	<u>26,479,397</u>	<u>26,640,172</u>	<u>28,657,941</u>	<u>28,022,304</u>	<u>29,773,136</u>	<u>31,448,504</u>
Business-type Activities:							
Golf Course	790,733	885,864	900,161	888,853	867,957	923,882	992,417
Sewer	4,348,504	4,551,402	4,702,286	4,943,662	4,643,517	4,898,045	5,086,763
Airport	<u>570,955</u>	<u>679,595</u>	<u>693,580</u>	<u>508,526</u>	<u>553,560</u>	<u>540,352</u>	<u>558,209</u>
Total Business-type Activities Expenses	<u>5,710,192</u>	<u>6,116,861</u>	<u>6,296,027</u>	<u>6,341,041</u>	<u>6,065,034</u>	<u>6,362,279</u>	<u>6,637,389</u>
Total Primary Government Expenses	<u>31,630,811</u>	<u>32,596,258</u>	<u>32,936,199</u>	<u>34,998,982</u>	<u>34,087,338</u>	<u>36,135,415</u>	<u>38,085,893</u>
NET (EXPENSE)/REVENUE							
Governmental Activities							
Governmental Activities	(21,403,052)	(22,461,667)	(22,008,811)	(22,942,627)	(18,753,098)	(24,740,254)	(26,130,088)
Business-Type Activities:							
Business-type Activities	<u>(1,168,285)</u>	<u>(1,448,527)</u>	<u>(1,687,555)</u>	<u>(1,142,022)</u>	<u>(685,166)</u>	<u>(841,474)</u>	<u>(1,596,423)</u>
Total Primary Government	<u>\$ (22,571,337)</u>	<u>\$ (23,910,194)</u>	<u>\$ (23,696,366)</u>	<u>\$ (24,084,649)</u>	<u>\$ (19,438,264)</u>	<u>\$ (25,581,728)</u>	<u>\$ (27,726,511)</u>

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

(continued)

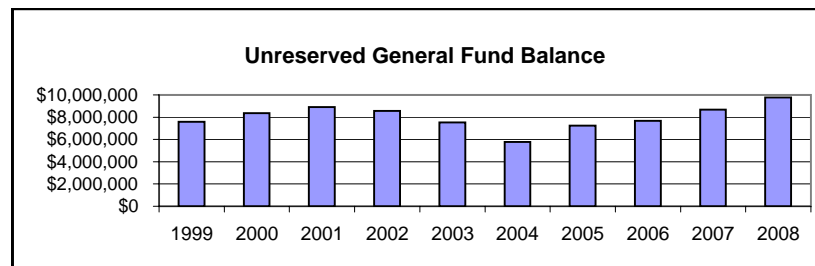
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS							
Governmental Activities:							
Property Taxes	\$ 3,542,044	\$ 3,406,795	\$ 3,908,020	\$ 3,694,441	\$ 3,780,557	\$ 4,981,602	\$ 4,544,357
Income Taxes	13,287,833	12,775,995	12,335,764	13,613,117	13,948,654	15,570,705	16,591,292
Unrestricted Grants, Entitlements and Contributions	3,072,611	3,827,506	3,979,013	4,270,153	4,508,744	4,797,309	5,342,717
Gain on Sale of Capital Assets	-	35,131	42,204	30,798	0	5,093	91,103
Investment Earnings	753,337	385,766	347,035	635,182	869,675	990,190	733,253
Miscellaneous	219,719	11,170	26,945	9,899	47,195	2,418	15,174
Transfers	<u>0</u>	<u>0</u>	<u>(2,255)</u>	<u>0</u>	<u>0</u>	<u>(68,000)</u>	<u>(295,000)</u>
Total Governmental Activities	<u>20,875,544</u>	<u>20,442,363</u>	<u>20,636,726</u>	<u>22,253,590</u>	<u>23,154,825</u>	<u>26,279,317</u>	<u>27,022,896</u>
Business-type Activities:							
Income Taxes	800,000	750,000	625,000	750,000	625,000	200,000	-
Gain on Sale of Capital Assets	0	0	0	0	0	2,039	2,021
Investment Earnings	34,317	23,108	14,763	38,817	56,756	53,393	51,342
Miscellaneous	12,014	38,389	2,200	21,102	1,982	973	12,791
Transfers	<u>0</u>	<u>0</u>	<u>2,255</u>	<u>0</u>	<u>0</u>	<u>68,000</u>	<u>295,000</u>
Total Business-type Activities	<u>846,331</u>	<u>811,497</u>	<u>644,218</u>	<u>809,919</u>	<u>683,738</u>	<u>324,405</u>	<u>361,154</u>
Total Primary Government	<u>21,721,875</u>	<u>21,253,860</u>	<u>21,280,944</u>	<u>23,063,509</u>	<u>23,838,563</u>	<u>26,603,722</u>	<u>27,384,050</u>
CHANGE IN NET ASSETS							
Governmental Activities	(527,508)	(2,019,304)	(1,372,085)	(689,037)	4,401,727	1,539,063	892,808
Business-type Activities	<u>(321,954)</u>	<u>(637,030)</u>	<u>(1,043,337)</u>	<u>(332,103)</u>	<u>(1,428)</u>	<u>(517,069)</u>	<u>(1,235,269)</u>
Total Primary Government	<u>\$ (849,462)</u>	<u>\$ (2,656,334)</u>	<u>\$ (2,415,422)</u>	<u>\$ (1,021,140)</u>	<u>\$ 4,400,299</u>	<u>\$ 1,021,994</u>	<u>\$ (342,461)</u>

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

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

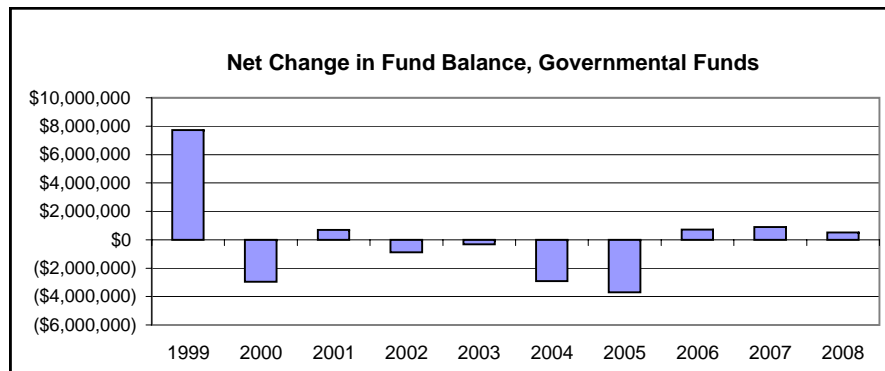
CITY OF WILLOUGHBY, OHIO
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS
(Modified Accrual Basis of Accounting)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
GENERAL FUND										
Reserved for Encumbrances	\$ 334,903	\$ 415,673	\$ 284,971	\$ 626,927	\$ 623,957	\$ 737,236	\$ 771,531	\$ 823,806	\$ 882,759	\$ 470,007
Reserved for Inventory	80,805	78,737	74,236	78,332	69,932	80,453	94,976	92,895	87,616	101,902
Reserved for Prepaid Items	96,794	103,802	257	494	444	4,975	2,176	756	3,583	2,589
Reserved for Long-Term Loan - Airport	1,326,019	1,326,019	1,326,019	1,326,019	1,326,019	1,326,019	1,326,019	1,326,019	1,326,019	1,325,214
Reserved for Non-Current Investments	0	0	0	0	0	0	0	-	-	-
Unreserved	<u>7,584,591</u>	<u>8,352,242</u>	<u>8,901,027</u>	<u>8,569,892</u>	<u>7,538,817</u>	<u>5,789,582</u>	<u>7,240,733</u>	<u>7,671,830</u>	<u>8,683,355</u>	<u>9,781,785</u>
Total General Fund	<u>9,423,112</u>	<u>10,276,473</u>	<u>10,586,510</u>	<u>10,601,664</u>	<u>9,559,169</u>	<u>7,938,265</u>	<u>9,435,435</u>	<u>9,915,306</u>	<u>10,983,332</u>	<u>11,681,497</u>
CAPITAL PROJECTS FUND										
Reserved for Encumbrances	7,106,533	1,645,123	959,118	3,834,942	869,192	4,080,565	1,238,442	1,074,476	801,982	1,164,191
Reserved for Long-Term Loan - Airport	23,176	23,176	23,176	23,176	23,176	23,176	23,176	23,176	23,176	23,176
Unreserved	<u>4,200,015</u>	<u>5,599,781</u>	<u>6,067,075</u>	<u>1,796,861</u>	<u>4,947,920</u>	<u>178,595</u>	<u>(1,624,815)</u>	<u>(2,213,186)</u>	<u>(2,454,931)</u>	<u>(3,240,599)</u>
Total Capital Projects Fund	<u>11,329,724</u>	<u>7,268,080</u>	<u>7,049,369</u>	<u>5,654,979</u>	<u>5,840,288</u>	<u>4,282,336</u>	<u>(363,197)</u>	<u>(1,115,534)</u>	<u>(1,629,773)</u>	<u>(2,053,232)</u>
GENERAL BOND RETIREMENT FUND										
Reserved for Encumbrances	9,877	10,569	11,243	10,342	10,342	10,135	9,786	9,579	9,466	9,466
Reserved for Debt Service	97,729	137,838	149,263	312,866	424,206	264,877	113,013	250,707	361,950	401,984
Reserved for Long-Term Loan - Airport	<u>1,597,836</u>	<u>1,752,401</u>	<u>1,908,553</u>	<u>2,060,800</u>	<u>2,213,922</u>	<u>2,367,617</u>	<u>2,521,572</u>	<u>2,675,465</u>	<u>2,828,962</u>	<u>2,986,722</u>
Total General Bond Retirement Fund	<u>1,705,442</u>	<u>1,900,808</u>	<u>2,069,059</u>	<u>2,384,008</u>	<u>2,648,470</u>	<u>2,642,629</u>	<u>2,644,371</u>	<u>2,935,751</u>	<u>3,200,378</u>	<u>3,398,172</u>
ALL OTHER GOVERNMENTAL FUNDS										
Reserved for Encumbrances	147,319	108,038	171,762	187,584	151,531	165,289	346,559	269,305	420,940	232,134
Reserved for Inventory	107,170	78,861	74,822	90,441	72,295	91,556	89,761	96,601	53,969	99,698
Reserved for Debt Service	527,987	520,772	524,780	501,299	494,498	501,839	407,111	309,313	314,284	318,555
Reserved for Non-Current Investments	0	0	135,163	155,414	97,416	0	0	0	0	0
Unreserved, Reported in Non-major:										
Special Revenue Funds	1,603,995	1,705,114	2,055,523	2,223,921	2,529,278	2,782,400	2,149,819	3,009,947	2,923,745	3,162,378
Permanent Funds	<u>0</u>	<u>0</u>	<u>4,670</u>	<u>2,994</u>	<u>69,924</u>	<u>177,502</u>	<u>185,650</u>	<u>194,057</u>	<u>204,772</u>	<u>213,032</u>
Total All Other Governmental Funds	<u>2,386,471</u>	<u>2,412,785</u>	<u>2,966,720</u>	<u>3,161,653</u>	<u>3,414,942</u>	<u>3,718,586</u>	<u>3,178,900</u>	<u>3,879,223</u>	<u>3,917,710</u>	<u>4,025,797</u>
Total Governmental Funds	<u>\$ 24,844,749</u>	<u>\$ 21,858,146</u>	<u>\$ 22,671,658</u>	<u>\$ 21,802,304</u>	<u>\$ 21,462,869</u>	<u>\$ 18,581,816</u>	<u>\$ 14,895,509</u>	<u>\$ 15,614,746</u>	<u>\$ 16,471,647</u>	<u>\$ 17,052,234</u>



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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
REVENUES:										
Municipal Income Taxes	\$ 12,680,563	\$ 14,810,764	\$ 13,354,406	\$ 12,992,665	\$ 12,668,369	\$ 12,397,156	\$ 13,785,433	\$ 14,492,846	\$ 15,409,976	\$ 15,483,415
Property and Other Local Taxes	3,820,786	3,262,155	3,313,722	3,502,486	3,413,528	3,731,758	3,765,454	3,758,121	5,006,504	4,514,963
Intergovernmental	4,605,130	4,921,733	4,821,165	4,125,294	3,990,786	3,746,018	4,628,339	4,970,308	4,909,115	5,816,651
Charges for Services	379,439	465,399	510,914	546,521	653,144	1,247,253	1,494,868	1,501,349	1,419,620	1,453,966
Special Assessments	1,177,676	1,050,957	999,391	940,926	823,953	749,889	804,264	795,111	626,565	653,084
Fines and Forfeitures	1,411,399	1,743,858	1,792,593	1,960,853	1,919,942	2,206,786	2,093,376	2,413,687	2,479,794	2,392,415
Licenses & Permits	313,868	278,782	256,144	267,526	295,391	256,505	295,003	290,084	265,348	259,563
Interest Income	1,247,685	1,524,249	1,169,800	751,380	383,453	342,562	613,964	868,133	990,190	733,253
Miscellaneous	658,128	705,807	339,659	356,275	122,524	31,540	41,099	53,097	8,304	15,174
Total Revenues	26,294,674	28,763,704	26,557,794	25,443,926	24,271,090	24,709,467	27,521,800	29,142,736	31,115,416	31,322,484
EXPENDITURES:										
General Government	6,196,063	7,777,078	5,136,145	5,638,762	5,732,459	5,797,111	6,266,850	6,553,602	6,673,545	7,120,266
Security of Persons and Property	8,018,149	8,573,790	10,028,770	10,553,571	10,901,632	11,364,567	11,823,182	11,914,013	12,543,192	13,075,937
Public Health and Welfare	261,344	282,611	317,099	343,020	358,299	360,094	365,795	401,034	452,928	470,008
Community Environment	707,381	636,717	776,451	842,798	789,561	842,565	864,530	960,689	1,004,475	963,604
Leisure Time Activities	1,165,211	1,301,193	1,614,383	1,596,663	1,702,114	1,630,472	1,753,660	1,686,071	1,782,007	1,932,142
Transportation	1,239,257	1,366,847	1,485,855	1,633,448	1,706,108	1,521,732	1,671,763	1,377,708	1,651,544	1,897,053
Basic Utility Services	784,543	858,730	856,023	1,198,484	1,019,488	1,225,040	1,044,993	1,079,277	1,097,610	1,229,993
Capital Outlay	4,662,325	9,129,477	4,015,432	2,877,147	7,317,537	3,357,513	5,468,114	3,214,120	3,195,284	2,284,020
Debt Service:										
Principal	1,086,795	998,667	945,723	965,723	892,786	792,787	1,052,787	1,082,786	867,787	822,786
Interest	815,847	830,648	764,140	700,328	712,433	921,710	939,959	883,072	879,325	819,742
Total Expenditures	24,936,915	31,755,758	25,940,021	26,349,944	31,132,417	27,813,591	31,251,633	29,152,372	30,147,697	30,615,551
Excess of Revenues Over (Under) Expenditures	1,357,759	(2,992,054)	617,773	(906,018)	(6,861,327)	(3,104,124)	(3,729,833)	(9,636)	967,719	706,933
OTHER FINANCING SOURCES (USES)										
Transfers In	5,530,931	3,893,196	3,594,283	2,332,691	2,408,457	2,282,225	3,187,377	3,052,750	2,229,479	2,643,521
Transfers Out	(5,530,931)	(3,893,196)	(3,594,283)	(2,332,691)	(2,408,457)	(2,284,480)	(3,187,377)	(2,352,608)	(2,297,479)	(2,938,521)
Debt Issued	6,322,460	9,003	15,675	0	6,350,000	0	0	0	0	0
Sale of Capital Assets	41,896	26,825	48,771	16,949	198,438	195,544	30,798	23,972	5,093	108,639
Total Other Financing Sources (Uses)	6,364,356	35,828	64,446	16,949	6,548,438	193,289	30,798	724,114	(62,907)	(186,361)
Net Change in Fund Balances	\$ 7,722,115	\$ (2,956,226)	\$ 682,219	\$ (889,069)	\$ (312,889)	\$ (2,910,835)	\$ (3,699,035)	\$ 714,478	\$ 904,812	\$ 520,572
Debt Service as a Percentage of Noncapital Expenditures	9.38%	8.08%	7.80%	7.10%	6.74%	7.01%	7.73%	7.58%	6.48%	5.80%



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

<u>Year</u>	<u>Municipal Income Taxes</u>	<u>Property & Other Local Taxes</u>	<u>Total</u>
1999	\$12,680,563	\$3,820,786	\$16,501,349
2000	\$14,810,764	\$3,262,155	\$18,072,919
2001	\$13,354,406	\$3,313,722	\$16,668,128
2002	\$12,992,665	\$3,502,486	\$16,495,151
2003	\$12,668,369	\$3,413,528	\$16,081,897
2004	\$12,397,156	\$3,731,758	\$16,128,914
2005	\$13,785,433	\$3,765,454	\$17,550,887
2006	\$14,492,846	\$3,758,121	\$18,250,967
2007	\$15,409,976	\$5,006,504	\$20,416,480
2008	\$15,483,415	\$4,514,963	\$19,998,378

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

<u>Tax Year</u>	<u>Total Tax Collected</u>	<u>Tax from Withholding</u>	<u>Tax from Net Profit</u>	<u>Tax from Individuals</u>	<u>Tax -Other</u>	<u>Tax Rate</u>
1999	\$13,692,750	\$10,379,302	\$1,897,503	\$1,255,733	\$160,212	2.00%
2000	\$14,152,448	\$11,045,217	\$1,703,834	\$1,268,210	\$135,187	2.00%
2001	\$14,575,935	\$11,320,953	\$1,755,208	\$1,350,731	\$149,043	2.00%
2002	\$14,112,110	\$10,790,467	\$1,611,113	\$1,577,493	\$133,037	2.00%
2003	\$13,858,306	\$10,857,572	\$1,558,334	\$1,323,022	\$119,378	2.00%
2004	\$13,557,840	\$10,887,838	\$1,283,889	\$1,269,308	\$116,805	2.00%
2005	\$14,329,971	\$11,169,549	\$1,687,379	\$1,290,238	\$182,806	2.00%
2006	\$14,655,158	\$11,338,641	\$1,783,693	\$1,371,068	\$161,756	2.00%
2007	\$15,920,284	\$11,861,141	\$2,384,348	\$1,523,109	\$151,686	2.00%
2008	\$15,659,067	\$11,695,646	\$2,434,001	\$1,486,327	\$43,093	2.00%

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

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

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

<u>2008</u>		<u>1999</u>	
<u>Rank</u>	<u>Name</u>	<u>Rank</u>	<u>Name</u>
1	Lake Hospital System	1	Lake Hospital System
2	Willoughby-Eastlake City Schools	2	General Electric Co.
3	City of Willoughby	3	Willoughby-Eastlake City Schools
4	Momentive Performance Material	4	City of Willoughby
5	Ohio Presbyterian - Breckenridge	5	Nupro Company
6	Horizon Mental Health Management	6	Metal Seal & Products
7	Marous Brothers Construction Inc.	7	Freightliner Corp/Sterling
8	Bescast	8	Laurelwood Hospital
9	Fluid Line Products Inc	9	C-T Consultants
10	C-T Consultants	10	Ohio Presbyterian -Breckenridge
 <u>Classification</u>		<u>2008</u>	<u>1999</u>
Government		\$885,055	\$644,794
Commercial, Mfg. & Other		<u>\$4,887,588</u>	<u>\$4,419,015</u>
		\$5,772,643	\$5,063,809

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

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

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

Tax Year/ Collection Year	Assessed Value				Total Taxable Assessed Value	Total Direct Tax Rate	Total Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Real Property	Other Real Estate & Public Utility Property	Tangible Personal Property	Less: Tax Exempt Real Property				
1998/1999	\$297,258,990	\$156,943,480	\$89,622,109	\$60,640,810	\$483,183,769	7.19	\$1,297,607,708	37.24%
1999/2000	\$305,560,840	\$162,392,700	\$88,382,847	\$65,567,120	\$490,769,267	7.19	\$1,320,039,284	37.18%
2000/2001	\$339,572,650	\$180,290,940	\$94,429,869	\$67,543,970	\$546,749,489	6.91	\$1,481,861,856	36.90%
2001/2002	\$349,405,640	\$181,886,770	\$100,628,958	\$70,953,600	\$560,967,768	6.91	\$1,523,217,763	36.83%
2002/2003	\$363,187,500	\$185,031,020	\$108,073,950	\$80,851,260	\$575,441,210	6.89	\$1,563,122,369	36.81%
2003/2004	\$416,371,940	\$204,180,670	\$85,187,771	\$71,339,550	\$634,400,831	6.79	\$1,879,188,798	33.76%
2004/2005	\$421,052,440	\$214,045,810	\$89,138,482	\$70,535,520	\$653,701,212	6.68	\$1,939,600,267	33.70%
2005/2006	\$427,059,970	\$216,085,720	\$68,290,311	\$70,535,520	\$640,900,481	6.58	\$1,880,847,500	34.08%
2006/2007	\$472,614,400	\$231,761,770	\$47,091,463	\$68,324,350	\$683,143,283	8.56	\$2,042,618,094	33.44%
2007/2008	\$480,905,550	\$228,888,060	\$31,602,915	\$65,059,180	\$676,337,345	8.54	\$2,041,574,056	33.13%

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

The current assessed valuation is computed at approximately the following percentages of estimated true value: real property - 35%, public utilities - 100%, and tangible personal property and equipment - 12.5%.

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

Tax Year/ Collection Year	City of Willoughby Direct Rates							Overlapping Rates		Total Direct & Overlapping Rates
	General Fund	Debt Service Fund	Police Pension Fund	Fire Pension Fund	Recreation Fund	Road & Bridge Fund	Total City Millage	Lake County	Willoughby/ Eastlake, Kirtland School Districts	
1998/1999	3.00	3.09	0.30	0.30	0.50		7.19	15.60	47.01 (1)	69.80
1999/2000	3.00	3.09	0.30	0.30	0.50		7.19	15.70	47.73 (2)	70.62
2000/2001	3.16	2.65	0.30	0.30	0.50		6.91	15.70	47.14 (2)	69.75
2001/2002	3.16	2.65	0.30	0.30	0.50		6.91	15.70	47.07 (2)	69.68
2002/2003	3.16	2.63	0.30	0.30	0.50		6.89	15.70	46.89 (2)	69.48
2003/2004	3.50	2.19	0.30	0.30	0.50		6.79	15.70	48.69 (2)	71.18
2004/2005	3.50	2.08	0.30	0.30	0.50		6.68	15.70	51.07 (2)	73.45
2005/2006	3.05	2.43	0.30	0.30	0.50		6.58	15.70	50.70 (2)	72.98
2006/2007	3.48	1.98	0.30	0.30	0.50	2.00	8.56	15.70	49.82 (2)	74.08
2007/2008	3.49	1.95	0.30	0.30	0.50	2.00	8.54	15.80	49.94 (2)	74.28

(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 additional 1.00 mill Library Levy. Total Library millage is 1.30 mills.

Source: Lake County Auditor's Office

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

Tax Year/ Collection Year	Net Tax Levy	Current Collections	Percentage of Current Collection to Net Levy	Delinquent Collections	Total Collections	Percentage of Total Collections to Net Levy
1998/1999	\$1,833,757	\$1,796,616	98.0%	\$36,811	\$1,833,427	100.0%
1999/2000	\$1,836,700	\$1,822,467	99.2%	\$33,461	\$1,855,928	101.0%
2000/2001	\$1,949,795	\$1,884,905	96.7%	\$34,991	\$1,919,896	98.5%
2001/2002	\$2,042,246	\$1,940,284	95.0%	\$61,636	\$2,103,882	103.0%
2002/2003	\$2,004,503	\$1,941,218	96.8%	\$44,057	\$1,985,275	99.0%
2003/2004	\$2,240,564	\$2,184,322	97.5%	\$50,360	\$2,234,682	99.7%
2004/2005	\$2,255,994	\$2,184,310	96.8%	\$58,281	\$2,242,591	99.4%
2005/2006	\$2,339,615	\$2,270,168	97.0%	\$63,732	\$2,333,900	99.8%
2006/2007	\$3,572,756	\$3,491,172	97.7%	\$82,552	\$3,573,724	100.0%
2007/2008	\$3,577,702	\$3,410,633	95.3%	\$79,475	\$3,490,108	97.6%

Source: Lake County Auditor's Office

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

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

Year	GOVERNMENTAL ACTIVITIES				BUSINESS-TYPE ACTIVITIES			Total Primary Government	Total Personal Income	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Special Assessment Bonds	OWDA & OPWC	Bond Antic & Notes Payable	Enterprise Bonds w/G.O. Commitment	OWDA & OPWC	Bond Antic & Notes Payable				
1999	\$12,259,340	\$2,007,200	\$13,195	\$0	\$3,857,580	\$4,771,705	\$0	\$22,909,020	\$349,857,838	6.55%	1,066
2000	\$11,635,716	\$1,645,352	\$9,003	\$225,000	\$3,598,930	\$5,046,849	\$0	\$22,160,850	\$535,054,513	4.14%	980
2001	\$11,027,846	\$1,307,949	\$24,228	\$175,000	\$3,284,203	\$5,624,460	\$0	\$21,443,686	\$535,054,513	4.01%	948
2002	\$10,399,976	\$970,547	\$23,778	\$4,220,000	\$4,754,476	\$6,129,760	\$0	\$26,498,537	\$535,054,513	4.95%	1,171
2003	\$16,107,107	\$721,863	\$22,544	\$4,525,000	\$4,486,029	\$6,967,723	\$0	\$32,830,266	\$535,054,513	6.14%	1,451
2004	\$15,457,842	\$579,575	\$21,310	\$4,650,000	\$4,187,581	\$5,997,457	\$0	\$30,893,765	\$535,054,513	5.77%	1,366
2005	\$14,548,577	\$437,287	\$20,076	\$4,950,000	\$4,241,386	\$5,196,758	\$0	\$29,394,084	\$535,054,513	5.49%	1,299
2006	\$13,609,312	\$295,000	\$18,842	\$5,060,000	\$3,851,926	\$4,330,082	\$0	\$27,165,162	\$535,054,513	5.08%	1,201
2007	\$12,762,760	\$275,000	\$17,607	\$5,000,000	\$3,450,662	\$4,724,594	\$1,350,000	\$27,580,623	\$535,054,513	5.15%	1,219
2008	\$11,966,207	\$250,000	\$16,374	\$5,200,000	\$3,031,117	\$6,247,768	\$1,610,000	\$28,321,466	\$535,054,513	5.29%	1,252

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

(1) See the schedule of Demographic and Economic Statistics on page 122 for personal income and population data.

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

<u>Year</u>	<u>General Obligation Bonds(1)</u>	<u>Less: Amount of Assets Restricted for Repayment of Debt</u>	<u>Total</u>	<u>Percent of Estimated Actual Taxable Value of Property (2)</u>	<u>Per Capita (3)</u>
2002	\$11,319,976	\$4,275,119	\$7,044,857	0.46%	\$311
2003	\$16,912,107	\$273,062	\$16,639,045	1.06%	\$736
2004	\$16,142,842	\$1,812,314	\$14,330,528	0.76%	\$634
2005	\$15,108,577	\$3,952,630	\$11,155,947	0.58%	\$493
2006	\$14,039,312	\$3,477,601	\$10,561,711	0.56%	\$467
2007	\$13,057,760	\$3,694,588	\$9,363,172	0.46%	\$414
2008	\$12,116,206	\$3,895,510	\$8,220,696	0.40%	\$363

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

- (1) All bonded debt of the City of Willoughby is backed by the full faith and credit of the city. However, those issues that have been in the past and are currently supported by business-type activities or issued by outside agencies are not included in G O Bonds.
- (2) See the schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 114 for property value data.
- (3) Population data can be found in the schedule of Demographic and Economic Statistics on page 122.

CITY OF WILLOUGHBY, OHIO
DIRECT AND OVERLAPPING DEBT
DECEMBER 31, 2008
(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	\$ 676,337,345	<u>\$ 12,116,206</u>	100.00%	<u>\$ 12,116,206</u>
Overlapping:				
Willoughby-Eastlake City Schools	\$ 1,873,105,902	\$ 915,000	35.56%	\$ 325,374
Kirtland Local School District	\$ 352,895,733	\$ 16,064,992	3.73%	\$ 599,224
Auburn Joint Vocational S.D.	\$ 2,612,948,738	\$ 0	0.50%	\$ 0
Lake County	\$ 6,876,799,810	<u>\$ 21,685,000</u>	9.84%	<u>\$ 2,133,804</u>
Total Overlapping		<u>\$ 38,664,992</u>		<u>\$ 3,058,402</u>
Total Direct and Overlapping Debt		<u>\$ 50,781,198</u>		<u>\$ 15,174,608</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
LEGAL DEBT MARGIN INFORMATION
LAST TEN YEARS

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Overall Debt Limitation - 10.5% of Assessed Valuation	\$ 50,734,296	\$ 51,323,131	\$ 57,408,696	\$ 58,901,616	\$ 60,421,327	\$ 66,612,087	\$ 68,638,627	\$ 67,294,551	\$ 71,730,045	\$ 71,015,421
Gross Indebtedness	22,909,020	22,160,850	21,443,686	26,498,537	32,830,266	30,893,765	29,394,084	27,165,163	27,580,623	28,321,465
Less:										
OWDA	(4,596,705)	(4,890,852)	(5,261,783)	(5,777,083)	(6,485,430)	(5,607,043)	(4,830,653)	(3,988,288)	(4,303,686)	(5,839,487)
OPWC	(175,000)	(165,000)	(386,905)	(376,455)	(504,837)	(411,724)	(386,181)	(360,637)	(438,515)	(424,655)
Special Assessment Bond & Notes	(2,007,200)	(1,870,352)	(1,482,949)	(5,190,547)	(5,246,863)	(5,229,575)	(5,387,287)	(5,355,000)	(6,625,000)	(7,060,000)
Sewer Debt	(893,657)	(823,930)	(754,203)	(684,476)	(616,029)	(547,581)	(841,386)	(696,926)	(550,662)	(401,117)
Golf Debt	(1,765,000)	(1,635,000)	(1,500,000)	(3,150,000)	(3,065,000)	(2,955,000)	(2,840,000)	(2,725,000)	(2,605,000)	(2,480,000)
	<u>(9,437,562)</u>	<u>(9,385,134)</u>	<u>(9,385,840)</u>	<u>(15,178,561)</u>	<u>(15,918,159)</u>	<u>(14,750,923)</u>	<u>(14,285,507)</u>	<u>(13,125,851)</u>	<u>(14,522,863)</u>	<u>(16,205,259)</u>
Net Debt Within 10.5% Limitations	13,471,458	12,775,716	12,057,846	11,319,976	16,912,107	16,142,842	15,108,577	14,039,312	13,057,760	12,116,206
Legal Debt Margin Within 10.5% Limitation*	<u>\$ 37,262,838</u>	<u>\$ 38,547,415</u>	<u>\$ 45,350,850</u>	<u>\$ 47,581,640</u>	<u>\$ 43,509,220</u>	<u>\$ 50,469,245</u>	<u>\$ 53,530,050</u>	<u>\$ 53,255,239</u>	<u>\$ 58,672,285</u>	<u>\$ 58,899,215</u>
Total Net Debt Applicable to the 10.5% Limit as a Percentage of the Debt Limit	26.55%	24.89%	21.00%	19.22%	27.99%	24.23%	22.01%	20.86%	18.20%	17.06%
Unvoted Debt Limitation - 5.5% of Assessed Valuation	\$ 26,575,107	\$ 26,883,545	\$ 30,071,222	\$ 30,853,227	\$ 31,649,267	\$ 34,892,046	\$ 35,953,567	\$ 35,249,526	\$ 37,572,881	\$ 37,198,554
Net Debt Within 10.5% Limitations	13,471,458	12,775,716	12,057,846	11,319,976	16,912,107	16,142,842	15,108,577	14,039,312	13,057,760	12,116,206
Less Debt Outside Limitations (Voted)	<u>(6,618,950)</u>	<u>(6,375,000)</u>	<u>(6,160,000)</u>	<u>(5,940,000)</u>	<u>(5,715,000)</u>	<u>(5,480,000)</u>	<u>(5,240,000)</u>	<u>(4,995,000)</u>	<u>(4,740,000)</u>	<u>(4,555,000)</u>
Debt Within 5.5% Limitations	<u>6,852,508</u>	<u>6,400,716</u>	<u>5,897,846</u>	<u>5,379,976</u>	<u>11,197,107</u>	<u>10,662,842</u>	<u>9,868,577</u>	<u>9,044,312</u>	<u>8,317,760</u>	<u>7,561,206</u>
Legal Debt Margin Within 5.5% Limitation*	<u>\$ 19,722,599</u>	<u>\$ 20,482,829</u>	<u>\$ 24,173,376</u>	<u>\$ 25,473,251</u>	<u>\$ 20,452,160</u>	<u>\$ 24,229,204</u>	<u>\$ 26,084,990</u>	<u>\$ 26,205,214</u>	<u>\$ 29,255,121</u>	<u>\$ 29,637,348</u>
Total Debt Applicable to the 5.5% Limit as a Percentage of the Debt Limit	25.79%	23.81%	19.61%	17.44%	35.38%	30.56%	27.45%	25.66%	22.14%	20.33%

LEGAL DEBT MARGIN CALCULATION FOR 2008

Assessed Valuation	\$ 676,337,345
Overall Debt Limitation -(10.5% of Assessed Valuation)	\$ 71,015,421
Gross Indebtedness	28,321,465
Less :	
OWDA/OPWC	(6,264,142)
Special Assessment Bonds & Note	(7,060,000)
Sewer Debt	(401,117)
Recreation- Golf Debt	(2,480,000)
Net Debt Within 10.5% Limitations-General Obligation Bonds	<u>12,116,206</u>
Legal Debt Margin Within 10.5% Limitation	<u>\$ 58,899,215</u>
Unvoted Debt Limitation -(5.5% of Assessed Valuation)	\$ 37,198,554
Gross Indebtedness Authorized by Council	12,116,206
Less Debt Outside Limitations- Voted	(4,555,000)
Debt Within 5.5% Limitations	<u>7,561,206</u>
Legal Debt Margin Within 5.5% Limitation	<u>\$ 29,637,348</u>

* Calculated without regard to balance in Debt Service funds.

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

SPECIAL ASSESSMENT BONDS

<u>YEAR</u>	<u>SPECIAL ASSESSMENT COLLECTIONS</u>	<u>DEBT SERVICE</u>		<u>COVERAGE</u>
		<u>PRINCIPAL</u>	<u>INTEREST</u>	
1999	\$556,570	\$366,780	\$198,145	0.99
2000	\$532,839	\$361,848	\$164,411	1.01
2001	\$488,793	\$337,403	\$131,265	1.04
2002	\$426,697	\$337,403	\$99,901	0.98
2003	\$320,762	\$248,683	\$68,530	1.01
2004	\$204,149	\$142,288	\$48,261	1.07
2005	\$191,240	\$142,288	\$37,946	1.06
2006	\$177,310	\$142,288	\$27,612	1.04
2007	\$43,612	\$20,000	\$17,257	1.17
2008	\$47,068	\$25,000	\$16,088	1.15

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

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

Year	Total Population (1)	Total Personal Income (2)	Per Capita Personal Income (1)	Median Household Income (1)	Median Age (1)	Education Attainment: Bachelor's Degree or Higher (1)	School Enrollment (4)	Unemployment Rate (3)	Population in Group Quarters (1)	Total Dwelling Units	Occupied Dwelling Units Households	Persons Per/Owner Households	Owner Occupied Housing Units (%)	Occupied County Population
1999	21,494	\$349,857,838	\$16,277	\$37,980	35.7	19.4%	3,486	4.0%	264	8,969	8,732	2.58	61.4	215,499
2000	22,621	\$535,054,513	\$23,653	\$43,387	39.1	23.8%	3,412	3.6%	351	10,700	10,265	2.40	59.8	227,511
2001	22,621	\$535,054,513	\$23,653	\$43,387	39.1	23.8%	3,383	4.2%	351	10,700	10,265	2.40	59.8	227,511
2002	22,621	\$535,054,513	\$23,653	\$43,387	39.1	23.8%	3,367	6.1%	351	10,700	10,265	2.40	59.8	227,511
2003	22,621	\$535,054,513	\$23,653	\$43,387	39.1	23.8%	3,416	5.6%	351	10,700	10,265	2.40	59.8	227,511
2004	22,621	\$535,054,513	\$23,653	\$43,387	39.1	23.8%	3,471	5.4%	351	10,700	10,265	2.40	59.8	227,511
2005	22,621	\$535,054,513	\$23,653	\$43,387	39.1	23.8%	3,563	5.1%	351	10,700	10,265	2.40	59.8	227,511
2006	22,621	\$535,054,513	\$23,653	\$43,387	39.1	23.8%	3,734	5.4%	351	10,700	10,265	2.40	59.8	227,511
2007	22,621	\$535,054,513	\$23,653	\$43,387	39.1	23.8%	3,848	5.6%	351	10,700	10,265	2.40	59.8	227,511
2008	22,621	\$535,054,513	\$23,653	\$43,387	39.1	23.8%	3,853	6.6%	351	10,700	10,265	2.40	59.8	227,511

(1) Source: U.S. Bureau of the Census 2000, & 1999 Interim Population Estimates

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

(3) Source: Ohio Bureau of Employment Statistics for 2006 and prior, 2007 & 2008 U.S Bureau of Labor Statistics

(4) Source: Willoughby-Eastlake Board of Administration

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

Employer	2008			1999		
	Employees(2)	Rank	Percentage of Total City Employment(3)	Employees(1)	Rank	Percentage of Total City Employment
Lake Hospital System (Lake West)	669	1	4.05%	549	1	NA
Willoughby-Eastlake City Schools	458	2	2.77%	390	2	NA
Ohio Presbyterian -Breckenridge	450	3	2.72%	380	3	NA
Momentive Performance/G E Quartz	400	4	2.42%	300	4	NA
Windsor-Laurelwood Hospital	298	5	1.80%	300	4	NA
City of Willoughby	238	6	1.44%	236	7	NA
Giant Eagle	225	7	1.36%			
Deepwood Sheltered Industries	200	8	1.21%	200	9	NA
Bescast	200	8	1.21%			
BJ's Wholesale Club	180	10	1.09%			
Metal Seal & Products				250	6	NA
CT Consultants, Inc.				212	8	NA
Sterling Truck				180	10	NA
Total Citywide (3)	<u>3318</u>		<u>16532</u>	<u>2997</u>		NA

Source:

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

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

FULL-TIME EMPLOYEES AS OF DECEMBER 31

<u>FUNCTION/PROGRAM</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<u>Governmental</u>										
General Government										
Council	8	8	8	8	8	8	8	8	8	8
Mayor	2	2	2	2	2	2	2	2	2	2
Law	3	3	3	3	3	3	3	3	3	3
Personnel	1	1	1	1	1	1	1	1	1	1
Court	25	24	25	26	25	26	26	26	27	26
Building & Grounds	6	8	6	8	8	8	8	7	7	7
Finance	10	11	10	9	9	9	9	9	9	9
Service	6	6	6	6	6	6	6	6	5	5
Vehicle Maintenance	6	6	5	5	5	5	5	5	5	5
Security of Persons and Property										
Police	57	59	60	60	60	60	60	59	59	59
Fire	44	44	43	44	44	42	41	40	41	41
Public Health and Welfare										
Cemetery	3	3	3	3	3	2	2	3	3	3
Community Environment										
Building	8	8	8	8	8	8	8	8	8	8
Community Development	2	2	2	2	2	2	2	2	2	2
Leisure Time Activities										
Parks	5	5	4	5	5	5	5	5	5	5
Recreation	7	7	7	7	7	7	7	7	7	7
Transportation										
Street	16	16	16	15	15	13	12	12	12	12
Traffic	3	3	3	3	3	2	2	2	2	2
Total Governmental	<u>212</u>	<u>216</u>	<u>212</u>	<u>215</u>	<u>214</u>	<u>209</u>	<u>207</u>	<u>205</u>	<u>206</u>	<u>205</u>
<u>Business-Type</u>										
Sewer										
Sewer	7	7	7	7	7	7	7	7	7	7
WPCC	23	23	23	23	23	23	22	21	22	22
Airport	1	1	1	1	1	1	1	1	1	1
Golf Course	4	4	4	4	4	3	3	3	3	3
Total Business-Type	<u>35</u>	<u>35</u>	<u>35</u>	<u>35</u>	<u>35</u>	<u>34</u>	<u>33</u>	<u>32</u>	<u>33</u>	<u>33</u>
Totals	<u>247</u>	<u>251</u>	<u>247</u>	<u>250</u>	<u>249</u>	<u>243</u>	<u>240</u>	<u>237</u>	<u>239</u>	<u>238</u>

Source: City of Willoughby Finance Dept.

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

<u>OPERATING INDICATORS BY FUNCTION/PROGRAM</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<u>Governmental</u>										
General Government										
Council - Ordinances & Resolutions	212	214	215	221	169	159	190	177	155	165
Personnel - Civil Service Exams (taken)	201	110	133	178	71	139	156	137	30	34
Court - Number of cases	18,094	18,537	17,367	20,096	20,059	21,089	18,984	18,735	17,811	18,653
Finance										
Number of A/P checks processed	8,362	8,814	9,691	8,308	8,301	7,739	7,244	7,076	7,047	6,785
Number of purchase orders issued	1,100	1,116	1,126	1,046	1,058	856	837	945	963	980
Security of Persons and Property										
Police										
Total Arrests & other Citations	5,436	5,405	7,048	7,391	6,296	6,632	5,886	5,548	5,436	5,347
Parking Citations	1,857	1,707	NA	1,745	1,543	1,696	1,552	1,554	1,567	1,637
Fire										
Total Number of Calls	4,012	4,112	3,999	4,213	4,467	4,375	4,526	4,543	4,555	4,643
Public Health and Welfare										
Cemetery (plots sold)	57	43	59	68	72	90	60	55	84	52
Community Environment										
Building										
Building Permits Issued	1,074	1,039	961	1,065	1,100	1,010	978	993	897	836
Inspections - Residential	4,022	4,373	4,057	4,218	4,696	3,490	3,438	5,150	4,340	3,417
- Industrial	2,473	1,983	1,544	1,652	1,572	994	1,260	1,113	606	853
Leisure Time Activities										
Parks - Bus Rides	6,332	6,188	6,244	4,048	5,236	5,378	5,616	8,746	7,343	8,780
- Program Participants	433	488	511	432	368	488	312	307	301	361
Pools - Bus Rides	3,007	1,776	1,887	1,165	1,448	discontinued				
- Attendance	56,994	62,094	75,260	74,414	60,705	53,860	71,466	66,868	68,544	70,656
Senior Center - Membership	1,773	1,517	1,285	1,426	1,219	1,133	1,095	1,316	1,346	1,200
- Attendance	20,409	20,620	21,134	22,786	23,316	22,481	24,948	26,329	27,503	27,523
<u>Business-Type</u>										
Sewer										
Sewer - Point of Sale Inspections	309	360	298	325	295	330	319	324	268	237
WPCC										
Flow Data MG (millions of gallons)	24	2,556	2,369	2,446	28	2,558	2,624	2,705	2,365	2,520
Golf Course										
Rounds of golf	58,458	50,673	51,009	44,610	41,856	41,842	44,930	39,623	38,698	33,853

Source: Various Willoughby Departments

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

FUNCTION/PROGRAM	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Governmental Capital Assets										
General Government										
Other Departmental Vehicles	43	44	43	43	40	40	40	42	43	43
City Hall Square Footage	25,884	25,884	25,884	25,884	25,884	25,884	25,884	25,884	25,884	25,884
Municipal Court Square Footage							30,950	30,950	30,950	30,950
Security of Persons and Property										
Police										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Number of Vehicles	24	25	28	29	31	31	32	32	32	33
Square Footage of Building	28,924	28,924	28,924	28,924	28,924	28,924	28,924	28,924	28,924	28,924
Fire										
Number of Stations	2	2	2	2	2	2	2	2	2	2
Number of Vehicles	17	17	17	15	15	16	16	17	18	18
Square Footage of Buildings	27,886	27,886	37,878	37,878	37,878	37,878	37,878	37,878	37,878	37,878
Public Health and Welfare										
Cemetery										
Number of Cemeteries	2	2	2	2	2	2	2	2	2	2
Number of Acres	50	50	50	50	50	50	50	50	50	50
Number of Vehicles	2	2	2	2	2	2	2	2	2	2
Community Environment										
Building & Zoning										
Number of Vehicles	5	5	5	5	5	5	5	5	5	5
Leisure Time Activities										
Number of Parks	12	12	12	12	13	14	14	14	14	14
Parks Acreage	153	153	153	153	186	186	186	186	186	152
Number of Swimming Pools	2 large / 1sm	2 large / 1sm	2 large / 1sm	2 large / 1sm	2 large / 1sm	2 large / 1sm	2 large / 1sm	2 large / 1sm	2 large / 1sm	2 large / 1sm
Number of Ballfields	15	15	15	15	14	14	14	14	14	15
Recreation - Senior Center	1	1	1	1	1	1	1	1	1	1
Senior Center Square Footage	31,974	31,974	31,974	31,974	31,974	31,974	31,974	31,974	31,974	31,974
Number of Vehicles	14	14	14	14	13	13	13	13	14	15
Transportation										
Miles of Streets	80	80	80	80	89	89	89	89	89	89
Number of Street Lights	2,875	2,875	2,875	2,920	2,920	2,920	2,920	2,920	2,920	2,920
Number of Traffic Lights	354	354	354	354	354	354	354	354	354	354
Business-Type Capital Assets										
Sewers										
Miles of Sanitary Sewers	93	93	93	93	93	93	93	93	93	93
Miles of Storm Sewers	92	92	92	92	92	92	92	92	92	92
Airport										
Number of Runways	2	2	2	2	2	2	2	2	2	2
Golf Course										
Number of Holes	18	18	18	18	18	18	18	18	18	18
Number of Acres	141	141	141	141	141	141	141	141	141	141
Number of Vehicles	1	1	1	1	1	1	1	1	2	3

Sources: Various Willoughby Departments
Municipal Court completed 2005



The City of Willoughby, Ohio



History



Family



Fun



Progress



Mary Taylor, CPA
Auditor of State

CITY OF WILLOUGHBY

LAKE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 30, 2009**