



Dave Yost • Auditor of State

**CITY OF WILLOUGHBY
LAKE COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

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

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, 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, (the City) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 27, 2016, wherein we noted the City adopted Government Accounting Standard (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* - an amendment of GASB Statement No. 27 and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the City's internal control. Accordingly, we have not opined on it.

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

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

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

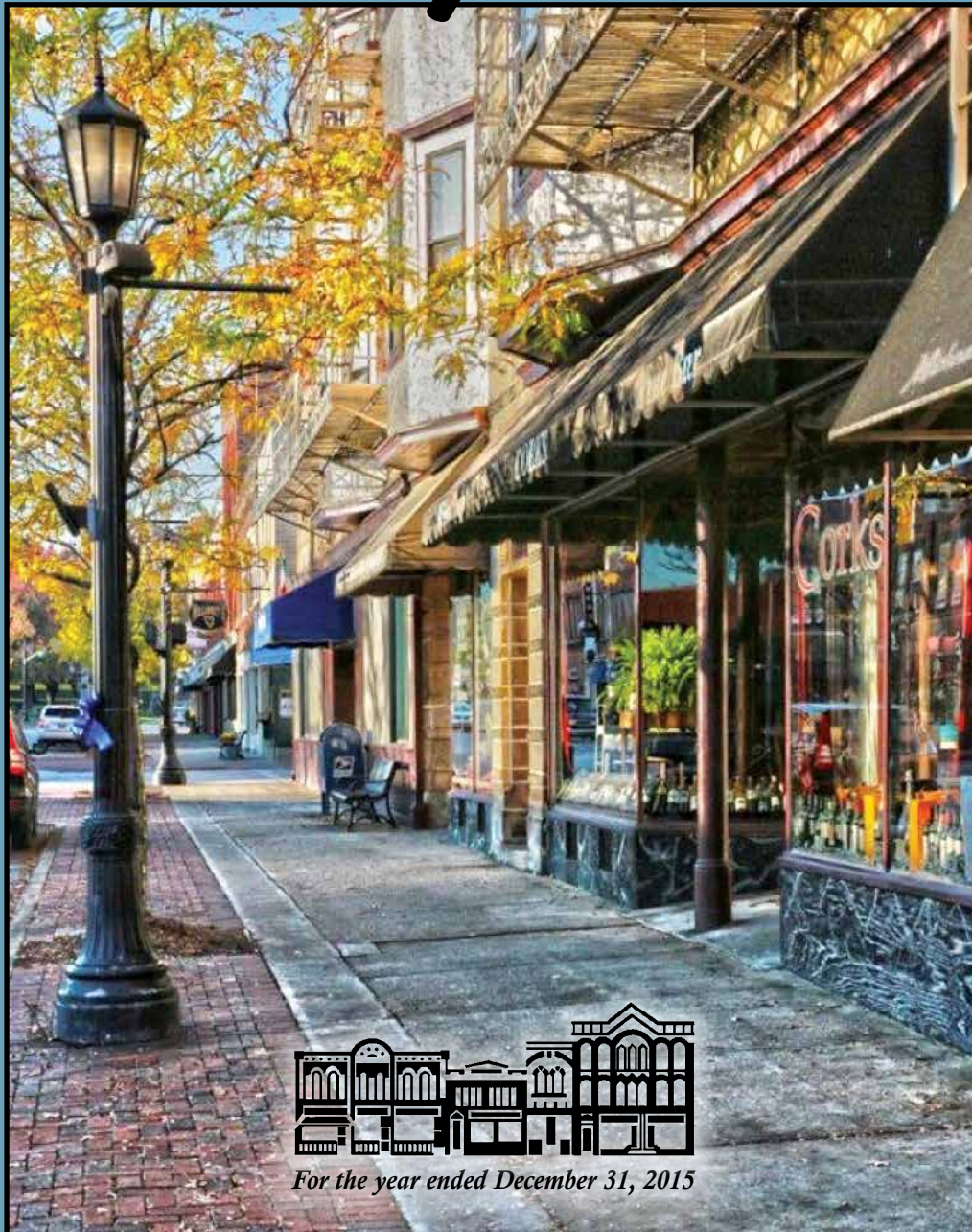
May 27, 2016

T H E C I T Y O F W I L L O U G H B Y , O H I O

2015

COMPREHENSIVE ANNUAL FINANCIAL

Report



For the year ended December 31, 2015

2015

COMPREHENSIVE ANNUAL FINANCIAL REPORT

for the year ended December 31, 2015

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

Deputy Finance Director
Diane C. Bosley, CPA

Staff Accountant
Cher Hoffman

Secretary
Mia A. Cook

Finance Staff
Nancy Kukoleck
Veronica Novotney
Christine Pedersen
Debbie Schreibman

The City of
Willoughby, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2015

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City Of Willoughby

David E. Anderson
Mayor and Safety Director

May 27, 2016

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, 2015 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 Dave Yost, Auditor of State for the State of Ohio. The goal of the audit was to provide reasonable assurance that the financial statements of the City for the year ended December 31, 2015, are free of material misstatement. The audit involved testing evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and the significant estimates made by management; and evaluation of the overall financial statement presentation. Based upon the audit, the independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended December 31, 2015, are fairly presented in conformity with GAAP. The Independent Auditor's Report is presented at the front of the financial section of this report.

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

PROFILE OF THE GOVERNMENT

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

v

"The Courtesy City"

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

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

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

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

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

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

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

LOCAL ECONOMY

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

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

The City also offers a full complement 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 complement our existing neighborhoods and business areas.

MAJOR INITIATIVES

The City continues work on various sanitary sewer projects throughout the City and worked towards completing a storm sewer analysis which will provide a blueprint for future projects. Approximately \$1.2 million was spent on road rehabilitation and resurfacing through a tax levy provided by the voters of the City.

RELEVANT FINANCIAL POLICIES

Union contracts were negotiated and completed in 2013 and were re-negotiated in 2016. The new three-year contracts were settled with 2.5% wage increases in each year and an increase in employee share of health insurance costs.

LONG TERM FINANCIAL PLANNING

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

The City established a formal self-insurance program for liabilities arising from the City's participation in the State's Workers' Compensation Retrospective Rating Plan that began in 2014. The City, because of previous exposure, expected to see a significant increase in rates and chose to prefund liabilities in 2013. The effect of this prefunding is to smooth costs now and into the future.

In 2015 and 2016, the City went back into the State Fund. The State Fund is changing to a prospective rating and collection system which will allow the City a 50% credit on its rate for those two years.

AWARDS & ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement of Excellence in Financial Reporting to the City of Willoughby for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2014. This was the 29th consecutive year that the City of Willoughby has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the City of Willoughby published an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

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

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

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

Respectfully submitted,



Raymond J. Rogowski
Finance Director



Diane C. Bosley, CPA
Deputy Finance Director

T H E C I T Y O F W I L L O U G H B Y , O H I O

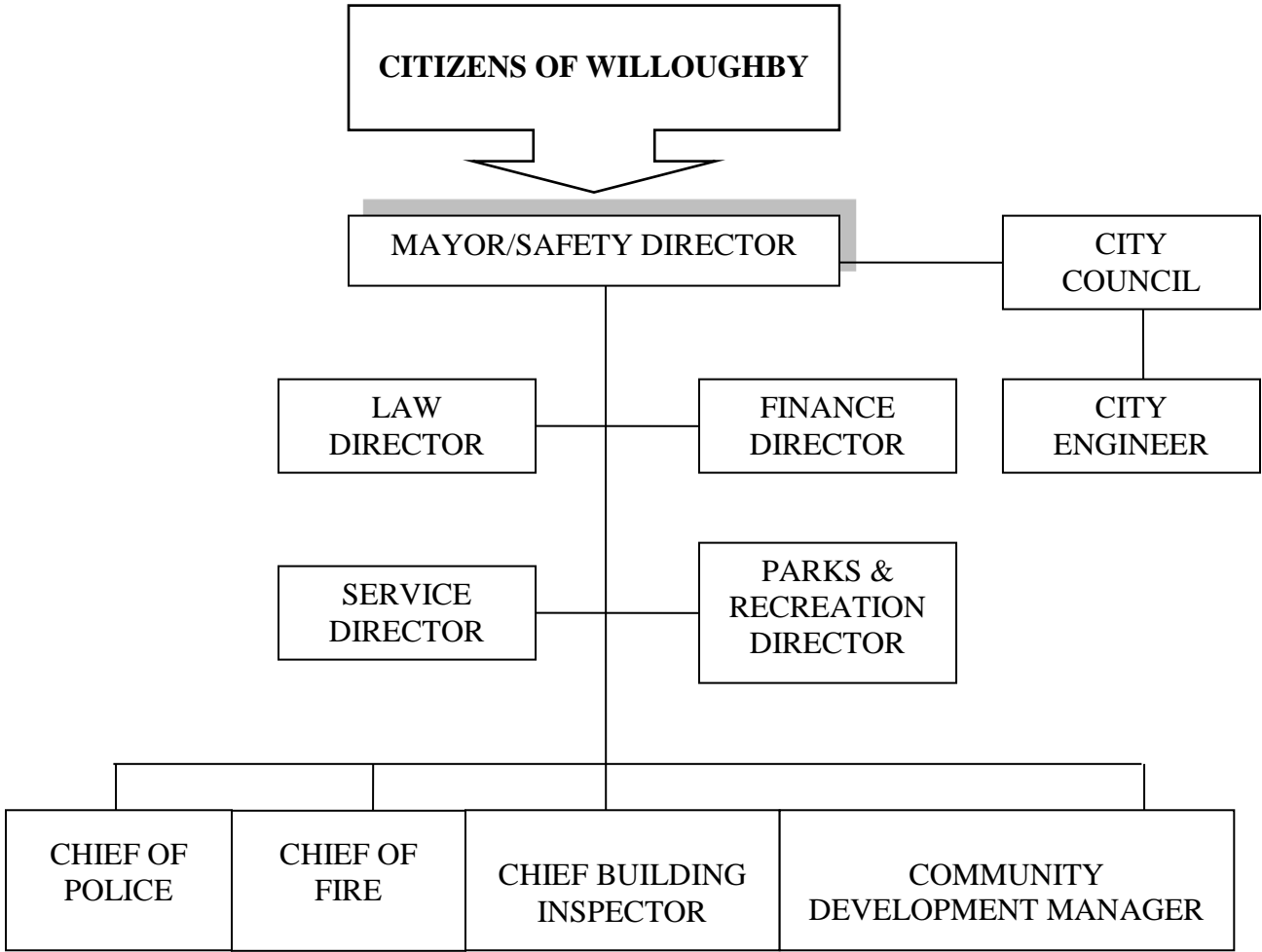


ENRICHED BY ITS HISTORY
Prepared for its Future



ORGANIZATIONAL CHART

The City of
Willoughby, Ohio



ELECTED & APPOINTED OFFICIALS

The City of
Willoughby, Ohio

Mayor
David E. Anderson

CITY COUNCIL

Ward 5
Jerome P. Ranally / President

Ward 1
Christopher W. Woodin

Ward 3
Robert A. Fiala

Ward 6
Robert J. Harrold

Ward 2
Steve T. Norris

Ward 4
Robert E. Carr

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*
Judean Banker



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Willoughby
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

Executive Director/CEO



The City of Willoughby™



Financial Information





Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the City Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Willoughby, Lake County, Ohio (the City), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

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, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during the year ended December 31, 2015, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and also GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* and schedules of net pension liabilities and pension contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the City's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 2016, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive, flowing style.

Dave Yost
Auditor of State
Columbus, Ohio

May 27, 2016



The City of Willoughby™

CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015
UNAUDITED

The discussion and analysis of the City of Willoughby's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2015. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers are encouraged to consider the information presented here in conjunction with the additional information contained in the transmittal letter, financial statements and the notes to those financial statements to enhance their understanding of the City's performance.

Financial Highlights

The assets and deferred outflows of resources of the City of Willoughby exceeded liabilities and deferred inflows by \$62,988,432. Assets and deferred outflows of resources in Governmental activities exceeded liabilities and deferred inflows of resources by \$37,549,652 and by \$25,438,780 in Business-Type activities. The total assets and deferred outflows of the City decreased by \$1,778,522.

Total liabilities and deferred inflows of resources of the City of Willoughby decreased \$83,155 as compared to 2014. The total liabilities and deferred inflows of resources of governmental activities decreased by \$607,277 and the total liabilities and deferred inflows of business type-activities increased by \$524,122.

As a result of new reporting requirements, the City is showing a deficit total net position unrestricted of \$14,397,387. The deficit increased by \$833,826 in Governmental activities and decreased by \$188,791 in Business-Type activities. More information regarding these reporting changes follows in this analysis.

The overall financial condition of the City reflects a reduction of \$1,695,367 in comparing 2015 to 2014. Governmental Activities decreased by \$2,176,700 while Business-Type activities increased by \$481,333.

New Accounting Standard

During 2015, the City adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB 68, the net pension liability equals the City's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015
UNAUDITED

GASB notes that pension obligations, whether funded or unfunded, are part of the “employment exchange” – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer’s promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the City’s statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan’s change in net pension liability not accounted for as deferred inflows/outflows.

As a result of implementing GASB 68, the City is reporting a net pension asset and liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2014 from \$60,865,656 to \$39,726,352 for governmental activities and from \$26,532,764 to \$24,957,447 for business type activities.

Using This Annual Financial Report

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

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

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

The statement of net position presents information on all the City’s assets, deferred outflows of resources, liabilities and deferred inflows of resources with the residual being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the

CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015
UNAUDITED

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

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

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

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

Government-wide financial statements can be found starting on page 18 of this report.

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

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

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

The City maintains 23 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

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

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

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

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

Proprietary Funds - The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Sewer fund and Golf Course fund. Internal Service Funds are an accounting device used to accumulate and allocate costs internally to the City's various functions. The City has one Internal Service Fund to account for workers' compensation coverage.

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

The basic proprietary fund financial statements can be found starting on page 25 of this report.

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

Notes to the Basic Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found starting on page 30 of this report.

Other Information

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

After the notes to the basic financial statements, this report presents required supplementary information concerning the City of Willoughby's proportionate share of net pension liability and required pension contributions. Required supplementary information can be found starting on page 78.

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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 83 of this report.

Government-wide Financial Analysis

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

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

The City of Willoughby as a Whole

By far, the largest portion of the City's net position, at 6.5% greater value, is its investment in capital assets (e.g. land, infrastructure, building, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses those capital assets to provide services to its citizens; consequently these assets are not available for future spending. Although the City's investment is reported net of related debt and any deferred outflows/inflows of resources, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities. The following table provides a summary of the City's net position for 2015 compared to 2014.

	City of Willoughby's Net Position					
	Governmental Activities		Business-type Activities		Total Government	
	2015	2014-Restated	2015	2014-Restated	2015	2014-Restated
Current and other assets	28,293,236	29,872,664	2,765,583	2,386,766	31,058,819	32,259,430
Capital assets	58,551,745	60,898,607	35,184,643	34,651,717	93,736,388	95,550,324
Total Assets	86,844,981	90,771,271	37,950,226	37,038,483	124,795,207	127,809,754
Total Deferred Outflows of Resources	3,488,862	2,346,549	355,255	261,543	3,844,117	2,608,092
Current and other liabilities	7,257,005	8,107,807	262,598	364,518	7,519,603	8,472,325
Long term liabilities outstanding	42,204,219	42,107,819	12,571,014	11,978,061	54,775,233	54,085,880
Total Liabilities	49,461,224	50,215,626	12,833,612	12,342,579	62,294,836	62,558,205
Total Deferred Inflows of Resources	3,322,967	3,175,842	33,089	0	3,356,056	3,175,842
Net Position:						
Net Investment in						
Capital Assets	41,766,961	43,002,813	25,317,880	25,339,422	67,084,841	68,342,235
Restricted	9,698,634	9,805,656	602,344	288,260	10,300,978	10,093,916
Unrestricted (deficit)	(13,915,943)	(13,082,117)	(481,444)	(670,235)	(14,397,387)	(13,752,352)
Total Net Position	37,549,652	39,726,352	25,438,780	24,957,447	62,988,432	64,683,799

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An additional portion of the City's net position, \$10,300,978 represents resources that have been restricted on how they may be used. The remaining balance of net position unrestricted may be used to meet the City's ongoing obligations to citizens and creditors. At the end of the current fiscal year, with the adoption of GASB 68, the City reported a deficit for net position unrestricted of \$14,397,387.

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

City of Willoughby's Change in Net Position						
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues						
Program Revenues						
Charges for Services	4,927,482	5,560,037	6,497,508	5,883,044	11,424,990	11,443,081
Operating Grants & Contributions	96,446	89,383			96,446	89,383
Capital Grants & Contributions	336,200	1,164,364	309,023	390,690	645,223	1,555,054
General Revenues						
Municipal Income Taxes	17,007,870	16,853,951			17,007,870	16,853,951
Property & Other Local Taxes	4,242,110	4,161,979			4,242,110	4,161,979
Grants & Entitlements	2,640,770	2,547,469			2,640,770	2,547,469
Investment Earnings	329,411	142,037	3,988	91	333,399	142,128
Miscellaneous	217,445	2,367	23,540	9,124	240,985	11,491
Total Revenues	29,797,734	30,521,587	6,834,059	6,282,949	36,631,793	36,804,536
Expenses						
General Government	7,437,293	7,458,826			7,437,293	7,458,826
Security of Persons & Property	15,543,902	14,840,214			15,543,902	14,840,214
Public Health & Welfare	410,397	400,411			410,397	400,411
Community Environment	886,979	1,065,716			886,979	1,065,716
Leisure Time Activities	2,246,715	2,179,241			2,246,715	2,179,241
Transportation	4,552,886	4,213,609			4,552,886	4,213,609
Basic Utility Services	539,358	458,768			539,358	458,768
Interest & Fiscal Charges	356,904	391,880			356,904	391,880
Golf Course			951,386	916,507	951,386	916,507
Sewer			5,401,340	5,327,839	5,401,340	5,327,839
Airport			-	205,311	-	205,311
Total Expenses	31,974,434	31,008,665	6,352,726	6,449,657	38,327,160	37,458,322
Excess(Deficiency) Prior to Transfers and Special Item	(2,176,700)	(487,078)	481,333	(166,708)	(1,695,367)	(653,786)
Transfers	0	(4,472,462)	0	4,472,462	0	0
Special Item-Airport Disposition	0	0	0	(8,123,476)	0	(8,123,476)
Change in Net Position	(2,176,700)	(4,959,540)	481,333	(3,817,722)	(1,695,367)	(8,777,262)
Net Position Beginning of Year-Restated	39,726,352	NA	24,957,447	NA	64,683,799	NA
Net Position End of Year	37,549,652	39,726,352	25,438,780	24,957,447	62,988,432	64,683,799

The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$2,500,575 computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense of \$2,692,768. Consequently, in order to compare 2015 program expenses to 2014, the following adjustments are needed:

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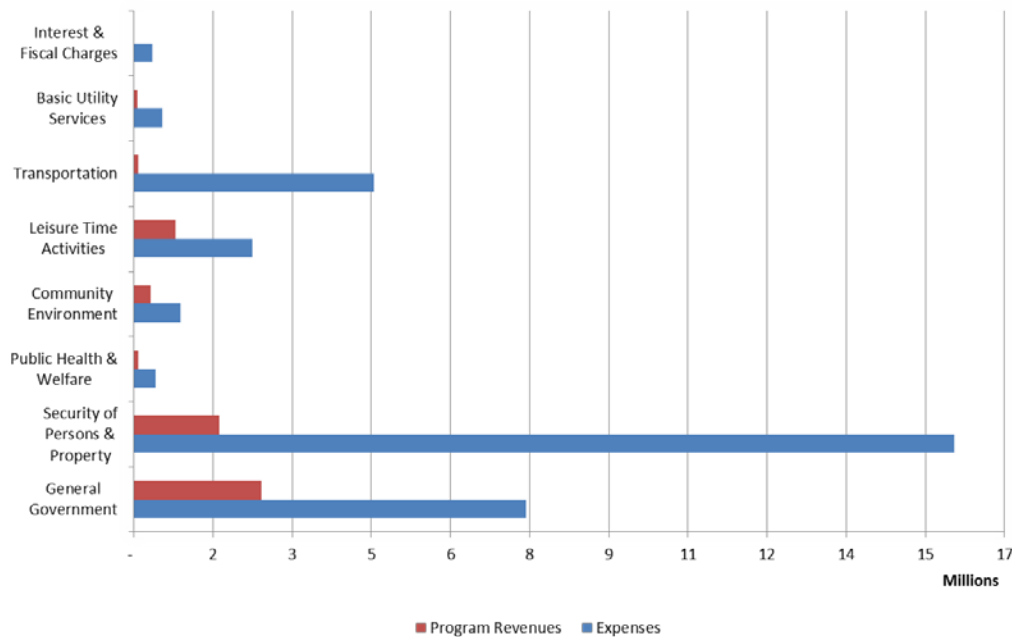
	Governmental Activities	Business-Type Activities	Total
Total 2015 program expenses under GASB 68	31,974,434	6,352,726	38,327,160
Pension expense under GASB 68	(2,489,789)	(202,979)	(2,692,768)
2015 contractually required contribution	2,295,213	227,622	2,522,835
Adjusted 2015 Program Expenses	31,779,858	6,377,369	38,157,227
Total 2014 program expenses under GASB 27	31,008,665	6,449,657	37,458,322
Change in program expenses not related to pension	771,193	(72,288)	698,905

Governmental Activities

Income tax in governmental activities was up just less than 1%. Grants and Entitlements increased by 3.7%. Investment earnings increased by 132% in 2015. Capital Grants and Contributions decreased by 71% with less donated infrastructure from new developments within the City in 2015 compared with 2014.

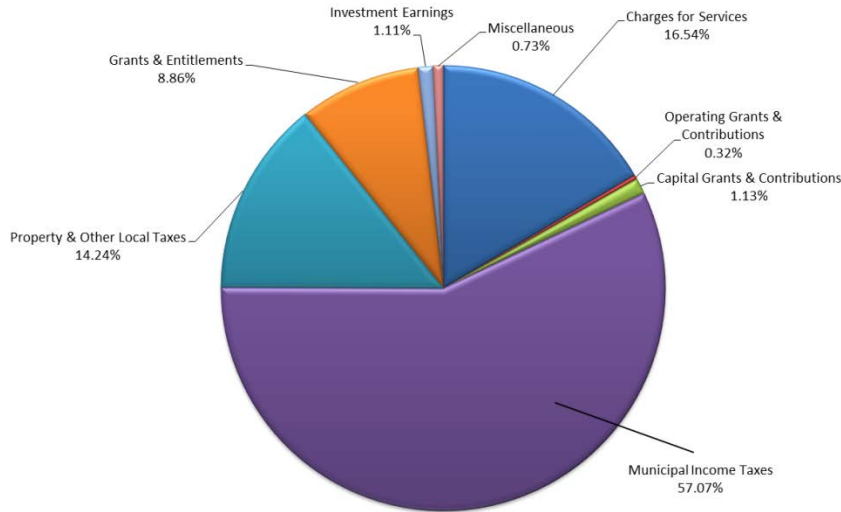
Expenses in governmental activities increased overall by 3.1% but the change in program expenses not related to pension was 2.5%. The largest increase was for Transportation which is attributable to higher snow removal costs in 2015 than 2014 and depreciation expense for new additions. Security of persons increased primarily for retirement payouts.

Expenses & Program Revenues - Governmental Activities



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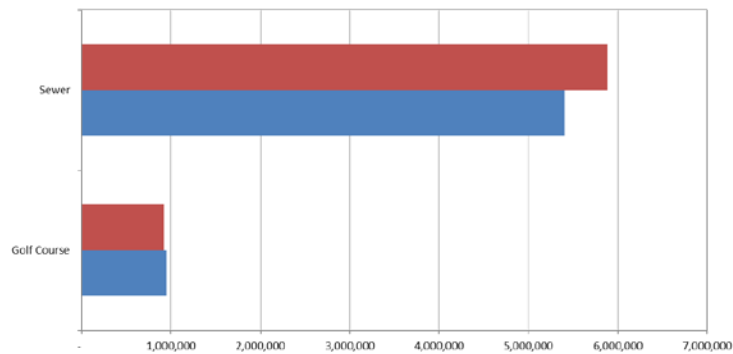
Revenues by Source - Governmental Activities



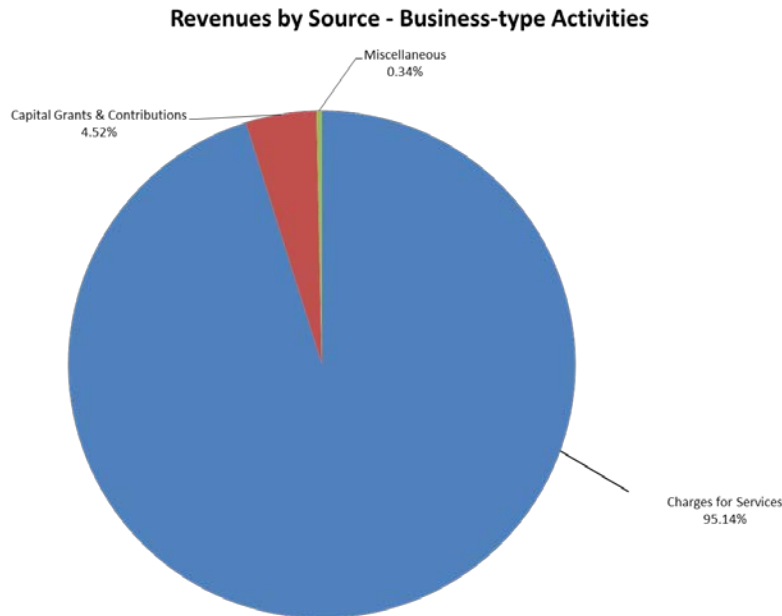
Business-Type Activities

Business-type activities account for 38.8% of the City of Willoughby's total net position. The Golf Course and Sewer funds both saw increased revenues for 2015. Capital Grants and Contributions decreased 20.9% in 2015 with less donated improvements from new developments than in 2014. Business-type expenses decreased by 1.5% overall in 2015 compared to 2014, which included the Airport prior to it being sold, but in reality Golf Course and Sewer expenses increased 3.81% and 1.38% respectively.

Expenses and Program Revenues - Business-type Activities



**CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Financial Analysis of the City of Willoughby's Funds

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

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

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

At the end of the current fiscal year, the City of Willoughby's governmental funds report combined ending fund balances of \$13,111,592. This is \$541,665 lower than in 2014. Nonspendable fund balance of \$551,940 includes interfund loans, prepaids, inventory, and cemetery investments. Fund balances in the amount of \$3,920,012 are restricted primarily for debt service, roads and infrastructure, municipal court purposes, and

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drug and alcohol enforcement. Committed fund balance of \$1,078,833 is for capital improvements, which is a large increase over 2014 and includes \$876,000 of storm water management projects. Assigned fund balance of \$1,839,296 includes nearly \$1.3M for future severance payments and other operating amounts for all of the program functions of government in the General Fund. Unassigned fund balance of \$5,721,511 represents all of the remaining funds, \$7,837,054 of the General Fund reduced by the deficit unassigned balance (\$2,115,543) of the Capital Projects fund.

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

Unrestricted net position of the Golf Course fund reflects a deficit of (\$1,296,207) compared to (\$1,232,102) in 2014. The amount due to other funds increased to \$ 913,903 with an additional \$60,000 provided for debt payments by the General Bond Fund. Unrestricted net position of the Sewer fund increased from \$561,867 in 2014 to \$814,763 in 2015. The City committed an additional \$325,000 to restricted cash for a joint sewer project.

General Fund Budgetary Highlights – Adjustments to the total budget required to be made for the General fund in 2015 included a transfer to the Capital Fund. The year saw revenues just short of forecasts by \$250,747 and expenditures \$1,988,456 under the amounts requested. Income tax was less than budgeted by \$427,927. The City Administration and Council continue to closely monitor and tighten expenditures by the General fund departments. The City chooses to operate within its original budget framework even though some forecasts may be exceeded on the revenue side and expenditures will be contained.

Capital Assets and Debt Administration

Capital Assets - The City's investment in capital assets for governmental and business-type activities as of December 31, 2015, was \$93,736,388 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, as well as infrastructure including roads, sidewalks, bridges, traffic signals, street lights, storm sewers, curbs and gutters.

The City's investment in capital assets reflects an increase of 1.4% over the prior year for governmental activities and increased over 3.3% for business-type activities. These changes are calculated before depreciation.

	City of Willoughby's Capital Assets					
	Governmental		Business-type		Total	
	Activities		Activities			
	2015	2014	2015	2014	2015	2014
Land	7,583,203	7,747,042	2,673,107	2,673,107	10,256,310	10,420,149
Construction in Progress	5,003,434	5,090,797	294,479	232,870	5,297,913	5,323,667
Buildings	22,380,253	22,379,004	20,222,175	19,712,899	42,602,428	42,091,903
Improvements	14,566,076	13,950,850	42,025,978	40,474,275	56,592,054	54,425,125
Machinery & Equipment	11,870,766	11,723,310	5,067,946	4,917,124	16,938,712	16,640,434
Infrastructure	51,648,005	50,641,674			51,648,005	50,641,674
Total Capital Assets	113,051,737	111,532,677	70,283,685	68,010,275	183,335,422	179,542,952
Accumulated Depreciation	(54,499,992)	(50,634,070)	(35,099,042)	(33,358,558)	(89,599,034)	(83,992,628)
Capital Assets (Net)	58,551,745	60,898,607	35,184,643	34,651,717	93,736,388	95,550,324

**CITY OF WILLOUGHBY, OHIO
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Major capital asset events during 2015 were as follows:

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

The City purchased four new Ford explorers for use in the fire and police departments. The police and recreation departments received new transport vans. The service departments received a dump truck, a Cushman utility vehicle and two new mowers.

The City also received contributions of capital as a result of the completion of Melrose Farms Phase IV.

The City completed the Mooreland/St Clair Sewer Replacement and the Maplegrove Pump Station and Force Main Improvements.

The City continued to work on the I-90 Sanitary Sewer, Meadowlands Trunk Sewer Lining and refurbishment of the historic flag pole in Wes Point Park.

Additional information regarding capital assets can be found starting on page 52 of the notes to the basic financial statements.

Outstanding Debt - The City's outstanding debt decreased by \$608,174. There was no new borrowing for Governmental but Business-type had an additional sewer project where loans were obtained.

City of Willoughby's Outstanding Debt at December 31						
	Governmental		Business-Type		Total	
	Activities		Activities			
	2015	2014	2015	2014	2015	2014
General Obligation Bonds	11,142,120	12,261,192			11,142,120	12,261,192
Special Assessment Bonds	35,000	70,000			35,000	70,000
Enterprise Bonds w/ G.O. Commitment			2,855,000	3,110,000	2,855,000	3,110,000
OWDA & OPWC	7,737	8,971	7,040,768	6,235,444	7,048,505	6,244,415
Capital Notes Payable	5,700,000	5,700,000			5,700,000	5,700,000
Police Pension Liability	97,121	100,313			97,121	100,313
TOTAL	16,981,978	18,140,476	9,895,768	9,345,444	26,877,746	27,485,920

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 \$576,887,400 at the end of 2015. The City has borrowed 44.4% 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 remains unchanged. The City has an outstanding note of \$5,700,000 for the Riverside Commons Special Assessment. Additional information regarding the City's debt can be found starting on page 68 of the notes to the financial statements.

CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Economic Factors and Next Year's Budget

The City of Willoughby has remained strong despite a challenging environment in our state and national economy. These economic conditions, uncertainty in escalating health care costs, and cutbacks in intergovernmental revenues impact and influence decision making on financial matters. The Mayor and Council consider many factors when setting the budget each year and preserving our commitment to providing services to our citizens. The priorities include: public safety, investment in infrastructure, efforts to promote economic development and employment growth, and retaining adequate fund balances to ensure both financial flexibility and long term stability. The City keeps these in mind as it monitors revenues and expenditures on a continual basis. The City has adopted and continues to look for measures of cost containment as well as pursuing grants and low cost loans to fund operations and specific capital projects. The City has completed necessary capital improvements and continues to maintain the roads with the help provided by the road and bridge levy. The City will continue to monitor the local, regional and national economies and make business decisions that best provide for the needs of our citizens.

In conclusion, the implementation of GASB Statement No. 68 requires the reader to perform additional calculations to determine the City's Total Net Position at December 31, 2015 without the implementation of GASB Statement No. 68. This is an important exercise, as the State Pension Systems (OPERS & OP&F) collect, hold and distributes pensions to our employees, not the City of Willoughby. These calculations are as follows:

	Governmental	Business-Type	
	Activities	Activities	Total
Total Net Position at Dec. 31, 2015 (with GASB 68)	\$ 37,549,652	\$ 25,438,780	\$ 62,988,432
GASB 68 Calculations:			
Add: Deferred Inflows related to Pension	114,827	33,089	147,916
Net Pension Liability	24,650,329	1,845,994	26,496,323
Less: Deferred Outflows related to Pension	(3,423,789)	(326,250)	(3,750,039)
Net Pension Asset	(7,488)	(2,158)	(9,646)
Total Net Position at Dec. 31, 2015 (without GASB 68)	\$ 58,883,531	\$ 26,989,455	\$ 85,872,986

Requests for Information

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



The City of Willoughby™

CITY OF WILLOUGHBY, OHIO
STATEMENT OF NET POSITION
DECEMBER 31, 2015

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Equity in City Treasury Cash and Investments	\$ 15,791,201	\$ 1,968,540	\$ 17,759,741
Inventory	212,295	44,302	256,597
Accrued Interest Receivable	43,696	7,902	51,598
Accounts Receivable	210,448	253,652	464,100
Prepaid Items	3,033	0	3,033
Intergovernmental Receivable	1,574,571	501,992	2,076,563
Taxes Receivable	8,833,250	0	8,833,250
Loan Receivable	140,000	0	140,000
Internal Balances	892,651	(892,651)	0
Restricted Assets - Cash Investments	0	879,688	879,688
Net Pension Asset	7,488	2,158	9,646
Special Assessments Receivable	584,603	0	584,603
Nondepreciable Capital Assets	12,586,637	2,967,586	15,554,223
Depreciable Capital Assets, Net	45,965,108	32,217,057	78,182,165
TOTAL ASSETS	86,844,981	37,950,226	124,795,207
DEFERRED OUTFLOWS OF RESOURCES			
Pension	3,423,789	326,250	3,750,039
Deferred Charge on Refunding	65,073	29,005	94,078
TOTAL DEFERRED OUTFLOWS OF RESOURCES	3,488,862	355,255	3,844,117
LIABILITIES			
Accounts Payable	428,982	156,737	585,719
Matured Compensated Absences Payable	109,223	0	109,223
Salaries, Wages and Benefits Payable	919,623	33,070	952,693
Accrued Interest Payable	57,832	72,775	130,607
Intergovernmental Payable	1,690	16	1,706
Notes Payable	5,700,000	0	5,700,000
Claims Payable	36,715	0	36,715
Matured Bonds and Interest Payable	2,940	0	2,940
Long-Term Liabilities:			
Due Within One Year	2,664,706	942,074	3,606,780
Due In More Than One Year			
Net Pension Liability	24,650,329	1,845,994	26,496,323
Other Amounts Due in More Than One Year	14,889,184	9,782,946	24,672,130
TOTAL LIABILITIES	49,461,224	12,833,612	62,294,836
DEFERRED INFLOWS OF RESOURCES			
Pension	114,827	33,089	147,916
Property Taxes	3,208,140	0	3,208,140
TOTAL DEFERRED INFLOWS OF RESOURCES	3,322,967	33,089	3,356,056
NET POSITION			
Net Investment in Capital Assets	41,766,961	25,317,880	67,084,841
Restricted for:			
Capital Projects	4,641,758	0	4,641,758
Debt Service	1,469,369	0	1,469,369
Equipment Replacement	0	602,344	602,344
Street Construction Maintenance and Repair	1,340,773	0	1,340,773
Security of Persons	866,983	0	866,983
Municipal Court	858,165	0	858,165
Other Purposes	224,974	0	224,974
Permanent Fund Purpose:			
Cemetery Fund	296,612	0	296,612
Unrestricted	(13,915,943)	(481,444)	(14,397,387)
TOTAL NET POSITION	\$ 37,549,652	\$ 25,438,780	\$ 62,988,432

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES							
General Government	\$ 7,437,293	\$ 2,402,903	\$ 0	\$ 17,087	\$ (5,017,303)		\$ (5,017,303)
Security of Persons and Property	15,543,902	1,513,233	96,446	10,845	(13,923,378)		(13,923,378)
Public Health and Welfare	410,397	80,953	0	-	(329,444)		(329,444)
Community Environment	886,979	314,546	0	-	(572,433)		(572,433)
Leisure Time Activities	2,246,715	614,868	0	167,016	(1,464,831)		(1,464,831)
Transportation	4,552,886	979	0	79,496	(4,472,411)		(4,472,411)
Basic Utility Services	539,358	0	0	61,756	(477,602)		(477,602)
Interest and Fiscal Charges	356,904	0	0	0	(356,904)		(356,904)
TOTAL GOVERNMENTAL ACTIVITIES	31,974,434	4,927,482	96,446	336,200	(26,614,306)		(26,614,306)
BUSINESS-TYPE ACTIVITIES							
Golf Course	951,386	923,212	0	0		\$ (28,174)	(28,174)
Sewer	5,401,340	5,574,296	0	309,023		481,979	481,979
TOTAL BUSINESS-TYPE ACTIVITIES	6,352,726	6,497,508	0	309,023		453,805	453,805
TOTAL	\$38,327,160	\$11,424,990	\$96,446	\$645,223	(26,614,306)	453,805	(26,160,501)
GENERAL REVENUES							
Property Taxes Levied for:							
					976,136		976,136
					1,418,885		1,418,885
					955,007		955,007
Income Taxes Levied for:							
					17,007,870		17,007,870
Other Taxes							
					172,264		172,264
					245,051		245,051
					228,078		228,078
					246,689		246,689
					2,640,770		2,640,770
					329,411	3,988	333,399
					211,820	0	211,820
					5,625	23,540	29,165
TOTAL GENERAL REVENUE					24,437,606	27,528	24,465,134
CHANGE IN NET POSITION					(2,176,700)	481,333	(1,695,367)
NET POSITION BEGINNING OF YEAR-RESTATE					39,726,352	24,957,447	64,683,799
NET POSITION END OF YEAR					\$ 37,549,652	\$ 25,438,780	\$ 62,988,432

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2015

	<u>GENERAL</u>	<u>CAPITAL PROJECTS</u>	<u>GENERAL BOND RETIREMENT</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Assets:					
Equity in City Treasury Cash and Investments	\$7,215,256	\$4,718,305	\$34,143	\$3,389,011	\$15,356,715
Inventory - Supplies	97,855	0	0	114,440	212,295
Accrued Interest Receivable	30,736	12,960	0	0	43,696
Accounts Receivable	209,046	1	0	1,401	210,448
Prepaid Items	3,033	0	0	0	3,033
Due from Other Governments	917,109	9,191	50,892	597,379	1,574,571
Taxes Receivable	6,409,957	0	979,590	1,443,703	8,833,250
Loan Receivable	0	0	140,000	0	140,000
Due from Other Funds	35,000	5,000	873,903	0	913,903
Special Assessments Receivable	<u>0</u>	<u>0</u>	<u>0</u>	<u>584,603</u>	<u>584,603</u>
TOTAL ASSETS	<u>14,917,992</u>	<u>4,745,457</u>	<u>2,078,528</u>	<u>6,130,537</u>	<u>27,872,514</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$14,917,992</u>	<u>\$4,745,457</u>	<u>\$2,078,528</u>	<u>\$6,130,537</u>	<u>\$27,872,514</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$63,435	\$67,976	\$0	\$297,571	\$428,982
Matured Compensated Absences Payable	109,223	0	0	0	109,223
Salaries, Wages, and Benefits Payable	876,751	0	0	42,872	919,623
Due to Other Governments	1,686	0	0	4	1,690
Due to Other Funds	21,252	0	0	0	21,252
Notes Payable	0	5,700,000	0	0	5,700,000
Matured Bonds & Interest Payable	<u>0</u>	<u>0</u>	<u>2,940</u>	<u>0</u>	<u>2,940</u>
TOTAL LIABILITIES	<u>1,072,347</u>	<u>5,767,976</u>	<u>2,940</u>	<u>340,447</u>	<u>7,183,710</u>
Deferred Inflows of Resources:					
Property Taxes	906,676	0	930,295	1,371,169	3,208,140
Unavailable Revenue - Income Tax	2,442,878	0	0	0	2,442,878
Unavailable Revenue - Grants and Entitlements	532,600	0	50,892	485,017	1,068,509
Unavailable Revenue - Special Assessments	0	0	0	584,603	584,603
Unavailable Revenue - Delinquent Property Taxes	47,588	0	49,295	72,534	169,417
Unavailable Revenue - Other	<u>103,665</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>103,665</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>4,033,407</u>	<u>0</u>	<u>1,030,482</u>	<u>2,513,323</u>	<u>7,577,212</u>
Fund Balances:					
Nonspendable	135,888	5,000	0	411,052	551,940
Restricted	0	9,191	1,045,106	2,865,715	3,920,012
Committed	0	1,078,833	0	0	1,078,833
Assigned	1,839,296	0	0	0	1,839,296
Unassigned (Deficit)	<u>7,837,054</u>	<u>(2,115,543)</u>	<u>0</u>	<u>0</u>	<u>5,721,511</u>
TOTAL FUND BALANCES	<u>9,812,238</u>	<u>(1,022,519)</u>	<u>1,045,106</u>	<u>3,276,767</u>	<u>13,111,592</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$14,917,992</u>	<u>\$4,745,457</u>	<u>\$2,078,528</u>	<u>\$6,130,537</u>	<u>\$27,872,514</u>

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
AS OF DECEMBER 31, 2015

TOTAL GOVERNMENTAL FUND BALANCES \$13,111,592

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 58,551,745

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

Municipal Income Taxes	2,442,878
Delinquent Property Taxes	169,417
Grants and Entitlements	1,068,509
Charges for Services	80,257
Special Assessments	584,603
Fines and Forfeitures	23,408

Total 4,369,072

Internal service funds are used by management to charge costs of certain activities such as insurance to individual funds. Assets and liabilities of the Internal Service fund are included in Governmental Activities in the Statement of Net Position. 397,771

Charges on Refunding are being amortized over the life of the bonds in the statement of net position. \$65,073

The net pension liability is not due and payable in the current period; therefore, the liability, asset and related deferred inflows/outflows are not reported in governmental funds.

Net Pension Asset	7,488
Deferred Outflows-Pension	3,423,789
Deferred Inflows-Pension	(114,827)
Net Pension Liability	(24,650,329)
Total	(21,333,879)

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	(11,142,120)
OPWC Loans	(7,737)
Special Assessments	(35,000)
Police Pension Liability	(97,121)
Landfill Post Closure Care Liability	(561,360)
Compensated Absences	(5,710,552)
Accrued Interest Payable	(57,832)

Total (17,611,722)

NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 37,549,652**

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, 2015

	<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	\$17,066,704	\$0	\$0	\$0	\$17,066,704
Property and Other Local Taxes	1,701,385	114,843	960,624	1,485,260	4,262,112
Intergovernmental	1,332,709	39,621	173,799	1,376,850	2,922,979
Charges for Services	1,361,753	0	0	347,776	1,709,529
Special Assessments	0	0	0	626,054	626,054
Fines and Forfeitures	2,048,313	0	0	387,512	2,435,825
Licenses & Permits	276,323	0	0	0	276,323
Interest	154,788	5,219	51,813	0	211,820
Miscellaneous	0	0	0	5,625	5,625
TOTAL REVENUES	<u>23,941,975</u>	<u>159,683</u>	<u>1,186,236</u>	<u>4,229,077</u>	<u>29,516,971</u>
EXPENDITURES:					
Current:					
General Government	6,568,999	5,802	27,815	263,173	6,865,789
Security of Persons and Property	12,392,471	55,306	0	2,218,244	14,666,021
Public Health and Welfare	397,013	0	0	0	397,013
Community Environment	840,993	0	0	60,075	901,068
Leisure Time Activities	864,014	49,083	0	990,262	1,903,359
Transportation	0	10,825	0	1,716,928	1,727,753
Basic Utility Services	80,343	0	0	0	80,343
Capital Outlay	14,968	1,125,285	0	1,234,917	2,375,170
Debt Service:					
Principal	0	0	1,091,234	35,000	1,126,234
Interest	0	0	368,089	4,095	372,184
TOTAL EXPENDITURES	<u>21,158,801</u>	<u>1,246,301</u>	<u>1,487,138</u>	<u>6,522,694</u>	<u>30,414,934</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,783,174	(1,086,618)	(300,902)	(2,293,617)	(897,963)
OTHER FINANCING SOURCES (USES):					
Transfers In	0	854,507	150,000	2,490,000	3,494,507
Transfers Out	(3,344,507)	0	0	(150,000)	(3,494,507)
Sale of Assets	0	329,411	0	0	329,411
TOTAL OTHER FINANCING SOURCES (USES)	<u>(3,344,507)</u>	<u>1,183,918</u>	<u>150,000</u>	<u>2,340,000</u>	<u>329,411</u>
NET CHANGE IN FUND BALANCES	(561,333)	97,300	(150,902)	46,383	(568,552)
FUND BALANCE BEGINNING OF YEAR	10,373,604	(1,119,819)	1,196,008	3,203,464	13,653,257
CHANGE IN INVENTORY	(33)	0	0	26,920	26,887
FUND BALANCES END OF YEAR	<u>\$9,812,238</u>	<u>(\$1,022,519)</u>	<u>\$1,045,106</u>	<u>\$3,276,767</u>	<u>\$13,111,592</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, 2015

NET CHANGES IN FUND BALANCES-TOTAL GOVERNMENTAL FUNDS \$ (568,552)

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

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

Capital Asset Additions	2,375,170	
Current Year Depreciation	<u>(4,644,999)</u>	
Total		(2,269,829)

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

Donations	139,593	
Disposal-net	<u>(216,626)</u>	
Total		(77,033)

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

Municipal Income Taxes	(58,834)	
Delinquent Property Taxes	(20,002)	
Grants and Entitlements	9,185	
Charges for Services	(5,439)	
Special Assessments	(113,713)	
Fines and Forfeitures	<u>562</u>	
Total		(188,241)

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 position.

1,191,800

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

Compensated Absences	(80,468)	
Accrued Interest	(4,496)	
Amortization of Premium	29,072	
Amortization of Deferral on Refunding	(9,296)	
Change in Inventory	<u>26,887</u>	
Total		<u>(38,301)</u>

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.

2,295,213

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

(2,489,788)

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

(31,969)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ (2,176,700)**

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, 2015

	<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	\$17,302,036	\$17,302,036	\$16,874,109	(\$427,927)
Property and Other Local Taxes	1,587,337	1,587,337	1,687,636	100,299
Intergovernmental	1,258,550	1,258,550	1,339,872	81,322
Charges for Services	1,212,700	1,212,700	1,227,606	14,906
Fines and Forfeitures	2,112,000	2,112,000	2,018,253	(93,747)
Licenses and Permits	240,700	240,700	277,793	37,093
Interest Income	100,000	100,000	144,807	44,807
Other	<u>120,000</u>	<u>120,000</u>	<u>112,500</u>	<u>(7,500)</u>
Total Revenues	<u>23,933,323</u>	<u>23,933,323</u>	<u>23,682,576</u>	<u>(250,747)</u>
EXPENDITURES:				
Legislative- Council	117,401	133,477	115,340	18,137
Judicial- Municipal Court	2,468,386	2,468,386	2,039,671	428,715
Executive-Mayor	<u>21,382,605</u>	<u>21,407,605</u>	<u>19,866,001</u>	<u>1,541,604</u>
Total Expenditures	<u>23,968,392</u>	<u>24,009,468</u>	<u>22,021,012</u>	<u>1,988,456</u>
Excess of Revenues Over (Under) Expenditures	(35,069)	(76,145)	1,661,564	1,737,709
OTHER FINANCING SOURCES (USES):				
Transfers Out	(2,480,000)	(3,824,507)	(3,344,507)	480,000
Other	<u>0</u>	<u>0</u>	<u>249,951</u>	<u>249,951</u>
Total Other Financing Sources (Uses)	<u>(2,480,000)</u>	<u>(3,824,507)</u>	<u>(3,094,556)</u>	<u>729,951</u>
NET CHANGE IN FUND BALANCE	(2,515,069)	(3,900,652)	(1,432,992)	2,467,660
FUND BALANCE BEGINNING OF YEAR	7,230,816	7,230,816	7,230,816	0
Prior Year Encumbrances Appropriated	<u>12,236</u>	<u>12,236</u>	<u>12,236</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$4,727,983</u>	<u>\$3,342,400</u>	<u>\$5,810,060</u>	<u>\$2,467,660</u>

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AS OF DECEMBER 31, 2015

	BUSINESS-TYPE			GOVERNMENTAL
	ACTIVITIES			ACTIVITIES
	GOLF			INTERNAL
	COURSE	SEWER	TOTAL	SERVICE FUND
ASSETS				
CURRENT ASSETS				
Equity in City Treasury Cash and Investments	\$11,621	\$1,956,919	\$1,968,540	\$434,486
Inventory	3,282	41,020	44,302	0
Accrued Interest Receivable	0	7,902	7,902	0
Accounts Receivable	0	253,652	253,652	0
Due from Other Funds	3,384	17,868	21,252	0
Due from Other Governments	<u>0</u>	<u>501,992</u>	<u>501,992</u>	<u>0</u>
TOTAL CURRENT ASSETS	<u>18,287</u>	<u>2,779,353</u>	<u>2,797,640</u>	<u>434,486</u>
NONCURRENT ASSETS				
Restricted Assets:				
Cash Investments	0	879,688	879,688	0
Net Pension Asset	355	1,803	2,158	0
Land and Construction in Progress	2,273,366	694,220	2,967,586	0
Depreciable Capital Assets, Net	<u>1,823,756</u>	<u>30,393,301</u>	<u>32,217,057</u>	<u>0</u>
TOTAL NONCURRENT ASSETS	<u>4,097,477</u>	<u>31,969,012</u>	<u>36,066,489</u>	<u>0</u>
TOTAL ASSETS	<u>4,115,764</u>	<u>34,748,365</u>	<u>38,864,129</u>	<u>434,486</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Charge on Refunding	29,005	0	29,005	0
Pension	<u>53,670</u>	<u>272,580</u>	<u>326,250</u>	<u>0</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>82,675</u>	<u>272,580</u>	<u>355,255</u>	<u>0</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable	3,252	153,485	156,737	0
Salaries, Wages & Benefits Payable	29,062	216,950	246,012	0
Accrued Interest Payable	2,117	70,658	72,775	0
Due to Other Funds	913,903	0	913,903	0
Due to Other Governments	0	16	16	0
Claims Payable	0	0	0	36,715
Bonds Payable	<u>190,000</u>	<u>539,132</u>	<u>729,132</u>	<u>0</u>
TOTAL CURRENT LIABILITIES	<u>1,138,334</u>	<u>980,241</u>	<u>2,118,575</u>	<u>36,715</u>
NONCURRENT LIABILITIES				
Salaries, Wages & Benefits Payable	111,065	505,245	616,310	0
Bonds Payable	1,270,000	7,896,636	9,166,636	0
Net Pension Liability	<u>303,677</u>	<u>1,542,317</u>	<u>1,845,994</u>	<u>0</u>
TOTAL NONCURRENT LIABILITIES	<u>1,684,742</u>	<u>9,944,198</u>	<u>11,628,940</u>	<u>0</u>
TOTAL LIABILITIES	<u>2,823,076</u>	<u>10,924,439</u>	<u>13,747,515</u>	<u>36,715</u>
DEFERRED INFLOWS OF RESOURCES				
Pension	<u>5,443</u>	<u>27,646</u>	<u>33,089</u>	<u>0</u>
NET POSITION				
Net Investment in Capital Assets	2,666,127	22,651,753	25,317,880	0
Restricted for:				
Equipment Replacement	0	602,344	602,344	0
Unrestricted (Deficit)	<u>(1,296,207)</u>	<u>814,763</u>	<u>(481,444)</u>	<u>397,771</u>
TOTAL NET POSITION	<u>\$1,369,920</u>	<u>\$24,068,860</u>	<u>\$25,438,780</u>	<u>\$397,771</u>

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>			<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>
	<u>GOLF</u> <u>COURSE</u>	<u>SEWER</u>	<u>TOTAL</u>	<u>INTERNAL</u> <u>SERVICE FUND</u>
OPERATING REVENUES:				
Charges for Services	<u>\$923,212</u>	<u>\$5,574,296</u>	<u>\$6,497,508</u>	\$0
Total Operating Revenues	<u>923,212</u>	<u>5,574,296</u>	<u>6,497,508</u>	<u>0</u>
OPERATING EXPENSES:				
Personal Services	462,806	2,408,243	2,871,049	0
Contractual Services	125,498	752,958	878,456	12,095
Materials & Supplies	177,728	153,901	331,629	0
Heat, Light & Power	30,969	287,978	318,947	0
Other Expenses	5,470	14,254	19,724	0
Claims	0	0	0	19,874
Depreciation	<u>144,925</u>	<u>1,595,559</u>	<u>1,740,484</u>	<u>0</u>
Total Operating Expenses	<u>947,396</u>	<u>5,212,893</u>	<u>6,160,289</u>	<u>31,969</u>
Net Income (Loss) from Operations	<u>(24,184)</u>	<u>361,403</u>	<u>337,219</u>	<u>(31,969)</u>
NON-OPERATING REVENUES (EXPENSES):				
Interest - Income	0	3,988	3,988	0
Interest - Expense	(3,990)	(188,447)	(192,437)	0
Other - Income	<u>0</u>	<u>23,540</u>	<u>23,540</u>	<u>0</u>
Total Non-Operating Revenues (Expenses)	<u>(3,990)</u>	<u>(160,919)</u>	<u>(164,909)</u>	<u>0</u>
Net Income (Loss) Before Contributions	<u>(28,174)</u>	<u>200,484</u>	<u>172,310</u>	<u>(31,969)</u>
Capital Contributions	<u>0</u>	<u>309,023</u>	<u>309,023</u>	<u>0</u>
CHANGE IN NET POSITION	<u>(28,174)</u>	<u>509,507</u>	<u>481,333</u>	<u>(31,969)</u>
NET POSITION BEGINNING OF YEAR-RESTATED	<u>1,398,094</u>	<u>23,559,353</u>	<u>24,957,447</u>	<u>429,740</u>
NET POSITION END OF YEAR	<u>\$1,369,920</u>	<u>\$24,068,860</u>	<u>\$25,438,780</u>	<u>\$397,771</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, 2015

(continued on following page)

	<u>Business-Type Activities</u>			<u>Governmental</u>
	<u>Golf</u>	<u>Sewer</u>	<u>Total</u>	<u>Internal</u>
	<u>Course</u>			<u>Service Fund</u>
Cash flows from operating activities:				
Receipts from customers and users	\$903,522	\$5,398,409	\$6,301,931	\$0
Receipts from other fund	60,000	0	60,000	0
Payments to suppliers	(321,230)	(1,155,096)	(1,476,326)	(297,643)
Payments to employees	<u>(463,039)</u>	<u>(2,485,750)</u>	<u>(2,948,789)</u>	<u>0</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>179,253</u>	<u>1,757,563</u>	<u>1,936,816</u>	<u>(297,643)</u>
Cash flows from capital and related financing activities:				
Net proceeds from sale of debt	0	1,277,323	1,277,323	0
Acquisition and construction of capital assets	0	(2,238,669)	(2,238,669)	0
Principal reduction on long-term debt	(185,000)	(541,999)	(726,999)	0
Interest paid on long-term debt	(4,144)	(207,749)	(211,893)	0
Contribution of capital from grants	0	149,000	149,000	0
Contributions from customers	<u>0</u>	<u>148,822</u>	<u>148,822</u>	<u>0</u>
NET CASH PROVIDED BY (USED FOR)				
CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(189,144)</u>	<u>(1,413,272)</u>	<u>(1,602,416)</u>	<u>0</u>
Cash flows from investing activities:				
Interest on investments	<u>0</u>	<u>947</u>	<u>947</u>	<u>0</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>0</u>	<u>947</u>	<u>947</u>	<u>0</u>
NET INCREASE (DECREASE) IN CASH AND CASH INVESTMENTS	(9,891)	345,238	335,347	(297,643)
CASH AND CASH INVESTMENTS AT BEGINNING OF YEAR	<u>21,512</u>	<u>2,491,369</u>	<u>2,512,881</u>	<u>732,129</u>
CASH AND CASH INVESTMENTS AT END OF YEAR	<u>\$11,621</u>	<u>\$2,836,607</u>	<u>\$2,848,228</u>	<u>\$434,486</u>

The Sewer Fund includes \$ 879,688 of cash and cash investments in restricted assets.

Noncash Capital and Related Financing Activities

The Sewer Fund had additions from contributions of capital in the amount of \$ 34,741 from development.

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

(continued)

	<u>Business-Type Activities</u>			<u>Governmental Activities</u>
	<u>Golf Course</u>	<u>Sewer</u>	<u>Total</u>	<u>Internal Service Fund</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:				
Operating income (loss)	(\$24,184)	\$361,403	\$337,219	(\$31,969)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation	144,925	1,595,559	1,740,484	0
Change in assets and liabilities:				
(Increase) decrease in inventory of supplies	790	(3,497)	(2,707)	0
(Increase) decrease in accounts receivable	50	(45,701)	(45,651)	0
(Increase) decrease in due from other funds	(3,384)	(17,868)	(21,252)	0
(Increase) decrease in due from other govts	0	(29,249)	(29,249)	0
(Increase) decrease in net pension asset	(258)	(1,312)	(1,570)	0
(Increase) decrease in deferred charges	4,144	0	4,144	0
(Increase) decrease in deferred outflows - pension	(16,098)	(81,758)	(97,856)	0
Increase (decrease) in accounts payable	1,199	(4,989)	(3,790)	0
Increase (decrease) in accrued salaries, wages, and benefits	(233)	(77,507)	(77,740)	0
Increase (decrease) in due to other funds	60,000	0	60,000	0
Increase (decrease) in claims payable	0	0	0	(265,674)
Increase (decrease) in net pension liability	6,859	34,836	41,695	0
Increase (decrease) in deferred inflows - pension	5,443	27,646	33,089	0
TOTAL ADJUSTMENTS	<u>203,437</u>	<u>1,396,160</u>	<u>1,599,597</u>	<u>(265,674)</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>\$179,253</u>	<u>\$1,757,563</u>	<u>\$1,936,816</u>	<u>(\$297,643)</u>

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
AS OF DECEMBER 31, 2015

	<u>AGENCY FUNDS</u>
ASSETS	
Equity in City Treasury Cash and Investments	\$2,123,518
Accounts Receivable	<u>291,717</u>
TOTAL ASSETS	<u>\$2,415,235</u>
LIABILITIES	
Accounts Payable	\$1,817,888
Deposits Held and Due to Others	180,149
Due to Other Governments	<u>417,198</u>
TOTAL LIABILITIES	<u>\$2,415,235</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, 2015

NOTE 1: REPORTING ENTITY

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

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

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

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

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Willoughby have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Basis of Presentation

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

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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

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

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

B. Fund Accounting

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

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

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

The following are the City's major governmental funds:

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

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

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

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

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

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

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

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

The City of Willoughby has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's agency funds account for money received for insurance and payment of utility bills, deposits held for contractors and developers, and money on deposit with Willoughby Municipal Court.

C. Measurement Focus

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

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

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

D. Basis of Accounting

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

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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

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

In addition to liabilities, the statements of net position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the City, deferred inflows of resources include property taxes, pension and unavailable revenues. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2015, but which were levied to finance year 2016 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

sheet and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, income taxes, franchise taxes, intergovernmental grants, special assessments, and charges for services. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide statement of net position. (See Note 10)

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

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

E. Pensions

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

F. Pooled Cash and Cash Equivalents

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

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

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

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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, 2015:

- The portfolio includes US Government Securities and non-participating investment contracts and the State Treasury Asset Reserve of Ohio (STAR Ohio).
- 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 STAR Ohio, 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 2015 amounted to \$154,788 which includes \$83,556 assigned from other City funds.

G. Receivables

Receivables at December 31, 2015 consist of taxes, amounts due from other governments, accounts (billings for user charged services), loan, special assessments, and accrued interest on investments. All are deemed collectible in full.

H. Materials and Supplies Inventory

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.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2015 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

J. Capital Assets

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

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

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

Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement.

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

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

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

K. Interfund Balances

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

L. Compensated Absences

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

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

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

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

M. Accrued Liabilities and Long-term Obligations

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

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

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

N. Fund Balance

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

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

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

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

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of City Council and the Mayor or a Director delegated that authority by City Charter or ordinance, or by state statute. State statute authorizes the Finance Director to assign fund balance for purchase orders; provided such amounts have been lawfully appropriated.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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

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

O. Net Position

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

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

P. Grants and Intergovernmental Revenues

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

Q. Operating Revenues and Expenses

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

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

R. Contributions of Capital

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

S. Interfund Activity

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

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

T. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence.

U. Estimates

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

V. Budgetary Data

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The primary level of budgetary control for those funds paying wages is at the branch level (legislative, judicial, executive) and within each branch at the account classification level of personal services and benefits as required by Ohio law. For other

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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 2015.

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.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 3: COMPLIANCE AND ACCOUNTABILITY

A. Change in Accounting Principle and Restatement of Net Position

For fiscal year 2015, the City has implemented GASB Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB Statement No. 68." GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported December 31, 2014:

	Governmental Activities	Business-Type Activities	Total Government
Net Position as of December 31, 2014	\$ 60,865,656	\$ 26,532,764	\$ 87,398,420
Adjustments:			
Net Pension Liability	\$ (23,413,525)	\$ (1,804,299)	\$ (25,217,824)
Net Pension Assets	\$ 2,041	\$ 588	\$ 2,629
Deferred Outflow - Pmts Subsequent to Measurement Date	\$ 2,272,180	\$ 228,394	\$ 2,500,574
Restated Net Position December 31, 2014	<u>\$ 39,726,352</u>	<u>\$ 24,957,447</u>	<u>\$ 64,683,799</u>
	Sewer	Golf Course	Total Business Type
Net Position as of December 31, 2014	\$ 24,875,521	\$ 1,657,243	\$ 26,532,764
Adjustments:			
Net Pension Liability	\$ (1,507,481)	\$ (296,818)	\$ (1,804,299)
Net Pension Assets	\$ 491	\$ 97	\$ 588
Deferred Outflow - Pmts Subsequent to Measurement Date	\$ 190,822	\$ 37,572	\$ 228,394
Restated Net Position December 31, 2014	<u>\$ 23,559,353</u>	<u>\$ 1,398,094</u>	<u>\$ 24,957,447</u>

Other than employer contributions subsequent to the measurement date, the City made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

B. Fund Deficits

The Golf Course fund had deficit net position-unrestricted of \$1,296,207. The "Due to Other Funds" amount includes \$913,903 of advances from the General, General Bond Retirement and Capital Projects funds.

The Capital Projects fund had a deficit fund balance of \$1,022,519 and a deficit unassigned fund balance of \$2,115,543. A Notes Payable liability of \$5,700,000 remains.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 4: FUND BALANCE

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

FUND BALANCE	General Fund	Capital Projects	General Bond Retirement	Nonmajor Governmental Funds	Total
<u>Nonspendable</u>					
Interfund loans	\$ 35,000	\$ 5,000	\$ 0	\$ 0	\$ 40,000
Inventory	97,855	0	0	114,440	212,295
Prepays	3,033	0	0	0	3,033
Cemetery	<u>0</u>	<u>0</u>	<u>0</u>	<u>296,612</u>	<u>296,612</u>
Total Nonspendable	135,888	5,000	0	411,052	551,940
<u>Restricted for</u>					
Road and infrastructure	0	0	0	894,268	894,268
Recreation	0	0	0	195,941	195,941
Municipal Court	0	0	0	510,957	510,957
Police and Fire departments	0	0	0	152,527	152,527
Law Enforcement	0	0	0	50,253	50,253
Drug and Alcohol enforcement	0	0	0	373,335	373,335
Sidewalks and Trees	0	0	0	166,689	166,689
Street Lighting	0	0	0	188,463	188,463
Capital grant	0	9,191	0	0	9,191
Debt Service	<u>0</u>	<u>0</u>	<u>1,045,106</u>	<u>333,282</u>	<u>1,378,388</u>
Total Restricted	0	9,191	1,045,106	2,865,715	3,920,012
<u>Committed to</u>					
Capital improvements	<u>0</u>	<u>1,078,833</u>	<u>0</u>	<u>0</u>	<u>1,078,833</u>
Total Committed	0	1,078,833	0	0	1,078,833
<u>Assigned to</u>					
Compensated Absences	1,294,792	0	0	0	1,294,792
General Govt	181,530	0	0	0	181,530
Security of Persons	250,249	0	0	0	250,249
Public Health & Welfare	546	0	0	0	546
Community Environment	33,809	0	0	0	33,809
Leisure Activities	38,611	0	0	0	38,611
Basic Utilities	<u>39,759</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>39,759</u>
Total Assigned	1,839,296	0	0	0	1,839,296
Unassigned (Deficits)	<u>7,837,054</u>	<u>(2,115,543)</u>	<u>0</u>	<u>0</u>	<u>5,721,511</u>
Total Fund Balances	<u>\$ 9,812,238</u>	<u>\$ (1,022,519)</u>	<u>\$ 1,045,106</u>	<u>\$ 3,276,767</u>	<u>\$ 13,111,592</u>

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 5: DEPOSITS AND INVESTMENTS

A. Deposits

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

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

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

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

B. Investments

The Finance Director is permitted to invest in any security authorized by the Ohio Revised Code, Section 135.14, or other relevant sections as amended. All investment procedures are conducted as specified in the Ohio Revised Code including, but not limited to, the collateralization of deposits and repurchase agreements. The maximum final maturity of any investment will be five years from the date of purchase. The City's investment practices have consistently protected the portfolio from unnecessary credit risk (safety) and market risks (liquidity) while providing a competitive yield. Currently some eligible investments in the portfolio were purchased with remaining terms of up to five years. Generally, the majority of purchases are still being made in investments with remaining terms of two years or less. Average days to maturity for the City's investments at December 31, 2015 was 617.

No derivative securities or investment "pools" with the exception of STAR Ohio will be permitted. STAR Ohio 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. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. The fund follows all state statutes from the Ohio Revised Code under the Uniform Depository Act. The fund is audited by the State of Ohio to ensure compliance with these laws.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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

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

Cash on Hand

At December 31, 2015, the City had \$5,820 in undeposited cash on hand, which is included on the balance sheet of the City as part of "Equity in City Treasury Cash and Investments".

Deposits

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

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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, 2015, the carrying amount of the City's deposits was \$14,804,130 including restricted cash of \$879,688 and the bank balance was \$16,047,142. \$14,341,277 of the City's bank balance was covered by Federal Depository Insurance. \$797,737 was uninsured and collateralized with securities held by the pledging financial institutions trust department or agent in the City's name. \$908,028 was uninsured and collateralized with securities held by the pledging financial institutions trust department or agent but not in the City's name. Although the securities were held by the pledging institution's trust department and all statutory requirements for the investments of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

Investments

As of December 31, 2015, 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	Greater than 2 Years
STAR Ohio	Aaa	AAAm	\$ 204,558	\$ 204,558	\$ 0	\$ 0
FFCB	Aaa	AA+	249,335	0	0	249,335
FHLMC	Aaa	AA+	4,479,102	0	248,550	4,230,552
Repurchase Agreements	Aaa	AA+	<u>1,020,000</u>	<u>1,020,000</u>	<u>0</u>	<u>0</u>
			<u>\$ 5,952,995</u>	<u>\$ 1,224,558</u>	<u>\$ 248,550</u>	<u>\$ 4,479,887</u>

Interest Rate Risk: As a means of limiting its exposure to fair value losses caused by rising interest rates, it is the City's investment policy that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase and the City's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The intent of this policy is to avoid the need to sell securities prior to maturity.

Credit Risk: The credit risk of the City's investments is in the table above. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. 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.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Finance Director or qualified trustee.

Concentration of Credit Risk: The City Investment Policy places no limit on the amount it may invest in any one issuer. In 2015, the City's total investments are 4.2% in FFCB and 75.2% in FHLMC. Other investments not specifically guaranteed by the U.S. Government total 20.6%.

NOTE 6: INTERFUND TRANSFERS AND BALANCES

As of December 31, 2015, interfund transfers were as follows:

<i>Transfer To</i>	<i>Transfer From</i>		<i>Total</i>
	<i>General Fund</i>	<i>Nonmajor Governmental Funds</i>	
Capital Projects Fund	\$ 854,507	\$ 0	\$ 854,507
General Bond Retirement Fund	0	150,000	150,000
Nonmajor Governmental Funds	<u>2,490,000</u>	<u>0</u>	<u>2,490,000</u>
Total	<u>\$ 3,344,507</u>	<u>\$ 150,000</u>	<u>\$ 3,494,507</u>

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

As of December 31, 2015, interfund balances were as follows:

	<i>Due from Other Funds</i>	<i>Due to Other Funds</i>
Major Funds		
General	\$ 35,000	\$ 21,252
Capital Projects	5,000	0
General Bond Retirement	873,903	0
Golf Course	3,384	913,903
Sewer	17,868	0
	<u>\$ 935,155</u>	<u>\$ 935,155</u>

The City has internal balances of \$892,651. This includes advances from the General fund for Golf Course operations. The General Bond Retirement fund balances are for Golf Course debt payments and the Capital Projects fund balances are for an equipment purchase of the Golf Enterprise fund. The Golf Course advances of \$913,903 are not expected to be repaid within one year.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 7: BUDGETARY BASIS OF ACCOUNTING

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

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

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

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

Net Change in Fund Balance	
GAAP Basis	\$ (561,333)
Net Adjustment for Revenue Accruals	(242,831)
Fair Value Adjustment for Investments	20,676
Net Adjustment for Expenditure Accruals	(673,794)
Encumbrances	(329,835)
Current Expenditures Against Prior Year Encumbrances	354,125
Budget Basis	<u>\$ (1,432,992)</u>

NOTE 8: RECEIVABLES

Receivables at December 31, 2015 consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements and shared revenues, special assessments, accrued interest on investments, and accounts (billings for user charged services).

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

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

A. Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2015 for real and public property taxes represents collections of 2014 taxes.

2015 real property taxes are levied after October 1, 2015, on the assessed value as of January 1, 2015, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2015 real property taxes are collected in and intended to finance 2016 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. 2015 public utility property taxes which became a lien December 31, 2014, are levied after October 1, 2015, and are collected in 2016 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2015, was \$8.49 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2015 property tax receipts were based are as follows:

Real Property	\$562,023,150
Public Utility Tangible	\$14,864,250
Total	\$576,887,400

Real property taxes are payable annually or semiannually. The due date for the 2015 levy was February 17, 2016, for all or one half of the taxes due. The second half due date is July 20, 2016.

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

Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2015 and for which there is an enforceable legal claim. In General, Police Pension, Fire Pension, Recreation, Road and Bridge, and General Bond Retirement funds, the entire receivable has been offset by deferred inflows since the current taxes were not levied to finance 2015 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is a deferred inflow.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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	\$ 13,787
Gasoline & Motor Vehicle Tax	491,775
Local Government	586,538
Charges for Service	60,323
Homestead and Rollback	169,465
Grants	3,534
Fines	249,149
Total Governmental	<u>1,574,571</u>
Business-Type Activities:	
Charges for Service	473,702
OWDA and OPWC	28,290
Total Business-Type	<u>501,992</u>
Total Intergovernmental Receivables	<u>\$ 2,076,563</u>

D. Loan Receivable

The City is reporting a long-term loan receivable related to the Airport Improvement bonds (See Note 16). During 2014, the City entered into an agreement with the Lake County Port and Economic Development Authority for the transfer of ownership of the Willoughby Lost Nation Municipal Airport. As part of this agreement the Lake County Port and Economic Development Authority is obligated to make annual debt payments to reimburse the City for the Airport Improvement bonds. At December 31, 2015, the remaining balance being reported in the City's financial statements is \$140,000.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 9: CAPITAL ASSETS

A summary of changes in capital assets during 2015 follows:

	Balance 01/01/15	Additions	Deletions	Balance 12/31/15
Governmental Activities				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$7,747,042	\$0	(\$163,839)	\$7,583,203
Construction in Progress	5,090,797	288,241	(\$375,604)	5,003,434
<i>Total Capital Assets Not Being Depreciated</i>	<u>12,837,839</u>	<u>288,241</u>	<u>(539,443)</u>	<u>12,586,637</u>
<i>Capital Assets Being Depreciated</i>				
Buildings	22,379,004	135,121	(133,872)	22,380,253
Improvements	13,950,850	615,226	0	14,566,076
Machinery and Equipment	11,723,310	551,350	(403,894)	11,870,766
Infrastructure:				
Roads	34,970,573	1,217,307	(271,073)	35,916,807
Sidewalks	1,152,961	0	0	1,152,961
Curbs & Gutters	985,795	0	0	985,795
Storm Sewers	11,202,605	60,097	0	11,262,702
Street Lights	41,948	0	0	41,948
Traffic Signals	1,754,581	0	0	1,754,581
Bridges	533,211	0	0	533,211
<i>Total Capital Assets Being Depreciated</i>	<u>98,694,838</u>	<u>2,579,101</u>	<u>(808,839)</u>	<u>100,465,100</u>
<i>Less Accumulated Depreciation</i>				
Buildings	(9,263,231)	(574,168)	127,179	(9,710,220)
Improvements	(9,469,386)	(435,164)	0	(9,904,550)
Machinery and Equipment	(7,930,663)	(713,877)	380,825	(8,263,715)
Infrastructure:				
Roads	(16,316,360)	(2,535,168)	271,073	(18,580,455)
Sidewalks	(787,478)	(39,655)	0	(827,133)
Curbs & Gutters	(691,786)	(34,589)	0	(726,375)
Storm Sewers	(4,561,114)	(281,171)	0	(4,842,285)
Street Lights	(39,852)	0	0	(39,852)
Traffic Signals	(1,418,562)	(21,243)	0	(1,439,805)
Bridges	(155,638)	(9,964)	0	(165,602)
<i>Total Accumulated Depreciation</i>	<u>(50,634,070)</u>	<u>(4,644,999)</u>	<u>779,077</u>	<u>(54,499,992)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>48,060,768</u>	<u>(2,065,898)</u>	<u>(29,762)</u>	<u>45,965,108</u>
Total Government Activities Capital Assets, Net	<u><u>\$60,898,607</u></u>	<u><u>(\$1,777,657)</u></u>	<u><u>(\$569,205)</u></u>	<u><u>\$58,551,745</u></u>

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 9: CAPITAL ASSETS (CONTINUED)

	Balance 01/01/15	Additions	Deletions	Balance 12/31/15
Business-Type Activities				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$2,673,107	\$0	\$0	\$2,673,107
Construction in Progress	<u>232,870</u>	<u>264,236</u>	<u>(202,627)</u>	<u>294,479</u>
<i>Total Capital Assets Not Being Depreciated</i>	<u>2,905,977</u>	<u>264,236</u>	<u>(202,627)</u>	<u>2,967,586</u>
<i>Capital Assets Being Depreciated</i>				
Buildings	19,712,899	509,276	0	20,222,175
Improvements	40,474,275	1,551,703	0	42,025,978
Machinery and Equipment	<u>4,917,124</u>	<u>150,822</u>	<u>0</u>	<u>5,067,946</u>
<i>Total Capital Assets Being Depreciated</i>	<u>65,104,298</u>	<u>2,211,801</u>	<u>0</u>	<u>67,316,099</u>
<i>Less Accumulated Depreciation</i>				
Buildings	(12,676,456)	(448,961)	0	(13,125,417)
Improvements	(17,445,133)	(1,100,213)	0	(18,545,346)
Machinery and Equipment	<u>(3,236,969)</u>	<u>(191,310)</u>	<u>0</u>	<u>(3,428,279)</u>
<i>Total Accumulated Depreciation</i>	<u>(33,358,558)</u>	<u>(1,740,484)</u>	<u>0</u>	<u>(35,099,042)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>31,745,740</u>	<u>471,317</u>	<u>0</u>	<u>32,217,057</u>
Total Business-Type Capital Assets, Net	<u><u>\$34,651,717</u></u>	<u><u>\$735,553</u></u>	<u><u>(\$202,627)</u></u>	<u><u>\$35,184,643</u></u>
*Depreciation expense was charged to governmental functions as follows:				
General Government				\$407,892
Security of Persons and Property				617,430
Public Health and Welfare				11,010
Community Environment				8,511
Leisure Time Activities				310,910
Transportation				2,836,662
Basic Utility Service				<u>452,584</u>
Total				<u><u>\$4,644,999</u></u>
Depreciation expense was charged to business-type activities as follows:				
Golf				\$144,925
Sewer				<u>1,595,559</u>
Total				<u><u>\$1,740,484</u></u>

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NOTE 10: DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

CITY OF WILLOUGHBY, OHIO
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defined contribution features. While members (e.g. City employees) may elect the Member-Directed Plan and the Combined Plan, substantially all employee members are in OPERS' Traditional Plan; therefore, the following disclosure focuses on the Traditional Pension Plan.

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

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

GROUP A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	GROUP B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	GROUP C Members not in other Groups and members hired on or after January 7, 2013
State and Local Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	State and Local Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	State and Local Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

	<u>STATE & LOCAL</u>
2015 Statutory Maximum Contribution Rates	
EMPLOYER	14%
EMPLOYEE	10%
2015 Actual Contribution Rates	
EMPLOYER:	
Pension	12%
Post-employment Health Care Benefits	2%
TOTAL EMPLOYER	<u>14%</u>
EMPLOYEE	<u>10%</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contributions were \$1,017,533 for 2015.

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

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

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

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

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

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

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to three percent of their base pension or disability benefit.

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

	POLICE	FIRE
2015 Statutory Maximum Contribution Rates		
EMPLOYER:	19.50 %	24.00 %
EMPLOYEE:		
Jan. 1, 2015 - Jul. 1, 2015	11.50 %	11.50 %
Jul. 2, 2015 - Dec. 31, 2015	12.25 %	12.25 %
2015 Actual Contribution Rates		
EMPLOYER:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
EMPLOYEE:		
Jan. 1, 2015 - Jul. 1, 2015	11.50 %	11.50 %
Jul. 2, 2015 - Dec. 31, 2015	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$1,505,302 for 2015.

In addition to current contributions, the City pays installments on a specific liability incurred when the State of Ohio established the statewide pension system for police and firefighters in 1967. As of December 31, 2015, the specific liability of the City was \$97,121 payable in semi-annual payments through the year 2035.

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

The net pension liability for OPERS was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2014, and was determined by rolling forward the total pension liability as of January 1, 2014, to December 31, 2014. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS Traditional Pension Plan	OPERS Combined Pension Plan	OP&F Police	OP&F Fire	Total
Proportionate Share of the Net Pension Liability/(Asset)	\$8,252,096	(\$9,646)	\$8,612,065	\$ 9,632,162	\$26,486,677
Proportion of the Net Pension Liability/Asset	0.068419%	0.025052%	0.1662427%	0.1859341%	
Pension Expense	\$ 900,967	\$ 6,409	\$ 840,950	\$ 944,442	\$ 2,692,768

At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS	OP&F Police	OP&F Fire	Total
<u>Deferred Outflows of Resources</u>				
Net difference between projected and actual earnings on pension plan investments	\$440,896	\$371,172	\$415,137	\$1,227,205
City contributions subsequent to the measurement date	1,017,533	715,447	789,855	2,522,835
Total Deferred Outflows of Resources	<u>\$1,458,429</u>	<u>\$1,086,619</u>	<u>\$1,204,992</u>	<u>\$3,750,040</u>
<u>Deferred Inflows of Resources</u>				
Differences between expected and actual experience	<u>\$147,916</u>	<u>\$0</u>	<u>\$0</u>	<u>\$147,916</u>

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\$2,522,835 was reported as deferred outflows of resources related to pension resulting from the City's contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the year ending December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS	OP&F Police	OP&F Fire	Total
Year Ending December 31:				
2016	\$42,983	\$92,793	\$103,784	\$239,560
2017	42,983	92,793	103,784	239,560
2018	98,683	92,793	103,784	295,260
2019	109,874	92,793	103,785	306,452
2020	(350)	0	0	(350)
Thereafter	(1,193)	0	0	(1,193)
Total	<u>\$292,980</u>	<u>\$371,172</u>	<u>\$415,137</u>	<u>\$1,079,289</u>

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.75%
Future Salary Increases, including inflation	4.25% -10.05% including wage inflation
COLA or Ad Hoc COLA	3% simple
Investment Rate of Return	8%
Actuarial Cost Method	Individual Entry Age

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Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2010.

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

OPERS manages investments in four investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 6.95 percent for 2014.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2014 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.31 %
Domestic Equities	19.90	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	19.10	7.40
Other investments	18.00	4.59
Total	100.00 %	5.28 %

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Discount Rate The discount rate used to measure the total pension liability was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability/(Asset) to Changes in the Discount Rate The following table presents the City's proportionate share of the net pension liability/(asset) calculated using the current period discount rate assumption of 8 percent, as well as what the City's proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is one-percentage-point lower (7 percent) or one-percentage-point higher (9 percent) than the current rate:

City's proportionate share of the net pension liability/(asset)	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Traditional Pension Plan	\$15,181,492	\$8,252,096	\$2,415,875
Combined Plan	\$1,253	(\$9,646)	(\$18,288)

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2014 is based on the results of an actuarial valuation date of January 1, 2014, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2014, are presented below:

Valuation Date	January 1, 2014
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
Cost of Living Adjustments	2.60 percent and 3.00 percent

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Rates of death are based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

The most recent experience study was completed January 1, 2012.

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

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2014 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	(0.25) %
Domestic Equity	16.00	4.47
Non-US Equity	16.00	4.47
Core Fixed Income *	20.00	1.62
Global Inflation Protected *	20.00	1.33
High Yield	15.00	3.39
Real Estate	12.00	3.93
Private Markets	8.00	6.98
Timber	5.00	4.92
Master Limited Partnerships	8.00	7.03
Total	<u>120.00 %</u>	

* levered 2x

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

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Discount Rate The total pension liability was calculated using the discount rate of 8.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.25 percent. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25 percent), or one percentage point higher (9.25 percent) than the current rate.

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$ 25,234,526	\$ 18,244,227	\$ 12,325,569

NOTE 11: POST-EMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System (OPERS)

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

OPERS maintains two cost-sharing multiple-employer defined benefit post-employment health care trusts which fund multiple health care plans. They include a medical plan, a prescription drug program, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements for qualifying benefit recipients of both the Traditional and Combined Benefit plans. Those belonging to the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

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In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 20 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.

OPERS issues a stand-alone financial report. Interested parties can obtain a copy by visiting <https://www.opers.org/financial/reports.shtml#CAFR>, writing to OPERS at 277 East Town Street, Columbus, Ohio 43215-4642 or by calling 1-800-222-PERS (7377) or (614) 222-5601.

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.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2015, local government employers contributed at a rate of 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 fund health care.

OPERS' maintains three health care trusts. The two cost-sharing, multiple-employer trusts: the 401(h) Health Care Trust and the 115 Health Care trust, work together to provide retirees of the Traditional Pension and Combined Plans with funding for health care. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) that provides for Member-Directed Plan retirees. Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits.

For 2015, the employer contributions allocated to the health care plan for members of the Traditional Plan and the Combined Plan was 2%. As recommended by OPERS' actuary, contributions will remain at 2% beginning January 1, 2016 for both plans. 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 employer contribution deposited to the VEBA for participants in the Member-Directed Plan was 4.5% of covered payroll during 2015.

The total employer contribution rate is the statutorily required contribution rates for OPERS. The City's actual contributions for the years 2015, 2014 and 2013 which were used to fund post-employment benefits were \$173,306, \$173,444, and \$84,736

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respectively. The City's portion is calculated by multiplying actual employer contributions by the employer contribution rate determined to be 0.1428 for 2015.

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.

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 2015, the employer contribution allocated to the healthcare plan was 0.50% of covered payroll for January through December. 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).

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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, 2015, 2014 and 2013 were \$730,968, \$710,780, and \$825,177 for police and \$804,199, \$795,414, and \$923,241 for firefighters, respectively. The portion of the City's contributions that was used to pay post-employment benefits for 2015, 2014 and 2013 was \$19,021, \$18,517, and \$126,456 for police and \$16,881, \$16,727, and \$115,264 for firefighters, respectively. These amounts are calculated by multiplying actual employer contributions by the following factors: for 2015 and 2014, 0.026 for police and 0.021 for fire on contributions made January through December. For 2013, the factors were 0.241 for police contributions and 0.195 for firefighter contributions.

NOTE 12: OTHER EMPLOYEE BENEFITS – COMPENSATED ABSENCES

A. Accumulated Unpaid Vacation

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

B. Accumulated Unpaid Sick Leave

All full-time employees earn sick leave at a rate of 1.25 days for each completed full month of service. Sick leave is accumulated without limit. Upon retirement, an employee is entitled to receive payment for accumulated sick leave. The amount paid is based upon length of service with the maximum amount of accumulated sick leave being 960 hours. Employees with 15 years of service receive an additional amount of 20 percent for sick leave hours accumulated in excess of 960 hours for most City employees and 1,195.2 hours for firefighters. Employees with 20 to 25 years of service receive an additional amount of 30 percent for sick leave accumulated in excess of 960 hours or 1,195.2 for firefighters. With 25 years or more of service employees receive an additional amount of 40 percent for sick leave accumulated in excess of 960 hours or 1,195.2 for firefighters.

C. Accumulated Unpaid Compensatory Time

Firefighters may accrue compensatory time to a maximum of 96 hours and police officers may accrue to a maximum of 180 hours. Communications clerks and operators may accrue a maximum of 120 hours of compensatory time. Service workers may accrue a maximum of 40 hours of compensatory time.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 13: CONTRACTUAL COMMITMENTS

At December 31, 2015, the City's significant contractual commitments consisted of:

Project	Contract Amount	Amount Paid	Remaining on Contract
· Rosenbauer 2016 Freightliner	\$ 248,446	\$ 0	\$ 248,446
· I-90 Sanitary Sewer Imp & Meadowland Trunk Sewer	<u>\$ 257,196</u>	<u>\$ 28,049</u>	<u>\$ 229,147</u>
Total	\$ 505,642	\$ 28,049	\$ 477,593

NOTE 14: CONTINGENCIES, CLAIMS AND JUDGMENTS

A. Litigation

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

B. Special Assessment/Enterprise Bonds

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

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

NOTE 15: OTHER COMMITMENTS

Water/Sewer Billing Agreement

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

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 16: LONG-TERM OBLIGATIONS

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

	Original Issue Date	Maturity Date	Interest Rate	Original Issue Amount
<u>Governmental Activities:</u>				
<u>General Obligation Bonds Voted</u>				
Fire Station Refunding	2010	2024	2.0%-4.0%	\$ 4,160,000
<u>General Obligation Bonds Unvoted</u>				
Various Purpose Bond Refunding	2010	2016	1.5%-4.0%	1,075,000
Municipal Building Improvement Refunding	2012	2023	2.0%-4.0%	4,600,000
City Hall Improvement	2012	2032	1.0%-2.625%	3,200,000
Airport Improvement	2012	2032	1.0%-2.625%	155,000
Golf Course Improvement #2	2012	2032	1.0%-2.625%	1,710,000
<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

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Long-Term Obligations (cont)

	Original Issue Date	Maturity Date	Interest Rate	Original Issue Amount
<u>Enterprise Fund G.O. Debt Sewer Bonds</u>				
Sewer 2012	2012	2032	1.0%-2.625%	\$ 1,600,000
<u>OPWC</u>				
Waldamere-Glenwood Sanitary Sewer	1997	2017	Interest Free	200,000
Vine Street Area Sanitary Sewer	2001	2022	Interest Free	223,351
Center-Wood Sanitary Sewer	2003	2024	Interest Free	78,505
Lakeshore Blvd	2007	2028	Interest Free	115,102
River Road Sanitary Sewer	2010	2030	Interest Free	57,574
Kirtland Road Sanitary Sewer	2011	2031	Interest Free	150,000
Madison Skiff Sanitary Sewer	2012	2033	Interest Free	126,128
Mooreland St Clair	2015	2036	Interest Free	150,000
<u>OWDA</u>				
Waldamere-Glenwood Sanitary Sewer	1997	2017	4.04%-3.0%	305,320
Downtown Sanitary Sewer	2001	2020	3.91%-3.0%	1,372,534
Highland-Maple-Wood Sanitary Sewer	2002	2022	3.99-3.53%-3.0%	1,734,234
Center-Wood Sanitary Sewer	2003	2023	3.65%-3.0%	974,020
Van Gorder Sewer Lining	2003	2023	4.78%-4.0%	88,505
Lakeshore Blvd	2007	2027	3.34%-3.0	544,207
River Road Sanitary Sewer	2008	2029	3.3%-3.0	1,945,317
Vine and Trunk Sanitary Sewer	2010	2030	3.25%-3.0%	327,067
WPCC SSES Facilities Plan Update	2010	2016	3.20%	435,235
Kirtland Road Sanitary Sewer	2011	2031	4.45%-4.0%	559,572
Madison Skiff Sanitary Sewer	2012	2033	3.35%	984,927
Mooreland St Clair	2015	2036	2.75%	1,127,323
<u>Golf Bonds</u>				
Golf Course Improvement Refunding	2012	2019	1.0%-2.0%	835,000
Golf Course Improvement Refunding	2012	2022	1.0%-2.0%	1,165,000

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Long-Term Obligations (cont)

Changes in long-term obligations of the City during 2015 were as follows:

	Restated Balance 01/01/15	Increases	Decreases	Balance 12/31/15	Amounts Due Within One Year
Governmental Activities:					
<u>General Obligation Bonds Voted</u>					
Fire Station Refunding	\$ 3,140,000	\$ 0	\$ 270,000	\$ 2,870,000	\$ 280,000
Unamortized Premium	29,190	0	2,919	26,271	0
<i>Subtotal - General Obligation Bonds Voted</i>	<u>3,169,190</u>	<u>0</u>	<u>272,919</u>	<u>2,896,271</u>	<u>280,000</u>
<u>General Obligation Bonds Unvoted</u>					
Various Purpose Bond Refunding	375,000	0	185,000	190,000	190,000
Municipal Building Improvement Refunding	3,785,000	0	410,000	3,375,000	410,000
Unamortized Premium	182,277	0	20,253	162,024	0
City Hall Improvement	2,935,000	0	145,000	2,790,000	145,000
Airport Improvement	145,000	-	5,000	140,000	5,000
Golf Course Improvement #2	1,565,000	0	75,000	1,490,000	75,000
Unamortized Premium	104,725	0	5,900	98,825	0
<i>Subtotal - General Obligation Bonds Unvoted</i>	<u>9,092,002</u>	<u>0</u>	<u>846,153</u>	<u>8,245,849</u>	<u>825,000</u>
<u>OPWC</u>					
Karen Isle Watermains	2,701	0	450	2,251	450
Brown Avenue Watermains	6,270	0	784	5,486	784
<i>Subtotal - OPWC</i>	<u>8,971</u>	<u>0</u>	<u>1,234</u>	<u>7,737</u>	<u>1,234</u>
Total Governmental Activities					
General Obligation Bonds and Loans	<u>12,270,163</u>	<u>0</u>	<u>1,120,306</u>	<u>11,149,857</u>	<u>1,106,234</u>
<u>Special Assessment Bonds</u>					
Biltmore Place	70,000	0	35,000	35,000	35,000
<i>Subtotal - Special Assessment Bonds</i>	<u>70,000</u>	<u>0</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>
<u>Other General Long Term Liabilities</u>					
Police Pension Liability	100,313	0	3,192	97,121	3,331
Landfill Postclosure Care	623,734	0	62,374	561,360	62,374
Compensated Absences	5,630,084	1,195,390	1,114,922	5,710,552	1,457,767
<i>Subtotal - Other General Long-Term Liabilities</i>	<u>6,354,131</u>	<u>1,195,390</u>	<u>1,180,488</u>	<u>6,369,033</u>	<u>1,523,472</u>
<u>Net Pension Liability</u>					
OPERS	6,261,410	144,692	0	6,406,102	0
OP&F	17,152,115	1,092,112	0	18,244,227	0
<i>Subtotal - Net Pension Liability</i>	<u>23,413,525</u>	<u>1,236,804</u>	<u>0</u>	<u>24,650,329</u>	<u>0</u>
Subtotal Governmental Activities	<u>\$ 42,107,819</u>	<u>\$ 2,432,194</u>	<u>\$ 2,335,794</u>	<u>\$ 42,204,219</u>	<u>\$ 2,664,706</u>

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Long-Term Obligations (cont)

	Restated Balance 01/01/15	Increases	Decreases	Balance 12/31/15	Amounts Due Within One Year
<u>Business-Type Activities:</u>					
<u>Enterprise Fund General Obligation</u>					
<u>Debt - Sewer Bonds</u>					
Sewer 2012	\$ 1,465,000	\$ 0	\$ 70,000	\$ 1,395,000	\$ 70,000
<u>OPWC</u>					
Waldamere-Glenwood Sanitary Sewer	25,000	0	10,000	15,000	10,000
Vine Street Area Sanitary Sewer	83,070	0	10,383	72,687	10,382
Center-Wood Sanitary Sewer	39,254	0	3,926	35,328	3,926
Lakeshore Blvd	80,571	0	5,755	74,816	5,755
River Road Sanitary Sewer	44,619	0	2,879	41,740	2,879
Kirtland Road Sanitary Sewer	131,250	0	7,500	123,750	7,500
Madison Skiff Sanitary Sewer	122,975	0	6,306	116,669	6,306
Mooreland St. Clair	0	150,000	0	150,000	0
<u>OWDA</u>					
Waldamere-Glenwood Sanitary Sewer	52,764	0	20,474	32,290	21,309
Downtown Sanitary Sewer	527,886	0	79,689	448,197	82,835
Highland-Maple-Wood Sanitary Sewer	860,778	0	93,377	767,401	97,123
Center-Wood Sanitary Sewer	525,613	0	50,315	475,298	52,169
Van Gorder Sewer Lining	50,148	0	4,579	45,569	4,800
Lakeshore Blvd	372,702	0	16,840	355,862	25,850
River Road Sanitary Sewer	1,552,877	0	64,205	1,488,672	85,212
Vine and Trunk Sanitary Sewer	252,091	0	0	252,091	2,102
WPCC SSES Facilities Plan Update	44,852	0	44,852	0	0
Kirtland Road Sanitary Sewer	513,461	0	19,912	493,549	20,809
Madison Skiff Sanitary Sewer	955,533	0	31,007	924,526	30,175
Mooreland St. Clair	0	1,127,323	0	1,127,323	0
<u>Subtotal - Sewer Bonds and Loans</u>	<u>7,700,444</u>	<u>1,277,323</u>	<u>541,999</u>	<u>8,435,768</u>	<u>539,132</u>
<u>Golf Bonds</u>					
Golf Course Improvement Refunding	605,000	0	115,000	490,000	120,000
Golf Course Improvement Refunding	1,040,000	0	70,000	970,000	70,000
<u>Subtotal - Golf Bonds</u>	<u>1,645,000</u>	<u>0</u>	<u>185,000</u>	<u>1,460,000</u>	<u>190,000</u>
Total Bonds Payable	<u>9,345,444</u>	<u>1,277,323</u>	<u>726,999</u>	<u>9,895,768</u>	<u>729,132</u>
<u>Other Liabilities</u>					
Compensated Absences	828,318	176,825	175,891	829,252	212,942
<u>Net Pension Liability- OPERS</u>					
Sewer	1,507,481	34,836	0	1,542,317	0
Golf	296,818	6,859	0	303,677	0
<u>Subtotal -Net Pension Liability-OPERS</u>	<u>1,804,299</u>	<u>41,695</u>	<u>0</u>	<u>1,845,994</u>	<u>0</u>
Subtotal Business-Type Activities	<u>11,978,061</u>	<u>1,495,843</u>	<u>902,890</u>	<u>12,571,014</u>	<u>942,074</u>
Total Long-Term Liabilities	<u>\$ 54,085,880</u>	<u>\$ 3,928,037</u>	<u>\$ 3,238,684</u>	<u>\$ 54,775,233</u>	<u>\$ 3,606,780</u>

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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 un-voted general property taxes levied on all taxable property located within the City. Tax monies will be received in and the debt will be retired from the General Bond Retirement fund.

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

General Obligation Bonds				
Year Ending	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
December 31	Principal	Interest	Principal	Interest
2016	1,105,000	259,529	260,000	54,219
2017	935,000	227,729	260,000	51,618
2018	950,000	205,678	260,000	49,019
2019	980,000	180,879	270,000	43,818
2020	995,000	160,769	300,000	38,419
2021-2025	3,885,000	470,706	870,000	113,694
2026-2030	1,400,000	179,038	445,000	56,370
2031-2032	605,000	23,775	190,000	7,362
Total	\$10,855,000	\$ 1,708,103	\$ 2,855,000	\$ 414,519

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:

Special Assessment		
Year Ending	<u>Governmental Activities</u>	
December 31	Principal	Interest
2016	35,000	2,048
Total	\$ 35,000	\$ 2,048

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Other Long-Term Obligations – Compensated absences will be paid from the fund in which the employee’s salary is paid. The General fund pays the most significant amounts. Enterprise funds pay for all of their employee costs including retirements. Police Pension liability is paid from the Police Pension fund. See Note 19 for further detail on landfill liability. The City’s legal debt margin at December 31, 2015 was \$60,573,177. Annual debt service requirements to maturity for other debt are as follows:

Year Ending December 31	Other Debt				
	Governmental Activities		Business-type Activities		
	Police Pension Liability		O.P.W.C.	O.W.D.A. & O.P.W.C.	
	Principal	Interest	Principal	Principal	Interest
2016	3,331	4,093	1,234	469,132	164,378
2017	3,474	3,949	1,234	544,648	182,057
2018	3,622	3,800	1,234	546,293	169,424
2019	3,778	3,644	1,234	564,571	153,923
2020	3,941	3,482	1,235	583,525	137,854
2021-2025	22,393	14,723	1,566	2,092,760	479,894
2026-2030	27,634	9,483	0	1,575,472	223,183
2031-2035	28,948	3,047	0	664,367	55,163
Total	\$ 97,121	\$ 46,221	\$ 7,737	\$ 7,040,768	\$ 1,565,877

NOTE 17: CONDUIT DEBT

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

TYPE	ON BEHALF OF	ORIGINAL AMOUNT	OUTSTANDING BALANCE	YEAR OF ISSUE
Multi-Family Housing Mortgage Revenue Bonds	Oakhill Village	\$5,955,000	\$5,955,000	2002A
	Oakhill Village	\$3,395,000	\$1,470,000	2002B
Industrial Development Revenue Bonds	Kennedy Group	\$6,500,000	\$950,000	1998
Industrial Development Revenue Refunding Bonds	Ohio Presbyterian Retirement Services	\$8,200,000	\$715,000	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.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 18: NOTES PAYABLE

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

The following general obligation notes were payable at December 31, 2015:

Notes	Maturity Date	Balance December 31, 2014	Issued	Retired	Balance December 31, 2015
Capital Project Note Payable: 1.25%	May 27, 2016	\$5,700,000	\$5,700,000	\$5,700,000	\$5,700,000
Total Notes Payable		<u>\$5,700,000</u>	<u>\$5,700,000</u>	<u>\$5,700,000</u>	<u>\$5,700,000</u>

NOTE 19: LANDFILL CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations require the City to perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. The City's landfill placed its final cover in 1995. The \$561,360 reported as Landfill Postclosure Care at December 31, 2015 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.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 20: INSURANCE AND RISK MANAGEMENT

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

A. Commercial Insurance

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

Coverage	Company	Claim Limit	Deductible
General Liability	Selective Insurance	\$1,000,000	\$ 0
Public Officials Liability	Scottsdale Indemnity Company	2,000,000	25,000
Law Enforcement Liability	Scottsdale Indemnity Company	1,000,000	10,000
Commercial Property	Selective Insurance	79,330,081	25,000
Commercial Crime	Selective Insurance	20,000	250
Equipment Breakdown	Cincinnati Insurance	79,330,081	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)	Selective Insurance	10,000,000	0
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.

B. Workers' Compensation Retrospective Rating Plan

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

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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

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

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

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

In 2015 and 2016, the City opted to be experience rated for Workers' Compensation. This is as a result of the Bureau of Workers' Compensation changing to a prospective billing rather than a retrospective billing as was done in the past. The Bureau granted a 50% credit on claims costs for 2015 and 2016 to allow for an easier transition to this method of billing. The City reserves the right to go back to retrospective billing or other programs the Bureau may offer in the future.

NOTE 21: JOINT ORGANIZATION

Northeast Ohio Public Energy Council

The City is a member of the Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of energy. NOPEC is currently comprised of 174 communities who have been authorized by ballot to purchase energy on behalf of their citizens. The intent of NOPEC is to provide energy at the lowest possible rates while at the same time ensuring stability in prices by entering into long-term contracts with suppliers to provide energy to the citizens of its member communities.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the ten-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The City of Willoughby did not contribute to NOPEC during 2015. Financial information can be obtained by contacting NOPEC, 31320 Solon Road, Suite 33, Solon, Ohio 44139.

Required Supplementary Information

CITY OF WILLOUGHBY, OHIO
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Ohio Public Employees Retirement System
Last Two Years

<u>Traditional Plan</u>	<u>2014</u>	<u>2013</u>
City's Proportion of the Net Pension Liability	0.068419%	0.068419%
City's Proportionate Share of the Net Pension Liability	\$8,252,096	\$8,065,709
City's Covered-Employee Payroll	\$8,415,950	\$8,277,877
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	98.05%	97.44%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.45%	86.36%
<u>Combined Plan</u>	<u>2014</u>	<u>2013</u>
City's Proportion of the Net Pension (Asset)	0.025052%	0.025052%
City's Proportionate Share of the Net Pension (Asset)	(\$9,646)	(\$2,629)
City's Covered-Employee Payroll	\$92,267	\$66,838
City's Proportionate Share of the Net Pension (Asset) as a Percentage of its Covered Employee Payroll	10.45%	3.93%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	114.83%	104.33%

(1) Information prior to 2013 is not available.

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

CITY OF WILLOUGHBY, OHIO
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Ohio Police and Fire Pension Fund
Last Two Years

Police	2014	2013
City's Proportion of the Net Pension Liability	0.1662427%	0.1662427%
City's Proportionate Share of the Net Pension Liability	\$8,612,065	\$8,096,541
City's Covered-Employee Payroll	\$3,666,305	\$5,245,880
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	234.90%	154.34%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.20%	73.00%
Fire	2014	2013
City's Proportion of the Net Pension Liability	0.1859341%	0.1859341%
City's Proportionate Share of the Net Pension Liability	\$9,632,162	\$9,055,574
City's Covered-Employee Payroll	\$3,331,877	\$4,563,722
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	289.09%	198.43%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.20%	73.00%

(1) Information prior to 2013 is not available.

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

CITY OF WILLOUGHBY, OHIO
Required Supplementary Information
Schedule of City Contributions
Ohio Public Employees Retirement System
Last Three Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Contractually Required Contributions</u>			
Traditional Plan	\$997,129	\$1,009,914	1,076,124
Combined Plan	\$20,404	\$11,072	8,689
Total Required Contributions	\$1,017,533	\$1,020,986	\$1,084,813
Contributions in Relation to the Contractually Required Contribution	(\$1,017,533)	(\$1,020,986)	(\$1,084,813)
Contribution Deficiency / (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>City's Covered-Employee Payroll</u>			
Traditional Plan	\$8,309,408	\$8,415,950	\$8,277,877
Combined Plan	\$170,033	\$92,267	\$66,838
<u>Contributions as a Percentage of Covered-Employee Payroll</u>			
Traditional Plan	12.00%	12.00%	13.00%
Combined Plan	12.00%	12.00%	13.00%

[1] – Information prior to 2013 is not available

CITY OF WILLOUGHBY, OHIO
Required Supplementary Information
Schedule of City Contributions
Ohio Police and Fire Pension Fund
Last Ten Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<u>Contractually Required Contributions</u>										
Police	\$715,447	\$696,598	\$825,177	\$685,085	\$687,087	\$714,847	\$708,182	\$678,367	\$643,599	\$625,442
Fire	\$789,855	\$782,991	\$923,241	\$753,553	\$758,125	\$751,647	\$737,934	\$711,921	\$691,923	\$670,851
Total Required Contributions	\$1,505,302	\$1,479,589	\$1,748,418	\$1,438,638	\$1,445,212	\$1,466,494	\$1,446,116	\$1,390,288	\$1,335,522	\$1,296,293
Contributions in Relation to the Contractually Required Contribution	(\$1,505,302)	(\$1,479,589)	(\$1,748,418)	(\$1,438,638)	(\$1,445,212)	(\$1,466,494)	(\$1,446,116)	(\$1,390,288)	(\$1,335,522)	(\$1,296,293)
Contribution Deficiency / (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>City's Covered-Employee Payroll</u>										
Police	\$3,765,511	\$3,666,305	\$5,245,880	\$5,373,216	\$5,388,918	\$5,606,643	\$5,554,369	\$5,320,525	\$5,047,835	\$5,322,911
Fire	\$3,361,085	\$3,331,877	\$4,563,722	\$4,368,423	\$4,394,928	\$4,357,374	\$4,277,878	\$4,127,078	\$4,011,148	\$4,128,314
<u>Contributions as a Percentage of Covered-Employee Payroll</u>										
Police	19.00%	19.00%	[1]	12.75%	12.75%	12.75%	12.75%	12.75%	12.75%	11.75%
Fire	23.50%	23.50%	[1]	17.25%	17.25%	17.25%	17.25%	17.25%	17.25%	16.25%

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

*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, 2015

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>FINAL BUDGET</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
REVENUES:				
Municipal Income Taxes	\$ 17,302,036	\$ 17,302,036	\$ 16,874,109	\$ (427,927)
Property and Other Local Taxes	1,587,337	1,587,337	1,687,636	100,299
Intergovernmental	1,258,550	1,258,550	1,339,872	81,322
Charges for Services	1,212,700	1,212,700	1,227,606	14,906
Fines and Forfeitures	2,112,000	2,112,000	2,018,253	(93,747)
Licenses and Permits	240,700	240,700	277,793	37,093
Interest	100,000	100,000	144,807	44,807
Miscellaneous	120,000	120,000	112,500	(7,500)
Total Revenues	<u>23,933,323</u>	<u>23,933,323</u>	<u>23,682,576</u>	<u>(250,747)</u>
EXPENDITURES:				
Government:				
Legislative -Council				
Personal Services	109,701	125,777	109,840	15,937
Services and Supplies	<u>7,700</u>	<u>7,700</u>	<u>5,500</u>	<u>2,200</u>
Total Legislative -Council	<u>117,401</u>	<u>133,477</u>	<u>115,340</u>	<u>18,137</u>
Judicial -Municipal Court				
Personal Services	2,329,886	2,329,886	1,951,854	378,032
Services and Supplies	128,500	128,500	87,817	40,683
Other	<u>10,000</u>	<u>10,000</u>	<u>0</u>	<u>10,000</u>
Total Judicial-Municipal Court	<u>2,468,386</u>	<u>2,468,386</u>	<u>2,039,671</u>	<u>428,715</u>
Executive-Mayor				
Personal Services	17,077,071	17,077,071	16,360,510	716,561
Services and Supplies	4,205,534	4,205,534	3,383,531	822,003
Other	<u>100,000</u>	<u>125,000</u>	<u>121,960</u>	<u>3,040</u>
Total Executive-Mayor	<u>21,382,605</u>	<u>21,407,605</u>	<u>19,866,001</u>	<u>1,541,604</u>
Total Expenditures	<u>23,968,392</u>	<u>24,009,468</u>	<u>22,021,012</u>	<u>1,988,456</u>
Excess of Revenues Over (Under) Expenditures	(35,069)	(76,145)	1,661,564	1,737,709
OTHER FINANCING SOURCES (USES):				
Transfers Out	(2,480,000)	(3,824,507)	(3,344,507)	480,000
Other	<u>0</u>	<u>0</u>	<u>249,951</u>	<u>249,951</u>
Total Other Financing Sources (Uses)	<u>(2,480,000)</u>	<u>(3,824,507)</u>	<u>(3,094,556)</u>	<u>729,951</u>
NET CHANGE IN FUND BALANCE	(2,515,069)	(3,900,652)	(1,432,992)	2,467,660
FUND BALANCE BEGINNING OF YEAR	7,230,816	7,230,816	7,230,816	0
Prior Year Encumbrances Appropriated	<u>12,236</u>	<u>12,236</u>	<u>12,236</u>	<u>0</u>
FUND BALANCE END OF YEAR	\$ 4,727,983	\$ 3,342,400	\$ 5,810,060	\$ 2,467,660

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, 2015

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>(NEGATIVE)</u>
REVENUES:				
Property and Other Local Taxes	\$110,000	\$110,000	\$114,233	\$4,233
Intergovernmental	<u>0</u>	<u>0</u>	<u>52,715</u>	<u>52,715</u>
Total Revenues	<u>110,000</u>	<u>110,000</u>	<u>166,948</u>	<u>56,948</u>
EXPENDITURES:				
Executive-Mayor				
Capital Outlay	2,795,000	2,795,000	1,851,606	943,394
Debt Service				
Principal Retirement	<u>5,700,000</u>	<u>5,700,000</u>	<u>5,700,000</u>	<u>0</u>
Total Expenditures	<u>8,495,000</u>	<u>8,495,000</u>	<u>7,551,606</u>	<u>943,394</u>
Excess of Revenues Over (Under) Expenditures	(8,385,000)	(8,385,000)	(7,384,658)	1,000,342
OTHER FINANCING SOURCES (USES):				
Notes Issued	5,800,000	5,800,000	5,700,000	(100,000)
Other	290,000	290,000	329,410	39,410
Transfers In	<u>0</u>	<u>1,334,507</u>	<u>854,507</u>	<u>(480,000)</u>
Total Other Financing Sources (Uses)	<u>6,090,000</u>	<u>7,424,507</u>	<u>6,883,917</u>	<u>(540,590)</u>
NET CHANGE IN FUND BALANCE	(2,295,000)	(960,493)	(500,741)	459,752
FUND BALANCE BEGINNING OF YEAR	4,067,980	4,067,980	4,067,980	0
Prior Year Encumbrances Appropriated	<u>12,973</u>	<u>12,973</u>	<u>12,973</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$1,785,953</u>	<u>\$3,120,460</u>	<u>\$3,580,212</u>	<u>\$459,752</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, 2015

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>(NEGATIVE)</u>
REVENUES:				
Property and Other Local Taxes	\$918,112	\$948,112	\$960,624	\$12,512
Intergovernmental	170,686	170,686	173,799	3,113
Interest Income	<u>0</u>	<u>0</u>	<u>51,813</u>	<u>51,813</u>
Total Revenues	<u>1,088,798</u>	<u>1,118,798</u>	<u>1,186,236</u>	<u>67,438</u>
EXPENDITURES:				
Executive-Mayor				
Personal Services	13,000	13,500	13,500	0
Services and Supplies	23,000	22,500	14,315	8,185
Debt Service				
Principal Retirement	1,086,234	1,146,234	1,146,234	0
Interest	<u>371,479</u>	<u>371,479</u>	<u>368,089</u>	<u>3,390</u>
Total Expenditures	<u>1,493,713</u>	<u>1,553,713</u>	<u>1,542,138</u>	<u>11,575</u>
Excess of Revenues Over (Under) Expenditures	(404,915)	(434,915)	(355,902)	79,013
OTHER FINANCING SOURCES (USES):				
Other	57,000	57,000	0	(57,000)
Transfer In	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>207,000</u>	<u>207,000</u>	<u>150,000</u>	<u>(57,000)</u>
NET CHANGE IN FUND BALANCE	(197,915)	(227,915)	(205,902)	22,013
FUND BALANCE BEGINNING OF YEAR	<u>230,579</u>	<u>230,579</u>	<u>230,579</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$32,664</u>	<u>\$2,664</u>	<u>\$24,677</u>	<u>\$22,013</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, 2015

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>POSITIVE (NEGATIVE)</u>
REVENUES:				
Charges for Services	\$975,200	\$975,200	\$923,059	(\$52,141)
Other	<u>0</u>	<u>0</u>	<u>1,128</u>	<u>1,128</u>
Total Revenues	<u>975,200</u>	<u>975,200</u>	<u>924,187</u>	<u>(51,013)</u>
EXPENSES:				
Executive-Mayor				
Leisure Time Activities				
Personal Services	461,488	481,488	470,477	11,011
Services and Supplies	336,890	343,890	340,084	3,806
Capital Outlay	12,000	0	0	0
Debt Service				
Principal Retirement	<u>185,000</u>	<u>170,000</u>	<u>125,000</u>	<u>45,000</u>
Total Expenses	<u>995,378</u>	<u>995,378</u>	<u>935,561</u>	<u>59,817</u>
NET CHANGE IN FUND EQUITY	(20,178)	(20,178)	(11,374)	8,804
FUND EQUITY BEGINNING OF YEAR	<u>20,958</u>	<u>20,958</u>	<u>20,958</u>	<u>0</u>
FUND EQUITY END OF YEAR	<u>\$780</u>	<u>\$780</u>	<u>\$9,584</u>	<u>\$8,804</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, 2015

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Intergovernmental	\$299,000	\$299,000	\$149,000	(\$150,000)
Charges for Services	6,285,500	6,285,500	5,619,632	(665,868)
Interest Income	0	0	1,033	1,033
Other	<u>250,000</u>	<u>250,000</u>	<u>290,172</u>	<u>40,172</u>
Total Revenues	<u>6,834,500</u>	<u>6,834,500</u>	<u>6,059,837</u>	<u>(774,663)</u>
EXPENSES:				
Executive-Mayor				
Basic Utility Service				
Personal Services	2,600,487	2,620,487	2,524,206	96,281
Services and Supplies	1,200,650	1,173,650	1,135,619	38,031
Other	250,000	250,000	250,000	0
Capital Outlay	4,713,637	4,720,637	2,423,670	2,296,967
Debt Service				
Principal Retirement	560,902	560,902	521,305	39,597
Interest	<u>249,193</u>	<u>249,193</u>	<u>235,011</u>	<u>14,182</u>
Total Expenses	<u>9,574,869</u>	<u>9,574,869</u>	<u>7,089,811</u>	<u>2,485,058</u>
Excess of Revenues Over (Under) Expenses	(2,740,369)	(2,740,369)	(1,029,974)	1,710,395
OTHER FINANCING SOURCES (USES):				
Sale of Debt	<u>1,540,000</u>	<u>1,540,000</u>	<u>1,249,033</u>	<u>(290,967)</u>
Total Other Financing Sources (Uses)	<u>1,540,000</u>	<u>1,540,000</u>	<u>1,249,033</u>	<u>(290,967)</u>
NET CHANGE IN FUND EQUITY	(1,200,369)	(1,200,369)	219,059	1,419,428
FUND EQUITY BEGINNING OF YEAR	1,990,876	1,990,876	1,990,876	0
Prior Year Encumbrances Appropriated	<u>9,070</u>	<u>9,070</u>	<u>9,070</u>	<u>0</u>
FUND EQUITY END OF YEAR	<u>\$799,577</u>	<u>\$799,577</u>	<u>\$2,219,005</u>	<u>\$1,419,428</u>

Combining Statements and Individual Fund Schedules

Combining Statements – Nonmajor Funds

NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Railroad Grade Crossing Fund – to account for fines received and expenditures for crossing improvements. This is a state mandated fund. There has been no activity therefore there are no financial statement presentations in 2015.

NONMAJOR DEBT SERVICE FUND

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

PERMANENT FUND

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

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

CITY OF WILLOUGHBY, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2015

	NONMAJOR SPECIAL REVENUE FUNDS	SPECIAL ASSESSMENTS DEBT SERVICE FUND	CEMETERY CARE PERMANENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Assets:				
Equity in City Treasury Cash and Investments	\$2,759,117	\$333,282	\$296,612	\$3,389,011
Inventory - Supplies	114,440	0	0	114,440
Accounts Receivable	1,401	0	0	1,401
Due from Other Governments	597,379	0	0	597,379
Taxes Receivable	1,443,703	0	0	1,443,703
Special Assessments Receivable	<u>537,216</u>	<u>47,387</u>	<u>0</u>	<u>584,603</u>
Total Assets	<u>5,453,256</u>	<u>380,669</u>	<u>296,612</u>	<u>6,130,537</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$5,453,256</u>	<u>\$380,669</u>	<u>\$296,612</u>	<u>\$6,130,537</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$297,571	\$0	\$0	\$297,571
Salaries, Wages & Benefits Payable	42,872	0	0	42,872
Due to Other Governments	<u>4</u>	<u>0</u>	<u>0</u>	<u>4</u>
Total Liabilities	<u>340,447</u>	<u>0</u>	<u>0</u>	<u>340,447</u>
Deferred Inflows of Resources:				
Property Taxes	1,371,169	0	0	1,371,169
Unavailable Revenue- Grants and Entitlements	485,017	0	0	485,017
Unavailable Revenue-Special Assessments	537,216	47,387	0	584,603
Unavailable Revenue- Delinquent Property Taxes	<u>72,534</u>	<u>0</u>	<u>0</u>	<u>72,534</u>
Total Deferred Inflows of Resources	<u>2,465,936</u>	<u>47,387</u>	<u>0</u>	<u>2,513,323</u>
Fund Balances:				
Nonspendable	114,440	0	296,612	411,052
Restricted	<u>2,532,433</u>	<u>333,282</u>	<u>0</u>	<u>2,865,715</u>
Total Fund Balances	<u>2,646,873</u>	<u>333,282</u>	<u>296,612</u>	<u>3,276,767</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$5,453,256</u>	<u>\$380,669</u>	<u>\$296,612</u>	<u>\$6,130,537</u>

CITY OF WILLOUGHBY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	NONMAJOR SPECIAL REVENUE FUNDS	SPECIAL ASSESSMENTS DEBT SERVICE FUND	CEMETERY CARE PERMANENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES:				
Property and Other Local Taxes	\$1,485,260	\$0	\$0	\$1,485,260
Intergovernmental	1,376,850	0	0	1,376,850
Charges for Services	336,336	0	11,440	347,776
Special Assessments	580,454	45,600	0	626,054
Fines and Forfeitures	387,512	0	0	387,512
Miscellaneous	<u>5,625</u>	<u>0</u>	<u>0</u>	<u>5,625</u>
Total Revenues	<u>4,172,037</u>	<u>45,600</u>	<u>11,440</u>	<u>4,229,077</u>
EXPENDITURES:				
Current:				
General Government	261,696	1,477	0	263,173
Security of Persons and Property	2,218,244	0	0	2,218,244
Community Environment	60,075	0	0	60,075
Leisure Time Activities	990,262	0	0	990,262
Transportation	1,716,928	0	0	1,716,928
Capital Outlay	1,234,917	0	0	1,234,917
Debt Service:				
Principal	0	35,000	0	35,000
Interest	<u>0</u>	<u>4,095</u>	<u>0</u>	<u>4,095</u>
Total Expenditures	<u>6,482,122</u>	<u>40,572</u>	<u>0</u>	<u>6,522,694</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,310,085)	5,028	11,440	(2,293,617)
OTHER FINANCING SOURCES (USES):				
Transfers In	2,490,000	0	0	2,490,000
Transfers Out	<u>(150,000)</u>	<u>0</u>	<u>0</u>	<u>(150,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,340,000</u>	<u>0</u>	<u>0</u>	<u>2,340,000</u>
NET CHANGE IN FUND BALANCES	29,915	5,028	11,440	46,383
FUND BALANCES BEGINNING OF YEAR	2,590,038	328,254	285,172	3,203,464
CHANGE IN INVENTORY	<u>26,920</u>	<u>0</u>	<u>0</u>	<u>26,920</u>
FUND BALANCES END OF YEAR	<u>\$2,646,873</u>	<u>\$333,282</u>	<u>\$296,612</u>	<u>\$3,276,767</u>

CITY OF WILLOUGHBY, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2015

	FIRE PENSION	POLICE PENSION	LAW ENFORCEMENT	RECREATION	STREET CONSTRUCTION MAINTENANCE AND REPAIR	STATE HIGHWAY	ROAD & BRIDGE	CORPORATE MAINTENANCE	ENFORCEMENT & EDUCATION
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES									
Assets:									
Equity in City Treasury Cash and Investments	\$71,375	\$68,358	\$50,253	\$209,600	\$270,304	\$44,543	\$739,686	\$98,400	\$26,127
Inventory - Supplies	0	0	0	0	114,440	0	0	0	0
Accounts Receivable	0	0	0	59	242	0	0	1,100	0
Due from Other Governments	8,297	8,297	0	2,453	458,415	36,796	54,690	0	0
Taxes Receivable	159,717	159,717	0	71,778	0	0	1,052,491	0	0
Special Assessments Receivable	0	0	0	0	0	0	0	22,634	0
Total Assets	<u>239,389</u>	<u>236,372</u>	<u>50,253</u>	<u>283,890</u>	<u>843,401</u>	<u>81,339</u>	<u>1,846,867</u>	<u>122,134</u>	<u>26,127</u>
Total Deferred Outflows									
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$239,389</u>	<u>\$236,372</u>	<u>\$50,253</u>	<u>\$283,890</u>	<u>\$843,401</u>	<u>\$81,339</u>	<u>\$1,846,867</u>	<u>\$122,134</u>	<u>\$26,127</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
Liabilities:									
Accounts Payable	\$0	\$0	\$0	\$5,681	\$34,324	\$0	\$198,851	\$0	\$0
Salaries, Wages & Benefits Payable	11,940	10,827	0	8,033	11,263	0	0	0	0
Due to Other Governments	0	0	0	4	0	0	0	0	0
Total Liabilities	<u>11,940</u>	<u>10,827</u>	<u>0</u>	<u>13,718</u>	<u>45,587</u>	<u>0</u>	<u>198,851</u>	<u>0</u>	<u>0</u>
Deferred Inflows of Resources:									
Property Taxes	151,680	151,680	0	68,282	0	0	999,527	0	0
Unavailable Revenue- Grants and Entitlements	8,297	8,297	0	2,453	380,434	30,846	54,690	0	0
Unavailable Revenue-Special Assessments	0	0	0	0	0	0	0	22,634	0
Unavailable Revenue- Delinquent Property Taxes	8,037	8,037	0	3,496	0	0	52,964	0	0
Total Deferred Inflows of Resources	<u>168,014</u>	<u>168,014</u>	<u>0</u>	<u>74,231</u>	<u>380,434</u>	<u>30,846</u>	<u>1,107,181</u>	<u>22,634</u>	<u>0</u>
Fund Balances:									
Nonspendable	0	0	0	0	114,440	0	0	0	0
Restricted	59,435	57,531	50,253	195,941	302,940	50,493	540,835	99,500	26,127
Total Fund Balances	<u>59,435</u>	<u>57,531</u>	<u>50,253</u>	<u>195,941</u>	<u>417,380</u>	<u>50,493</u>	<u>540,835</u>	<u>99,500</u>	<u>26,127</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$239,389</u>	<u>\$236,372</u>	<u>\$50,253</u>	<u>\$283,890</u>	<u>\$843,401</u>	<u>\$81,339</u>	<u>\$1,846,867</u>	<u>\$122,134</u>	<u>\$26,127</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>TOTAL 2015</u>
\$345,680	\$353,370	\$46,832	\$96,362	\$67,189	\$27,985	\$4,851	\$238,202	\$2,759,117
0	0	0	0	0	0	0	0	114,440
0	0	0	0	0	0	0	0	1,401
1,528	11,908	11,062	399	0	3,534	0	0	597,379
0	0	0	0	0	0	0	0	1,443,703
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>514,582</u>	<u>537,216</u>
<u>347,208</u>	<u>365,278</u>	<u>57,894</u>	<u>96,761</u>	<u>67,189</u>	<u>31,519</u>	<u>4,851</u>	<u>752,784</u>	<u>5,453,256</u>
<u>\$347,208</u>	<u>\$365,278</u>	<u>\$57,894</u>	<u>\$96,761</u>	<u>\$67,189</u>	<u>\$31,519</u>	<u>\$4,851</u>	<u>\$752,784</u>	<u>\$5,453,256</u>
\$0	\$8,976	\$0	\$0	\$0	\$0	\$0	\$49,739	\$297,571
0	0	0	0	0	809	0	0	42,872
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
<u>0</u>	<u>8,976</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>809</u>	<u>0</u>	<u>49,739</u>	<u>340,447</u>
0	0	0	0	0	0	0	0	1,371,169
0	0	0	0	0	0	0	0	485,017
0	0	0	0	0	0	0	514,582	537,216
<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>72,534</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>514,582</u>	<u>2,465,936</u>
0	0	0	0	0	0	0	0	114,440
<u>347,208</u>	<u>356,302</u>	<u>57,894</u>	<u>96,761</u>	<u>67,189</u>	<u>30,710</u>	<u>4,851</u>	<u>188,463</u>	<u>2,532,433</u>
<u>347,208</u>	<u>356,302</u>	<u>57,894</u>	<u>96,761</u>	<u>67,189</u>	<u>30,710</u>	<u>4,851</u>	<u>188,463</u>	<u>2,646,873</u>
<u>\$347,208</u>	<u>\$365,278</u>	<u>\$57,894</u>	<u>\$96,761</u>	<u>\$67,189</u>	<u>\$31,519</u>	<u>\$4,851</u>	<u>\$752,784</u>	<u>\$5,453,256</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, 2015

	<u>FIRE</u>	<u>POLICE</u>	<u>LAW</u>		<u>STREET</u>				
	<u>PENSION</u>	<u>PENSION</u>	<u>ENFORCEMENT</u>	<u>RECREATION</u>	<u>CONSTRUCTION</u>	<u>STATE</u>	<u>ROAD &</u>	<u>CORPORATE</u>	<u>ENFORCEMENT</u>
					<u>MAINTENANCE</u>	<u>HIGHWAY</u>	<u>BRIDGE</u>	<u>MAINTENANCE</u>	<u>& EDUCATION</u>
					<u>AND REPAIR</u>				
REVENUES:									
Property and Other Local Taxes	\$156,634	\$156,634	\$0	\$70,418	\$57,421	\$0	\$1,044,153	\$0	\$0
Intergovernmental	20,409	20,409	0	143,294	940,282	76,239	114,145	0	0
Charges for Services	0	0	0	325,057	979	0	0	0	0
Special Assessments	0	0	0	0	0	0	0	70,989	0
Fines and Forfeitures	0	0	6,615	0	0	0	0	0	1,947
Miscellaneous	0	0	2,993	0	2,632	0	0	0	0
Total Revenues	<u>177,043</u>	<u>177,043</u>	<u>9,608</u>	<u>538,769</u>	<u>1,001,314</u>	<u>76,239</u>	<u>1,158,298</u>	<u>70,989</u>	<u>1,947</u>
EXPENDITURES:									
Current:									
General Government	2,335	2,335	0	0	0	0	15,565	321	0
Security of Persons and Property	806,660	741,697	4,432	0	0	0	0	0	0
Community Environment	0	0	0	0	0	0	0	50,569	0
Leisure Time Activities	0	0	0	990,262	0	0	0	0	0
Transportation	0	0	0	0	1,594,021	122,907	0	0	0
Capital Outlay	0	0	0	0	0	0	1,202,359	0	0
Total Expenditures	<u>808,995</u>	<u>744,032</u>	<u>4,432</u>	<u>990,262</u>	<u>1,594,021</u>	<u>122,907</u>	<u>1,217,924</u>	<u>50,890</u>	<u>0</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(631,952)	(566,989)	5,176	(451,493)	(592,707)	(46,668)	(59,626)	20,099	1,947
OTHER FINANCING SOURCES (USES):									
Transfers In	675,000	585,000	0	460,000	700,000	55,000	0	0	0
Transfers Out	0	0	0	0	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	<u>675,000</u>	<u>585,000</u>	<u>0</u>	<u>460,000</u>	<u>700,000</u>	<u>55,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET CHANGE IN FUND BALANCES	43,048	18,011	5,176	8,507	107,293	8,332	(59,626)	20,099	1,947
FUND BALANCES BEGINNING OF YEAR	16,387	39,520	45,077	187,434	283,167	42,161	600,461	79,401	24,180
CHANGE IN INVENTORY	0	0	0	0	26,920	0	0	0	0
FUND BALANCES END OF YEAR	<u>\$59,435</u>	<u>\$57,531</u>	<u>\$50,253</u>	<u>\$195,941</u>	<u>\$417,380</u>	<u>\$50,493</u>	<u>\$540,835</u>	<u>\$99,500</u>	<u>\$26,127</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>TOTAL 2015</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,485,260
0	17,087	0	0	0	40,745	4,240	0	1,376,850
0	0	0	0	10,300	0	0	0	336,336
0	0	0	0	0	0	0	509,465	580,454
37,281	165,511	152,357	23,801	0	0	0	0	387,512
<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>5,625</u>
<u>37,281</u>	<u>182,598</u>	<u>152,357</u>	<u>23,801</u>	<u>10,300</u>	<u>40,745</u>	<u>4,240</u>	<u>509,465</u>	<u>4,172,037</u>
27,026	155,863	4,352	35,929	0	0	0	17,970	261,696
0	0	0	0	0	54,621	0	610,834	2,218,244
0	0	0	0	9,506	0	0	0	60,075
0	0	0	0	0	0	0	0	990,262
0	0	0	0	0	0	0	0	1,716,928
0	<u>32,558</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,234,917</u>
<u>27,026</u>	<u>188,421</u>	<u>4,352</u>	<u>35,929</u>	<u>9,506</u>	<u>54,621</u>	<u>0</u>	<u>628,804</u>	<u>6,482,122</u>
10,255	(5,823)	148,005	(12,128)	794	(13,876)	4,240	(119,339)	(2,310,085)
0	0	0	0	0	15,000	0	0	2,490,000
<u>0</u>	<u>0</u>	<u>(150,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(150,000)</u>
<u>0</u>	<u>0</u>	<u>(150,000)</u>	<u>0</u>	<u>0</u>	<u>15,000</u>	<u>0</u>	<u>0</u>	<u>2,340,000</u>
10,255	(5,823)	(1,995)	(12,128)	794	1,124	4,240	(119,339)	29,915
336,953	362,125	59,889	108,889	66,395	29,586	611	307,802	2,590,038
<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>26,920</u>
<u>\$347,208</u>	<u>\$356,302</u>	<u>\$57,894</u>	<u>\$96,761</u>	<u>\$67,189</u>	<u>\$30,710</u>	<u>\$4,851</u>	<u>\$188,463</u>	<u>\$2,646,873</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, 2015

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES:				
Property and Other Local Taxes	\$148,622	\$148,622	\$156,634	\$8,012
Intergovernmental	<u>23,067</u>	<u>23,067</u>	<u>20,409</u>	<u>(2,658)</u>
Total Revenues	<u>171,689</u>	<u>171,689</u>	<u>177,043</u>	<u>5,354</u>
EXPENDITURES:				
Executive-Mayor				
Security of Persons and Property				
Personal Services	871,269	871,269	834,233	37,036
Services and Supplies	<u>3,000</u>	<u>3,000</u>	<u>2,335</u>	<u>665</u>
Total Expenditures	<u>874,269</u>	<u>874,269</u>	<u>836,568</u>	<u>37,701</u>
Excess of Revenues Over (Under) Expenditures	(702,580)	(702,580)	(659,525)	43,055
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>675,000</u>	<u>675,000</u>	<u>675,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>675,000</u>	<u>675,000</u>	<u>675,000</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	(27,580)	(27,580)	15,475	43,055
FUND BALANCE BEGINNING OF YEAR	<u>55,900</u>	<u>55,900</u>	<u>55,900</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$28,320</u>	<u>\$28,320</u>	<u>\$71,375</u>	<u>\$43,055</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, 2015

	<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	\$148,622	\$148,622	\$156,634	\$8,012
Intergovernmental	<u>23,067</u>	<u>23,067</u>	<u>20,409</u>	<u>(2,658)</u>
Total Revenues	<u>171,689</u>	<u>171,689</u>	<u>177,043</u>	<u>5,354</u>
EXPENDITURES:				
Executive-Mayor				
Security of Persons and Property				
Personal Services	801,134	801,134	766,059	35,075
Services and Supplies	<u>3,000</u>	<u>3,000</u>	<u>2,335</u>	<u>665</u>
Total Expenditures	<u>804,134</u>	<u>804,134</u>	<u>768,394</u>	<u>35,740</u>
Excess of Revenues Over (Under) Expenditures	(632,445)	(632,445)	(591,351)	41,094
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>585,000</u>	<u>585,000</u>	<u>585,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>585,000</u>	<u>585,000</u>	<u>585,000</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	(47,445)	(47,445)	(6,351)	41,094
FUND BALANCE BEGINNING OF YEAR	<u>74,709</u>	<u>74,709</u>	<u>74,709</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$27,264</u>	<u>\$27,264</u>	<u>\$68,358</u>	<u>\$41,094</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, 2015

	<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	\$13,444	\$12,944
Other	<u>0</u>	<u>0</u>	<u>2,993</u>	<u>2,993</u>
Total Revenues	<u>500</u>	<u>500</u>	<u>16,437</u>	<u>15,937</u>
EXPENDITURES:				
Executive-Mayor				
Security of Persons and Property				
Services and Supplies	0	38,000	4,432	33,568
Capital Outlay	<u>38,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>38,000</u>	<u>38,000</u>	<u>4,432</u>	<u>33,568</u>
NET CHANGE IN FUND BALANCE	(37,500)	(37,500)	12,005	49,505
FUND BALANCE BEGINNING OF YEAR	<u>38,248</u>	<u>38,248</u>	<u>38,248</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$748</u>	<u>\$748</u>	<u>\$50,253</u>	<u>\$49,505</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, 2015

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>(NEGATIVE)</u>
REVENUES:				
Property and Other Local Taxes	\$67,302	\$67,302	\$70,418	\$3,116
Intergovernmental	126,200	126,200	143,294	17,094
Charges for Services	<u>275,000</u>	<u>275,000</u>	<u>325,106</u>	<u>50,106</u>
Total Revenues	<u>468,502</u>	<u>468,502</u>	<u>538,818</u>	<u>70,316</u>
EXPENDITURES:				
Executive-Mayor				
Leisure Time Activities				
Personal Services	739,842	739,842	727,407	12,435
Services and Supplies	307,010	307,010	274,225	32,785
Other	<u>15,000</u>	<u>15,000</u>	<u>4,337</u>	<u>10,663</u>
Total Expenditures	<u>1,061,852</u>	<u>1,061,852</u>	<u>1,005,969</u>	<u>55,883</u>
Excess of Revenues Over (Under) Expenditures	(593,350)	(593,350)	(467,151)	126,199
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>460,000</u>	<u>460,000</u>	<u>460,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>460,000</u>	<u>460,000</u>	<u>460,000</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	(133,350)	(133,350)	(7,151)	126,199
FUND BALANCE BEGINNING OF YEAR	196,638	196,638	196,638	0
Prior Year Encumbrances Appropriated	<u>350</u>	<u>350</u>	<u>350</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$63,638</u>	<u>\$63,638</u>	<u>\$189,837</u>	<u>\$126,199</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, 2015

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES:				
Property and Other Local Taxes	\$55,000	\$55,000	\$57,116	\$2,116
Intergovernmental	925,000	925,000	941,526	16,526
Charges for Services	750	750	979	229
Total Revenues	<u>980,750</u>	<u>980,750</u>	<u>999,621</u>	<u>18,871</u>
EXPENDITURES:				
Executive-Mayor				
Transportation				
Personal Services	1,121,880	1,121,880	1,084,608	37,272
Services and Supplies	<u>601,575</u>	<u>601,575</u>	<u>511,852</u>	<u>89,723</u>
Total Expenditures	<u>1,723,455</u>	<u>1,723,455</u>	<u>1,596,460</u>	<u>126,995</u>
Excess of Revenues Over (Under) Expenditures	(742,705)	(742,705)	(596,839)	145,866
OTHER FINANCING SOURCES (USES):				
Transfers In	700,000	700,000	700,000	0
Other	<u>1,000</u>	<u>1,000</u>	<u>27,830</u>	<u>26,830</u>
Total Other Financing Sources (Uses)	<u>701,000</u>	<u>701,000</u>	<u>727,830</u>	<u>26,830</u>
NET CHANGE IN FUND BALANCE	(41,705)	(41,705)	130,991	172,696
FUND BALANCE BEGINNING OF YEAR	<u>69,608</u>	<u>69,608</u>	<u>69,608</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$27,903</u>	<u>\$27,903</u>	<u>\$200,599</u>	<u>\$172,696</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, 2015

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES:				
Intergovernmental	<u>\$75,000</u>	<u>\$75,000</u>	<u>\$76,340</u>	<u>\$1,340</u>
Total Revenues	<u>75,000</u>	<u>75,000</u>	<u>76,340</u>	<u>1,340</u>
EXPENDITURES:				
Executive-Mayor Transportation				
Services and Supplies	<u>137,000</u>	<u>162,000</u>	<u>125,036</u>	<u>36,964</u>
Total Expenditures	<u>137,000</u>	<u>162,000</u>	<u>125,036</u>	<u>36,964</u>
Excess of Revenues Over (Under) Expenditures	(62,000)	(87,000)	(48,696)	38,304
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>45,000</u>	<u>55,000</u>	<u>55,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>45,000</u>	<u>55,000</u>	<u>55,000</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	(17,000)	(32,000)	6,304	38,304
FUND BALANCE BEGINNING OF YEAR	<u>36,109</u>	<u>36,109</u>	<u>36,109</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$19,109</u>	<u>\$4,109</u>	<u>\$42,413</u>	<u>\$38,304</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, 2015

	<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	\$998,002	\$998,002	\$1,044,153	\$46,151
Intergovernmental	<u>110,762</u>	<u>110,762</u>	<u>179,770</u>	<u>69,008</u>
Total Revenues	<u>1,108,764</u>	<u>1,108,764</u>	<u>1,223,923</u>	<u>115,159</u>
EXPENDITURES:				
Executive-Mayor				
Transportation				
Services and Supplies	30,000	30,000	15,566	14,434
Capital Outlay	<u>1,300,000</u>	<u>1,300,000</u>	<u>1,185,882</u>	<u>114,118</u>
Total Expenditures	<u>1,330,000</u>	<u>1,330,000</u>	<u>1,201,448</u>	<u>128,552</u>
NET CHANGE IN FUND BALANCE	(221,236)	(221,236)	22,475	243,711
FUND BALANCE BEGINNING OF YEAR	434,649	434,649	434,649	0
Prior Year Encumbrances Appropriated	<u>66,058</u>	<u>66,058</u>	<u>66,058</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$279,471</u>	<u>\$279,471</u>	<u>\$523,182</u>	<u>\$243,711</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, 2015

	<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>\$38,000</u>	<u>\$38,000</u>	<u>\$69,989</u>	<u>\$31,989</u>
Total Revenues	<u>38,000</u>	<u>38,000</u>	<u>69,989</u>	<u>31,989</u>
EXPENDITURES:				
Executive-Mayor				
Community Environment				
Services and Supplies	<u>43,000</u>	<u>68,000</u>	<u>64,790</u>	<u>3,210</u>
Total Expenditures	<u>43,000</u>	<u>68,000</u>	<u>64,790</u>	<u>3,210</u>
NET CHANGE IN FUND BALANCE	(5,000)	(30,000)	5,199	35,199
FUND BALANCE BEGINNING OF YEAR	74,709	74,709	74,709	0
Prior Year Encumbrances Appropriated	<u>3,089</u>	<u>3,089</u>	<u>3,089</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$72,798</u>	<u>\$47,798</u>	<u>\$82,997</u>	<u>\$35,199</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, 2015

	<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>\$2,500</u>	<u>\$2,500</u>	<u>\$2,183</u>	<u>(\$317)</u>
Total Revenues	<u>2,500</u>	<u>2,500</u>	<u>2,183</u>	<u>(317)</u>
EXPENDITURES:				
Executive-Mayor				
Security of Persons and Property				
Capital Outlay	<u>23,000</u>	<u>23,000</u>	<u>0</u>	<u>23,000</u>
Total Expenditures	<u>23,000</u>	<u>23,000</u>	<u>0</u>	<u>23,000</u>
NET CHANGE IN FUND BALANCE	(20,500)	(20,500)	2,183	22,683
FUND BALANCE BEGINNING OF YEAR	<u>23,944</u>	<u>23,944</u>	<u>23,944</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$3,444</u>	<u>\$3,444</u>	<u>\$26,127</u>	<u>\$22,683</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, 2015

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES:				
Fines and Forfeitures	<u>\$40,000</u>	<u>\$40,000</u>	<u>\$37,876</u>	<u>(\$2,124)</u>
Total Revenues	<u>40,000</u>	<u>40,000</u>	<u>37,876</u>	<u>(2,124)</u>
EXPENDITURES:				
Judicial -Municipal Court				
General Government				
Services and Supplies	<u>150,000</u>	<u>150,000</u>	<u>30,000</u>	<u>120,000</u>
Total Expenditures	<u>150,000</u>	<u>150,000</u>	<u>30,000</u>	<u>120,000</u>
NET CHANGE IN FUND BALANCE	(110,000)	(110,000)	7,876	117,876
FUND BALANCE BEGINNING OF YEAR	<u>260,647</u>	<u>260,647</u>	<u>260,647</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$150,647</u>	<u>\$150,647</u>	<u>\$268,523</u>	<u>\$117,876</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, 2015

	<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	\$180,000	\$180,000	\$167,794	(\$12,206)
Intergovernmental	<u>0</u>	<u>0</u>	<u>17,087</u>	<u>17,087</u>
Total Revenues	<u>180,000</u>	<u>180,000</u>	<u>184,881</u>	<u>4,881</u>
EXPENDITURES:				
Judicial -Municipal Court				
General Government				
Personal Services	65,500	67,632	67,632	0
Services and Supplies	140,000	140,000	92,027	47,973
Capital Outlay	<u>70,000</u>	<u>70,000</u>	<u>35,044</u>	<u>34,956</u>
Total Expenditures	<u>275,500</u>	<u>277,632</u>	<u>194,703</u>	<u>82,929</u>
NET CHANGE IN FUND BALANCE	(95,500)	(97,632)	(9,822)	87,810
FUND BALANCE BEGINNING OF YEAR	<u>318,996</u>	<u>318,996</u>	<u>318,996</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$223,496</u>	<u>\$221,364</u>	<u>\$309,174</u>	<u>\$87,810</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, 2015

	<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	\$165,000	\$165,000	\$154,158	(\$10,842)
Total Revenues	<u>165,000</u>	<u>165,000</u>	<u>154,158</u>	<u>(10,842)</u>
EXPENDITURES:				
Judicial -Municipal Court				
General Government				
Services and Supplies	<u>25,000</u>	<u>25,000</u>	<u>6,286</u>	<u>18,714</u>
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>6,286</u>	<u>18,714</u>
Excess of Revenues Over (Under) Expenditures	140,000	140,000	147,872	7,872
OTHER FINANCING SOURCES (USES):				
Transfers Out	<u>(150,000)</u>	<u>(150,000)</u>	<u>(150,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(150,000)</u>	<u>(150,000)</u>	<u>(150,000)</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	(10,000)	(10,000)	(2,128)	7,872
FUND BALANCE BEGINNING OF YEAR	<u>47,026</u>	<u>47,026</u>	<u>47,026</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$37,026</u>	<u>\$37,026</u>	<u>\$44,898</u>	<u>\$7,872</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, 2015

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	FINAL BUDGET POSITIVE <u>(NEGATIVE)</u>
REVENUES:				
Fines and Forfeitures	\$26,000	\$26,000	\$25,515	(\$485)
Total Revenues	<u>26,000</u>	<u>26,000</u>	<u>25,515</u>	<u>(485)</u>
EXPENDITURES:				
Judicial -Municipal Court				
General Government				
Services and Supplies	80,000	80,000	40,000	40,000
Total Expenditures	<u>80,000</u>	<u>80,000</u>	<u>40,000</u>	<u>40,000</u>
NET CHANGE IN FUND BALANCE	(54,000)	(54,000)	(14,485)	39,515
FUND BALANCE BEGINNING OF YEAR	99,476	99,476	99,476	0
FUND BALANCE END OF YEAR	<u>\$45,476</u>	<u>\$45,476</u>	<u>\$84,991</u>	<u>\$39,515</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, 2015

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Charges for Services	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$10,300</u>	<u>\$300</u>
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>10,300</u>	<u>300</u>
EXPENDITURES:				
Executive-Mayor				
Community Environment				
Services and Supplies	<u>25,000</u>	<u>25,000</u>	<u>10,156</u>	<u>14,844</u>
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>10,156</u>	<u>14,844</u>
NET CHANGE IN FUND BALANCE	(15,000)	(15,000)	144	15,144
FUND BALANCE BEGINNING OF YEAR	<u>65,104</u>	<u>65,104</u>	<u>65,104</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$50,104</u>	<u>\$50,104</u>	<u>\$65,248</u>	<u>\$15,144</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, 2015

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>FINAL BUDGET</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
REVENUES:				
Intergovernmental	<u>\$36,000</u>	<u>\$36,000</u>	<u>\$38,634</u>	<u>\$2,634</u>
Total Revenues	<u>36,000</u>	<u>36,000</u>	<u>38,634</u>	<u>2,634</u>
EXPENDITURES:				
Executive-Mayor				
Security of Persons and Property				
Personal Services	50,000	56,000	54,512	1,488
Services and Supplies	<u>1,800</u>	<u>1,800</u>	<u>1,333</u>	<u>467</u>
Total Expenditures	<u>51,800</u>	<u>57,800</u>	<u>55,845</u>	<u>1,955</u>
Excess of Revenues Over (Under) Expenditures	(15,800)	(21,800)	(17,211)	4,589
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	(800)	(6,800)	(2,211)	4,589
FUND BALANCE BEGINNING OF YEAR	<u>30,196</u>	<u>30,196</u>	<u>30,196</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$29,396</u>	<u>\$23,396</u>	<u>\$27,985</u>	<u>\$4,589</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, 2015

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES:				
Intergovernmental	<u>\$4,240</u>	<u>\$4,240</u>	<u>\$4,240</u>	<u>\$0</u>
Total Revenues	<u>4,240</u>	<u>4,240</u>	<u>4,240</u>	<u>0</u>
EXPENDITURES:				
Executive-Mayor				
Security of Persons and Property				
Services and Supplies	<u>4,281</u>	<u>4,281</u>	<u>0</u>	<u>4,281</u>
Total Expenditures	<u>4,281</u>	<u>4,281</u>	<u>0</u>	<u>4,281</u>
NET CHANGE IN FUND BALANCE	(41)	(41)	4,240	4,281
FUND BALANCE BEGINNING OF YEAR	<u>41</u>	<u>41</u>	<u>41</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$0</u>	<u>\$0</u>	<u>\$4,281</u>	<u>\$4,281</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, 2015

	<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>\$461,393</u>	<u>\$461,393</u>	<u>\$509,465</u>	<u>\$48,072</u>
Total Revenues	<u>461,393</u>	<u>461,393</u>	<u>509,465</u>	<u>48,072</u>
EXPENDITURES:				
Executive-Mayor				
Security of Persons and Property				
Services and Supplies	<u>670,000</u>	<u>670,000</u>	<u>630,817</u>	<u>39,183</u>
Total Expenditures	<u>670,000</u>	<u>670,000</u>	<u>630,817</u>	<u>39,183</u>
NET CHANGE IN FUND BALANCE	(208,607)	(208,607)	(121,352)	87,255
FUND BALANCE BEGINNING OF YEAR	<u>359,427</u>	<u>359,427</u>	<u>359,427</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$150,820</u>	<u>\$150,820</u>	<u>\$238,075</u>	<u>\$87,255</u>

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL
SPECIAL ASSESSMENTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES:				
Special Assessments	<u>\$40,000</u>	<u>\$40,000</u>	<u>\$45,600</u>	<u>\$5,600</u>
Total Revenues	<u>40,000</u>	<u>40,000</u>	<u>45,600</u>	<u>5,600</u>
EXPENDITURES:				
Executive-Mayor				
General Government				
Services and Supplies	10,000	10,000	1,477	8,523
Debt Service				
Principal Retirement	35,000	35,000	35,000	0
Interest	<u>4,095</u>	<u>4,095</u>	<u>4,095</u>	<u>0</u>
Total Expenditures	<u>49,095</u>	<u>49,095</u>	<u>40,572</u>	<u>8,523</u>
NET CHANGE IN FUND BALANCE	(9,095)	(9,095)	5,028	14,123
FUND BALANCE BEGINNING OF YEAR	<u>328,254</u>	<u>328,254</u>	<u>328,254</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$319,159</u>	<u>\$319,159</u>	<u>\$333,282</u>	<u>\$14,123</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, 2015

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES:				
Miscellaneous	<u>\$0</u>	<u>\$0</u>	<u>\$11,440</u>	<u>\$11,440</u>
Total Revenues	<u>0</u>	<u>0</u>	<u>11,440</u>	<u>11,440</u>
FUND BALANCE BEGINNING OF YEAR	<u>285,172</u>	<u>285,172</u>	<u>285,172</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$285,172</u>	<u>\$285,172</u>	<u>\$296,612</u>	<u>\$11,440</u>

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN FUND EQUITY - BUDGET (Non-GAAP Basis) AND ACTUAL
WORKERS' COMPENSATION RETRO RATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>(NEGATIVE)</u>
REVENUES:				
Charges for Services	<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>
EXPENSES:				
Claims	325,000	325,000	285,548	39,452
Contract Services	<u>25,000</u>	<u>25,000</u>	<u>12,095</u>	<u>12,905</u>
Total Expenses	<u>350,000</u>	<u>350,000</u>	<u>297,643</u>	<u>52,357</u>
Excess of Revenues Over (Under) Expenses	(350,000)	(350,000)	(297,643)	52,357
NET CHANGE IN FUND EQUITY	(350,000)	(350,000)	(297,643)	52,357
FUND EQUITY BEGINNING OF YEAR	<u>732,129</u>	<u>732,129</u>	<u>732,129</u>	<u>0</u>
FUND EQUITY END OF YEAR	<u>\$382,129</u>	<u>\$382,129</u>	<u>\$434,486</u>	<u>\$52,357</u>

Combining Statements – Fiduciary Funds

FIDUCIARY FUNDS

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

AGENCY FUNDS

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

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

CITY OF WILLOUGHBY, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>BALANCE</u> <u>1/1/2015</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>12/31/2015</u>
DEPOSITS & INSPECTIONS				
ASSETS				
Equity in City Treasury Cash and Investments	\$1,494,993	\$1,064,852	\$808,288	\$1,751,557
TOTAL ASSETS	<u>\$1,494,993</u>	<u>\$1,064,852</u>	<u>\$808,288</u>	<u>\$1,751,557</u>
LIABILITIES				
Accounts Payable	\$1,494,894	\$1,061,074	\$804,811	\$1,751,157
Due to Other Governments	99	3,778	3,477	400
TOTAL LIABILITIES	<u>\$1,494,993</u>	<u>\$1,064,852</u>	<u>\$808,288</u>	<u>\$1,751,557</u>
MUNICIPAL COURT				
ASSETS				
Equity in City Treasury Cash and Investments	\$419,108	\$5,155,811	\$5,202,958	\$371,961
Accounts Receivable	271,093	291,717	271,093	291,717
TOTAL ASSETS	<u>\$690,201</u>	<u>\$5,447,528</u>	<u>\$5,474,051</u>	<u>\$663,678</u>
LIABILITIES				
Accounts Payable	\$89,537	\$1,493,474	\$1,516,280	\$66,731
Deposits Held and Due to Others	206,089	2,521,082	2,547,022	180,149
Due to Other Governments	394,575	1,432,972	1,410,749	416,798
TOTAL LIABILITIES	<u>\$690,201</u>	<u>\$5,447,528</u>	<u>\$5,474,051</u>	<u>\$663,678</u>
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Equity in City Treasury Cash and Investments	\$1,914,101	\$6,220,663	\$6,011,246	\$2,123,518
Accounts Receivable	271,093	291,717	271,093	291,717
TOTAL ASSETS	<u>\$2,185,194</u>	<u>\$6,512,380</u>	<u>\$6,282,339</u>	<u>\$2,415,235</u>
LIABILITIES				
Accounts Payable	\$1,584,431	\$2,554,548	\$2,321,091	\$1,817,888
Deposits Held and Due to Others	206,089	2,521,082	2,547,022	180,149
Due to Other Governments	394,674	1,436,750	1,414,226	417,198
TOTAL LIABILITIES	<u>\$2,185,194</u>	<u>\$6,512,380</u>	<u>\$6,282,339</u>	<u>\$2,415,235</u>



The City of Willoughby™



Statistical Information



Statistical Section

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

<u>Contents</u>	<u>Page #</u>
<i>Financial Trends</i>	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	S2-S8
<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.	S9-S13
<i>Debt Capacity</i>	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	S14-S18
<i>Demographic and Economic Information</i>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	S19-S20
<i>Operating Information</i>	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the government provides and the activities it performs.	S21-S23

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

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014 (1)	2015
GOVERNMENTAL ACTIVITIES										
Net Investment in Capital Assets	\$ 41,288,394	\$ 41,994,662	\$ 41,374,191	\$ 38,089,025	\$ 48,774,106	\$ 47,342,597	\$ 44,429,348	\$ 43,410,155	\$ 43,002,813	\$ 41,766,961
Restricted For:										
Capital Projects	3,929,148	3,352,145	3,102,440	6,534,992	3,307,452	3,694,234	3,795,721	4,517,468	4,551,447	4,641,758
Debt Service	3,477,601	3,694,588	3,895,510	4,134,518	4,244,518	4,383,732	5,020,933	4,742,562	1,627,384	1,469,369
Street Construction Maintenance and Repair	846,662	1,047,185	1,087,511	1,552,301	1,736,308	1,885,412	1,811,957	1,528,946	1,281,108	1,340,773
Security of Persons	1,252,186	1,396,588	1,292,600	1,180,908	1,126,261	1,221,784	1,093,389	1,002,049	905,693	866,983
Municipal Court	702,413	613,361	550,538	618,406	669,598	671,589	730,153	832,528	867,856	858,165
Other Purposes	110,126	13,215	54,720	103,524	104,333	84,501	161,107	211,471	286,996	224,974
Permanent Fund Purpose	194,057	204,772	213,032	226,792	237,632	249,392	262,752	272,412	285,172	296,612
Unrestricted	<u>7,696,503</u>	<u>8,719,637</u>	<u>10,358,419</u>	<u>7,900,875</u>	<u>6,869,305</u>	<u>7,662,510</u>	<u>8,602,908</u>	<u>9,307,605</u>	<u>(13,082,117)</u>	<u>(13,915,943)</u>
Total Governmental Activities Net Position	<u>59,497,090</u>	<u>61,036,153</u>	<u>61,928,961</u>	<u>60,341,341</u>	<u>67,069,513</u>	<u>67,195,751</u>	<u>65,908,268</u>	<u>65,825,196</u>	<u>39,726,352</u>	<u>37,549,652</u>
BUSINESS-TYPE ACTIVITIES:										
Net Investment in Capital Assets	35,534,234	35,229,071	33,115,680	32,774,856	32,076,339	32,503,232	33,796,268	33,308,740	25,339,422	25,317,880
Restricted For:										
Equipment Replacement	418,600	292,038	298,591	378,651	299,521	292,434	336,365	344,404	288,260	602,344
Unrestricted (Deficit)	<u>(3,056,030)</u>	<u>(3,357,551)</u>	<u>(2,503,214)</u>	<u>(3,131,664)</u>	<u>(2,921,515)</u>	<u>(3,678,640)</u>	<u>(3,287,335)</u>	<u>(3,302,658)</u>	<u>(670,235)</u>	<u>(481,444)</u>
Total Business-type Activities Net Position	<u>32,896,804</u>	<u>32,163,558</u>	<u>30,911,057</u>	<u>30,021,843</u>	<u>29,454,345</u>	<u>29,117,026</u>	<u>30,845,298</u>	<u>30,350,486</u>	<u>24,957,447</u>	<u>25,438,780</u>
PRIMARY GOVERNMENT										
Net Investment in Capital Assets	76,822,628	77,223,733	74,489,871	70,863,881	80,850,445	79,845,829	78,225,616	76,718,895	68,342,235	67,084,841
Restricted For:										
Capital Projects	3,929,148	3,352,145	3,102,440	6,534,992	3,307,452	3,694,234	3,795,721	4,517,468	4,551,447	4,641,758
Debt Service	3,477,601	3,694,588	3,895,510	4,134,518	4,244,518	4,383,732	5,020,933	4,742,562	1,627,384	1,469,369
Equipment Replacement	418,600	292,038	298,591	378,651	299,521	292,434	336,365	344,404	288,260	602,344
Street Construction Maintenance and Repair	846,662	1,047,185	1,087,511	1,552,301	1,736,308	1,885,412	1,811,957	1,528,946	1,281,108	1,340,773
Security of Persons	1,252,186	1,396,588	1,292,600	1,180,908	1,126,261	1,221,784	1,093,389	1,002,049	905,693	866,983
Municipal Court	702,413	613,361	550,538	618,406	669,598	671,589	730,153	832,528	867,856	858,165
Other Purposes	110,126	13,215	54,720	103,524	104,333	84,501	161,107	211,471	286,996	224,974
Permanent Fund Purpose	194,057	204,772	213,032	226,792	237,632	249,392	262,752	272,412	285,172	296,612
Unrestricted	<u>4,640,473</u>	<u>5,362,086</u>	<u>7,855,205</u>	<u>4,769,211</u>	<u>3,947,790</u>	<u>3,983,870</u>	<u>5,315,573</u>	<u>6,004,947</u>	<u>(13,752,352)</u>	<u>(14,397,387)</u>
Total Primary Government Net Position	<u>\$ 92,393,894</u>	<u>\$ 93,199,711</u>	<u>\$ 92,840,018</u>	<u>\$ 90,363,184</u>	<u>\$ 96,523,858</u>	<u>\$ 96,312,777</u>	<u>\$ 96,753,566</u>	<u>\$ 96,175,682</u>	<u>\$ 64,683,799</u>	<u>\$ 62,988,432</u>

(1)- Restated for Implementation of GASB 68

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

(continued on following page)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
PROGRAM REVENUES										
Governmental Activities										
Charges for Services:										
General Government	\$ 2,329,581	\$ 2,273,281	\$ 2,293,642	\$ 2,557,745	\$ 2,543,003	\$ 2,351,564	\$ 2,446,009	\$ 2,867,693	\$ 2,937,530	\$ 2,402,903
Security of Persons and Property	1,464,031	1,635,610	1,620,997	1,631,748	1,706,581	1,619,538	1,566,154	1,608,153	1,615,817	1,513,233
Public Health and Welfare	57,752	77,460	62,655	89,300	73,428	82,620	88,306	71,609	79,135	80,953
Community Environment	410,789	350,933	327,925	293,319	280,372	292,869	331,712	376,518	344,207	314,546
Leisure Time Activities	482,654	465,415	492,257	498,453	503,131	537,580	561,386	540,582	582,348	614,868
Transportation	720	247	375	647	1,795	1,211	1,485	343	1,000	979
Basic Utility Services	0	0	0	0	0	50	45	0	0	0
Operating Grants, Contributions and Interest	358,392	118,956	233,398	93,517	112,956	593,812	64,819	77,602	89,383	96,446
Capital Grants and Contributions	4,165,287	110,980	287,167	681,633	8,963,623	119,678	442,498	337,390	1,164,364	336,200
Total Governmental Activities Program Revenues	<u>9,269,206</u>	<u>5,032,882</u>	<u>5,318,416</u>	<u>5,846,362</u>	<u>14,184,889</u>	<u>5,598,922</u>	<u>5,502,414</u>	<u>5,879,890</u>	<u>6,813,784</u>	<u>5,360,128</u>
Business-type Activities:										
Charges for Services:										
Golf Course	778,425	783,322	648,189	706,651	700,250	772,561	925,495	849,164	894,787	923,212
Sewer	3,849,829	4,352,307	3,961,100	4,424,581	4,227,428	4,668,672	4,890,932	4,770,815	4,866,152	5,574,296
Airport	187,222	138,123	175,005	136,384	175,369	176,878	176,887	180,116	122,105	0
Capital Grants and Contributions	564,392	247,053	239,440	453,353	966,346	470,256	272,009	82,940	390,690	309,023
Total Business-type Activities Program Revenues	<u>5,379,868</u>	<u>5,520,805</u>	<u>5,023,734</u>	<u>5,720,969</u>	<u>6,069,393</u>	<u>6,088,367</u>	<u>6,265,323</u>	<u>5,883,035</u>	<u>6,273,734</u>	<u>6,806,531</u>
Total Primary Government Program Revenues	<u>14,649,074</u>	<u>10,553,687</u>	<u>10,342,150</u>	<u>11,567,331</u>	<u>20,254,282</u>	<u>11,687,289</u>	<u>11,767,737</u>	<u>11,762,925</u>	<u>13,087,518</u>	<u>12,166,659</u>
EXPENSES										
Governmental Activities										
General Government	6,750,982	7,037,479	7,464,343	7,413,446	7,349,232	7,422,339	6,799,745	7,134,225	7,458,826	7,437,293
Security of Persons and Property	12,743,637	13,355,856	14,184,392	14,372,778	14,401,962	14,533,487	14,516,764	14,830,891	14,840,214	15,543,902
Public Health and Welfare	448,521	474,422	475,828	503,104	503,663	445,762	400,280	406,384	400,411	410,397
Community Environment	984,576	1,028,496	985,934	964,906	945,027	892,978	843,269	897,265	1,065,716	886,979
Leisure Time Activities	2,047,353	2,162,931	2,319,489	2,274,300	2,265,276	2,129,458	2,005,597	2,061,913	2,179,241	2,246,715
Transportation	2,736,148	3,316,323	3,526,993	3,360,716	3,331,613	3,875,203	3,529,728	4,180,207	4,213,609	4,552,886
Basic Utility Services	1,429,110	1,517,825	1,648,956	1,699,706	1,666,146	1,747,166	1,121,995	547,308	458,768	539,358
Interest and Fiscal Charges	881,977	879,804	842,569	705,001	522,732	491,465	626,291	441,687	391,880	356,904
Total Governmental Activities Expenses	<u>28,022,304</u>	<u>29,773,136</u>	<u>31,448,504</u>	<u>31,293,957</u>	<u>30,985,651</u>	<u>31,537,858</u>	<u>29,843,669</u>	<u>30,499,880</u>	<u>31,008,665</u>	<u>31,974,434</u>
Business-type Activities:										
Golf Course	867,957	923,882	992,417	1,016,247	998,249	997,471	965,662	888,341	916,507	951,386
Sewer	4,643,517	4,898,045	5,086,763	5,156,297	5,324,757	5,245,572	5,026,112	5,276,637	5,327,839	5,401,340
Airport	553,560	540,352	558,209	504,073	469,108	265,534	274,298	225,491	205,311	0
Total Business-type Activities Expenses	<u>6,065,034</u>	<u>6,362,279</u>	<u>6,637,389</u>	<u>6,676,617</u>	<u>6,792,114</u>	<u>6,508,577</u>	<u>6,266,072</u>	<u>6,390,469</u>	<u>6,449,657</u>	<u>6,352,726</u>
Total Primary Government Expenses	<u>34,087,338</u>	<u>36,135,415</u>	<u>38,085,893</u>	<u>37,970,574</u>	<u>37,777,765</u>	<u>38,046,435</u>	<u>36,109,741</u>	<u>36,890,349</u>	<u>37,458,322</u>	<u>38,327,160</u>
NET (EXPENSE)/REVENUE										
Governmental Activities										
Governmental Activities	(18,753,098)	(24,740,254)	(26,130,088)	(25,447,595)	(16,800,762)	(25,938,936)	(24,341,255)	(24,619,990)	(24,194,881)	(26,614,306)
Business-Type Activities:										
Business-type Activities	(685,166)	(841,474)	(1,613,655)	(955,648)	(722,721)	(420,210)	(749)	(507,434)	(175,923)	453,805
Total Primary Government	<u>\$ (19,438,264)</u>	<u>\$ (25,581,728)</u>	<u>\$ (27,743,743)</u>	<u>\$ (26,403,243)</u>	<u>\$ (17,523,483)</u>	<u>\$ (26,359,146)</u>	<u>\$ (24,342,004)</u>	<u>\$ (25,127,424)</u>	<u>\$ (24,370,804)</u>	<u>\$ (26,160,501)</u>

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

(continued)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities:										
Property Taxes	\$ 2,917,576	\$ 4,151,098	\$ 3,711,922	\$ 3,745,550	\$ 3,598,753	\$ 3,719,056	\$ 3,480,738	\$ 3,214,958	\$ 3,327,083	\$ 3,350,028
Income Taxes	13,948,654	15,570,705	16,591,292	14,318,774	14,209,122	15,419,498	16,859,759	17,200,573	16,853,951	17,007,870
Other Taxes	862,981	830,504	832,435	758,622	779,056	857,741	860,379	853,949	834,896	892,082
Unrestricted Grants, Entitlements and Contributions	4,508,744	4,797,309	5,342,717	4,659,956	4,795,991	5,936,611	3,427,327	3,079,431	2,547,469	2,640,770
Gain on Sale of Capital Assets	0	5,093	91,103	882	23,434	0	0	10,587	0	211,820
Investment Earnings	869,675	990,190	733,253	433,778	236,115	194,153	124,318	166,562	142,037	329,411
Miscellaneous	47,195	2,418	15,174	4,577	31,463	13,115	15,938	10,858	2,367	5,625
Transfers	0	(68,000)	(295,000)	(62,164)	(145,000)	(75,000)	(1,714,687)	0	(4,472,462)	0
Total Governmental Activities	<u>23,154,825</u>	<u>26,279,317</u>	<u>27,022,896</u>	<u>23,859,975</u>	<u>23,528,934</u>	<u>26,065,174</u>	<u>23,053,772</u>	<u>24,536,918</u>	<u>19,235,341</u>	<u>24,437,606</u>
Business-type Activities:										
Income Taxes	625,000	200,000	0	0	0	0	0	0	0	0
Gain on Sale of Capital Assets	0	2,039	2,021	100	7,022	0	0	1,144	2,170	0
Investment Earnings	56,756	53,393	51,342	4,170	1,378	2,537	2,799	322	91	3,988
Miscellaneous	1,982	973	12,791	0	1,823	5,354	11,535	11,156	6,954	23,540
Special Item	0	0	0	0	0	0	0	0	(8,123,476)	0
Transfers	0	68,000	295,000	62,164	145,000	75,000	1,714,687	0	4,472,462	0
Total Business-type Activities	<u>683,738</u>	<u>324,405</u>	<u>361,154</u>	<u>66,434</u>	<u>155,223</u>	<u>82,891</u>	<u>1,729,021</u>	<u>12,622</u>	<u>(3,641,799)</u>	<u>27,528</u>
Total Primary Government	<u>23,838,563</u>	<u>26,603,722</u>	<u>27,384,050</u>	<u>23,926,409</u>	<u>23,684,157</u>	<u>26,148,065</u>	<u>24,782,793</u>	<u>24,549,540</u>	<u>15,593,542</u>	<u>24,465,134</u>
CHANGE IN NET POSITION										
Governmental Activities	4,401,727	1,539,063	892,808	(1,587,620)	6,728,172	126,238	(1,287,483)	(83,072)	(4,959,540)	(2,176,700)
Business-type Activities	(1,428)	(517,069)	(1,252,501)	(889,214)	(567,498)	(337,319)	1,728,272	(494,812)	(3,817,722)	481,333
Total Primary Government	<u>\$ 4,400,299</u>	<u>\$ 1,021,994</u>	<u>\$ (359,693)</u>	<u>\$ (2,476,834)</u>	<u>\$ 6,160,674</u>	<u>\$ (211,081)</u>	<u>\$ 440,789</u>	<u>\$ (577,884)</u>	<u>\$ (8,777,262)</u>	<u>\$ (1,695,367)</u>

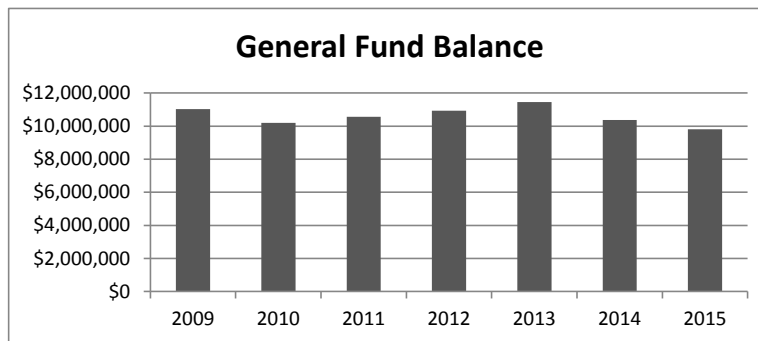
CITY OF WILLOUGHBY, OHIO
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN YEARS
(Accrual Basis of Accounting)

Year	Municipal Income Taxes	Property and Other Local Taxes	Total
2006	\$13,948,654	\$3,780,557	\$17,729,211
2007	\$15,570,705	\$4,981,602	\$20,552,307
2008	\$16,591,292	\$4,544,357	\$21,135,649
2009	\$14,318,774	\$4,504,172	\$18,822,946
2010	\$14,209,122	\$4,377,809	\$18,586,931
2011	\$15,419,498	\$4,576,797	\$19,996,295
2012	\$16,859,759	\$4,341,117	\$21,200,876
2013	\$17,200,573	\$4,068,907	\$21,269,480
2014	\$16,853,951	\$4,161,979	\$21,015,930
2015	\$17,007,870	\$4,242,110	\$21,249,980

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

	2009	2010	2011	2012	2013	2014	2015
GENERAL FUND							
Nonspendable	\$ 1,485,563	\$ 1,483,214	\$ 1,470,320	\$ 1,480,683	\$ 1,472,475	\$ 136,415	\$ 135,888
Assigned	1,613,657	1,675,905	2,018,544	2,082,503	1,994,144	1,930,782	1,839,296
Unassigned	<u>7,917,052</u>	<u>7,034,921</u>	<u>7,081,821</u>	<u>7,362,945</u>	<u>7,992,549</u>	<u>8,306,407</u>	<u>7,837,054</u>
Total General Fund	<u>11,016,272</u>	<u>10,194,040</u>	<u>10,570,685</u>	<u>10,926,131</u>	<u>11,459,168</u>	<u>10,373,604</u>	<u>9,812,238</u>
CAPITAL PROJECTS FUND							
Nonspendable	28,176	28,176	28,176	28,176	28,176	5,000	5,000
Restricted	0	11,644	15,079	8,225	8,420	21,675	9,191
Committed	2,944,407	324,715	314,038	371,992	458,231	486,502	1,078,833
Unassigned(deficit)	<u>(5,275,636)</u>	<u>(5,947,617)</u>	<u>(5,335,101)</u>	<u>(2,215,480)</u>	<u>(1,566,991)</u>	<u>(1,632,996)</u>	<u>(2,115,543)</u>
Total Capital Projects Fund	<u>(2,303,053)</u>	<u>(5,583,082)</u>	<u>(4,977,808)</u>	<u>(1,807,087)</u>	<u>(1,072,164)</u>	<u>(1,119,819)</u>	<u>(1,022,519)</u>
GENERAL BOND RETIREMENT FUND							
Restricted	<u>3,666,858</u>	<u>3,768,169</u>	<u>3,877,475</u>	<u>4,563,414</u>	<u>4,292,735</u>	<u>1,196,008</u>	<u>1,045,106</u>
Total General Bond Retirement Fund	<u>3,666,858</u>	<u>3,768,169</u>	<u>3,877,475</u>	<u>4,563,414</u>	<u>4,292,735</u>	<u>1,196,008</u>	<u>1,045,106</u>
ALL OTHER GOVERNMENT FUNDS							
Nonspendable	334,578	340,440	361,719	461,962	343,076	372,692	411,052
Restricted	<u>3,048,951</u>	<u>3,223,620</u>	<u>3,273,396</u>	<u>3,124,478</u>	<u>3,064,926</u>	<u>2,830,772</u>	<u>2,865,715</u>
Total All Other Governmental Funds	<u>3,383,529</u>	<u>3,564,060</u>	<u>3,635,115</u>	<u>3,586,440</u>	<u>3,408,002</u>	<u>3,203,464</u>	<u>3,276,767</u>
Total Governmental Funds	<u>\$ 15,763,606</u>	<u>\$ 11,943,187</u>	<u>\$ 13,105,467</u>	<u>\$ 17,268,898</u>	<u>\$ 18,087,741</u>	<u>\$ 13,653,257</u>	<u>\$ 13,111,592</u>

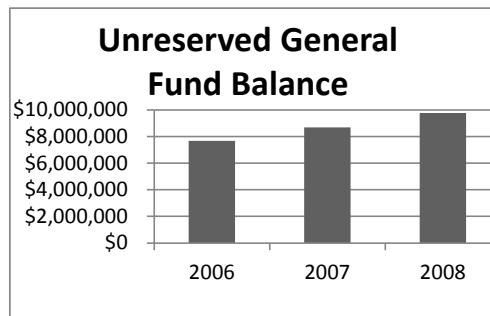
Note: The City implemented GASB 54 in 2010.



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

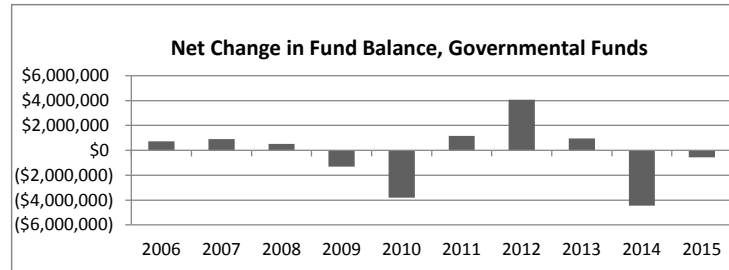
	<u>2006</u>	<u>2007</u>	<u>2008</u>
GENERAL FUND			
Reserved for Encumbrances	\$ 823,806	\$ 882,759	\$ 470,007
Reserved for Inventory	92,895	87,616	101,902
Reserved for Prepaid Items	756	3,583	2,589
Reserved for Long-Term Loan - Airport	1,326,019	1,326,019	1,325,214
Unreserved	<u>7,671,830</u>	<u>8,683,355</u>	<u>9,781,785</u>
Total General Fund	<u>9,915,306</u>	<u>10,983,332</u>	<u>11,681,497</u>
CAPITAL PROJECTS FUND			
Reserved for Encumbrances	1,074,476	801,982	1,164,191
Reserved for Long-Term Loan - Airport	23,176	23,176	23,176
Unreserved	<u>(2,213,186)</u>	<u>(2,454,931)</u>	<u>(3,240,599)</u>
Total Capital Projects Fund	<u>(1,115,534)</u>	<u>(1,629,773)</u>	<u>(2,053,232)</u>
GENERAL BOND RETIREMENT FUND			
Reserved for Encumbrances	9,579	9,466	9,466
Reserved for Debt Service	250,707	361,950	401,984
Reserved for Long-Term Loan - Airport	<u>2,675,465</u>	<u>2,828,962</u>	<u>2,986,722</u>
Total General Bond Retirement Fund	<u>2,935,751</u>	<u>3,200,378</u>	<u>3,398,172</u>
ALL OTHER GOVERNMENTAL FUNDS			
Reserved for Encumbrances	269,305	420,940	232,134
Reserved for Inventory	96,601	53,969	99,698
Reserved for Debt Service	309,313	314,284	318,555
Unreserved, Reported in Non-major:			
Special Revenue Funds	3,009,947	2,923,745	3,162,378
Permanent Funds	<u>194,057</u>	<u>204,772</u>	<u>213,032</u>
Total All Other Governmental Funds	<u>3,879,223</u>	<u>3,917,710</u>	<u>4,025,797</u>
 Total Governmental Funds	 <u>\$ 15,614,746</u>	 <u>\$ 16,471,647</u>	 <u>\$ 17,052,234</u>

Note: The City implemented GASB 54 in 2010.



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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
REVENUES:										
Municipal Income Taxes	\$ 14,492,846	\$ 15,409,976	\$ 15,483,415	\$ 14,434,185	\$ 14,635,589	\$ 15,125,338	\$ 16,115,830	\$ 17,014,038	\$ 16,999,234	\$ 17,066,704
Property and Other Local Taxes	3,758,121	5,006,504	4,514,963	4,490,013	4,353,307	4,449,742	4,483,935	4,139,550	4,203,716	4,262,112
Intergovernmental	4,970,308	4,909,115	5,816,651	5,609,863	5,205,655	6,402,454	3,911,392	3,763,916	3,085,595	2,922,979
Charges for Services	1,501,349	1,419,620	1,453,966	1,663,000	1,594,327	1,665,892	1,685,770	1,687,575	1,716,354	1,709,529
Special Assessments	795,111	626,565	653,084	655,811	656,448	644,076	651,217	654,416	588,781	626,054
Fines and Forfeitures	2,413,687	2,479,794	2,392,415	2,610,283	2,601,731	2,398,512	2,461,843	2,612,863	2,641,781	2,435,825
Licenses & Permits	290,084	265,348	259,563	242,715	230,587	235,241	249,476	252,721	227,991	276,323
Interest Income	868,133	990,190	733,253	433,778	236,115	194,153	124,318	166,562	142,037	211,820
Miscellaneous	53,097	8,304	15,174	4,577	31,463	259,277	23,005	2,669	2,367	5,625
Total Revenues	29,142,736	31,115,416	31,322,484	30,144,225	29,545,222	31,374,685	29,706,786	30,294,310	29,607,856	29,516,971
EXPENDITURES:										
General Government	6,553,602	6,673,545	7,120,266	7,036,369	7,122,688	7,088,810	6,445,748	6,782,463	6,732,698	6,865,789
Security of Persons and Property	11,914,013	12,543,192	13,075,937	13,402,548	13,529,358	13,810,804	14,120,745	14,189,824	14,278,036	14,666,021
Public Health and Welfare	401,034	452,928	470,008	470,782	484,620	478,626	390,500	392,920	387,280	397,013
Community Environment	960,689	1,004,475	963,604	969,309	924,697	904,169	820,394	879,567	1,094,601	901,068
Leisure Time Activities	1,686,071	1,782,007	1,932,142	1,877,192	1,900,596	1,766,657	1,806,323	1,764,362	1,871,385	1,903,359
Transportation	1,377,708	1,651,544	1,897,053	1,768,755	1,739,192	1,478,892	1,236,377	1,432,221	1,564,053	1,727,753
Basic Utility Services	1,079,277	1,097,610	1,229,993	1,278,807	1,249,364	1,283,005	718,336	137,709	48,438	80,343
Capital Outlay	3,214,120	3,195,284	2,284,020	3,035,356	4,838,874	1,902,397	2,637,979	2,324,908	2,215,365	2,375,170
Debt Service:										
Principal	1,082,786	867,787	822,786	842,787	867,169	928,404	582,784	1,041,234	1,111,234	1,126,234
Interest	883,072	879,325	819,742	734,873	625,591	494,331	303,736	453,434	420,640	372,184
Bond Issuance Costs	0	0	0	0	111,425	0	229,294	0	0	0
Total Expenditures	29,152,372	30,147,697	30,615,551	31,416,778	33,393,574	30,136,095	29,292,216	29,398,642	29,723,730	30,414,934
Excess of Revenues Over (Under) Expenditures	(9,636)	967,719	706,933	(1,272,553)	(3,848,352)	1,238,590	414,570	895,668	(115,874)	(897,963)
OTHER FINANCING SOURCES (USES)										
Transfers In	3,052,750	2,229,479	2,643,521	3,021,404	2,309,060	3,525,000	3,005,923	3,750,000	3,141,746	3,494,507
Transfers Out	(2,352,608)	(2,297,479)	(2,938,521)	(3,083,568)	(2,454,060)	(3,600,000)	(4,720,610)	(3,750,000)	(7,464,208)	(3,494,507)
General Obligation Refunding Bonds Issued	0	0	0	0	5,235,000	0	9,510,000	0	0	0
General Obligation Refunding Bonds Premium	0	0	0	0	41,600	0	354,353	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0	(5,135,556)	0	(4,594,158)	0	0	0
Sale of Capital Assets	23,972	5,093	108,639	16,570	41,000	390	96,260	59,020	0	329,411
Total Other Financing Sources (Uses)	724,114	(62,907)	(186,361)	(45,594)	37,044	(74,610)	3,651,768	59,020	(4,322,462)	329,411
Net Change in Fund Balances	\$ 714,478	\$ 904,812	\$ 520,572	\$ (1,318,147)	\$ (3,811,308)	\$ 1,163,980	\$ 4,066,338	\$ 954,688	\$ (4,438,336)	\$ (568,552)
Debt Service as a Percentage of Noncapital Expenditures	7.58%	6.48%	5.80%	5.56%	5.23%	5.04%	3.33%	5.52%	5.57%	5.34%



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

Year	Municipal Income Taxes	Property & Other Local Taxes	Total
2006	\$14,492,846	\$3,758,121	\$18,250,967
2007	\$15,409,976	\$5,006,504	\$20,416,480
2008	\$15,483,415	\$4,514,963	\$19,998,378
2009	\$14,434,185	\$4,490,013	\$18,924,198
2010	\$14,635,589	\$4,353,307	\$18,988,896
2011	\$15,125,338	\$4,449,742	\$19,575,080
2012	\$16,115,830	\$4,483,935	\$20,599,765
2013	\$17,014,038	\$4,139,550	\$21,153,588
2014	\$16,999,234	\$4,203,716	\$21,202,950
2015	\$17,066,704	\$4,262,112	\$21,328,816

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>
2006	\$14,655,158	\$11,338,641	\$1,783,693	\$1,371,068	\$161,756	2.00%
2007	\$15,920,284	\$11,861,141	\$2,384,348	\$1,523,109	\$151,686	2.00%
2008	\$15,756,553	\$11,751,548	\$2,342,508	\$1,476,486	\$186,011	2.00%
2009	\$14,776,593	\$11,511,699	\$1,807,130	\$1,312,980	\$144,784	2.00%
2010	\$14,319,919	\$11,285,595	\$1,522,976	\$1,331,516	\$179,832	2.00%
2011	\$15,002,181	\$11,546,649	\$1,920,198	\$1,330,095	\$205,239	2.00%
2012	\$15,867,629	\$12,058,152	\$2,311,907	\$1,321,524	\$176,046	2.00%
2013	\$17,295,394	\$12,425,332	\$3,245,672	\$1,438,824	\$185,566	2.00%
2014	\$16,962,780	\$12,581,948	\$2,742,728	\$1,429,657	\$208,447	2.00%
2015	\$16,874,109	\$12,620,567	\$2,600,829	\$1,408,597	\$244,116	2.00%

Source: 2008-2015 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>2015</u>		<u>2006</u>	
<u>Rank</u>	<u>Name</u>	<u>Rank</u>	<u>Name</u>
1	Lake Health (Lake Hospital System)	1	Lake Hospital System
2	Willoughby-Eastlake City Schools	2	Willoughby-Eastlake City Schools
3	City of Willoughby	3	General Electric Co
4	Ohio Presbyterian Ret Services	4	City of Willoughby
5	HHC Ohio Inc	5	Horizon Mental Health Management Inc
6	Marous Brothers Construction Inc	6	Ohio Presbyterian-Breckenridge
7	Bescast	7	Bescast
8	Bevcorp	8	Marous Brothers Construction Inc
9	Signature Health Inc	9	Fluid Line Products
10	Momentive Performance Material	10	C T Consultants

<u>Classification</u>	<u>2015</u>	<u>2006</u>
Government	\$ 885,031	\$ 813,249
Commercial, Mfg, & Other	\$ 5,153,277	\$ 4,579,397
	\$ 6,038,308	\$ 5,392,646

Source: 2015 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				
2005/2006	\$427,059,970	\$216,085,720	\$68,290,311	\$70,535,520	\$640,900,481	6.58	\$1,880,847,500	34.08%
2006/2007	\$472,614,400	\$231,761,770	\$47,091,463	\$68,324,350	\$683,143,283	8.56	\$2,042,618,094	33.44%
2007/2008	\$480,905,550	\$228,888,060	\$31,602,915	\$65,059,180	\$676,337,345	8.54	\$2,041,574,056	33.13%
2008/2009	\$491,962,870	\$233,402,350	\$1,307,867	\$64,153,050	\$662,520,037	8.54	\$1,854,875,103	35.72%
2009/2010	\$434,590,450	\$236,954,880	\$653,933	\$44,340,540	\$627,858,723	8.58	\$1,745,553,694	35.97%
2010/2011	\$439,810,910	\$258,856,460	\$0	\$45,615,920	\$653,051,450	8.55	\$1,800,437,623	36.27%
2011/2012	\$443,433,660	\$257,373,260	\$0	\$45,615,920	\$655,191,000	8.53	\$1,805,144,796	36.30%
2012/2013	\$413,212,990	\$215,650,450	\$0	\$58,743,170	\$570,120,270	8.53	\$1,603,118,813	35.56%
2013/2014	\$413,637,780	\$213,727,490	\$0	\$54,654,120	\$572,711,150	8.51	\$1,608,149,828	35.61%
2014/2015	\$415,877,300	\$216,045,970	\$0	\$55,035,870	\$576,887,400	8.49	\$1,618,067,240	35.65%

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

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

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

Tax Year/ Collection Year	City of Willoughby Direct Rates							Overlapping Rates		Total Direct & Overlapping Rates
	General Fund	Debt Service Fund	Police Pension Fund	Fire Pension Fund	Recreation Fund	Road & Bridge Fund	Total City Millage	Lake County	Willoughby/ Eastlake, Kirtland School Districts	
2005/2006	3.05	2.43	0.30	0.30	0.50		6.58	15.70	50.70 (1)	72.98
2006/2007	3.48	1.98	0.30	0.30	0.50	2.00	8.56	15.70	49.82 (1)	74.08
2007/2008	3.49	1.95	0.30	0.30	0.50	2.00	8.54	15.80	49.94 (1)	74.28
2008/2009	3.49	1.95	0.30	0.30	0.50	2.00	8.54	15.80	50.05 (1)	74.39
2009/2010	3.79	1.69	0.30	0.30	0.50	2.00	8.58	15.80	55.11 (1)	79.49
2010/2011	3.80	1.65	0.30	0.30	0.50	2.00	8.55	15.80	54.85 (1)	79.20
2011/2012	3.80	1.63	0.30	0.30	0.50	2.00	8.53	15.80	55.32 (1)	79.65
2012/2013	3.80	1.63	0.30	0.30	0.50	2.00	8.53	15.30	62.82 (1)	86.65
2013/2014	3.55	1.86	0.30	0.30	0.50	2.00	8.51	15.30	63.54 (1)	87.35
2014/2015	3.55	1.84	0.30	0.30	0.50	2.00	8.49	15.30	63.47 (1)	87.26

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

Source: Lake County Auditor's Office

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

Tax Year/ Collection Year	Net Tax Levy	Current Collections	Percentage of Current Collection to Net Levy	Delinquent Collections	Total Collections	Percentage of Total Collections to Net Levy
2005/2006	\$2,339,615	\$2,270,168	97.0%	\$63,732	\$2,333,900	99.8%
2006/2007	\$3,572,756	\$3,491,172	97.7%	\$82,552	\$3,573,724	100.0%
2007/2008	\$3,577,702	\$3,410,633	95.3%	\$79,475	\$3,490,108	97.6%
2008/2009	\$3,620,455	\$3,506,106	96.8%	\$143,322	\$3,649,428	100.0%
2009/2010	\$3,551,848	\$3,428,928	96.5%	\$102,650	\$3,531,578	99.4%
2010/2011	\$3,697,109	\$3,476,472	94.0%	\$98,730	\$3,575,202	96.7%
2011/2012	\$3,985,820	\$3,872,582	97.2%	\$86,218	\$3,958,800	99.3%
2012/2013	\$3,640,773	\$3,544,071	97.3%	\$100,345	\$3,644,416	100.0%
2013/2014	\$3,655,638	\$3,528,586	96.5%	\$160,859	\$3,689,445	100.0%
2014/2015	\$3,660,054	\$3,556,600	97.2%	\$129,168	\$3,685,768	100.0%

Source: Lake County Auditor's Office

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

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

Year	GOVERNMENTAL ACTIVITIES			BUSINESS-TYPE ACTIVITIES		Total Primary Government	Total Personal Income	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Special Assessment Bonds	OWDA & OPWC	Enterprise Bonds w/G.O. Commitment	OWDA & OPWC				
2006	\$13,609,312	\$295,000	\$18,842	\$3,851,926	\$4,330,082	\$22,105,162	\$535,054,513	4.13%	\$977
2007	\$12,762,760	\$275,000	\$17,607	\$3,450,662	\$4,724,594	\$21,230,623	\$535,054,513	3.97%	\$939
2008	\$11,966,207	\$250,000	\$16,374	\$3,031,117	\$6,247,768	\$21,511,466	\$535,054,513	4.02%	\$951
2009	\$11,149,654	\$225,000	\$15,140	\$2,599,534	\$6,215,292	\$20,204,620	\$535,054,513	3.78%	\$893
2010	\$10,308,102	\$200,000	\$14,523	\$2,356,898	\$6,502,612	\$19,382,135	\$673,584,732	2.88%	\$870
2011	\$9,449,500	\$170,000	\$12,673	\$2,148,450	\$6,702,774	\$18,483,397	\$673,584,732	2.74%	\$830
2012	\$14,249,338	\$140,000	\$11,439	\$3,755,000	\$7,269,426	\$25,425,203	\$673,584,732	3.77%	\$1,142
2013	\$13,215,265	\$105,000	\$10,205	\$3,510,000	\$6,792,946	\$23,633,416	\$673,584,732	3.51%	\$1,061
2014	\$12,261,192	\$70,000	\$8,971	\$3,110,000	\$6,235,444	\$21,685,607	\$673,584,732	3.22%	\$974
2015	\$11,142,120	\$35,000	\$7,737	\$2,855,000	\$7,040,768	\$21,080,625	\$673,584,732	3.13%	\$947

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

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

<u>Year</u>	<u>General Obligation Bonds(1)</u>	<u>Less: Amount of Assets Restricted for Repayment of Debt</u>	<u>Total</u>	<u>Percent of Estimated Actual Taxable Value of Property (2)</u>	<u>Per Capita (3)</u>
2006	\$14,039,312	\$3,034,403	\$11,004,909	0.59%	\$486
2007	\$13,057,760	\$3,273,982	\$9,783,778	0.48%	\$433
2008	\$12,116,206	\$3,484,231	\$8,631,975	0.42%	\$382
2009	\$11,149,654	\$3,738,873	\$7,410,781	0.40%	\$328
2010	\$10,308,102	\$3,860,372	\$6,447,730	0.37%	\$290
2011	\$9,449,500	\$4,008,473	\$5,441,027	0.30%	\$244
2012	\$14,249,338	\$4,656,671	\$9,592,667	0.53%	\$431
2013	\$13,215,265	\$4,386,078	\$8,829,187	0.55%	\$396
2014	\$12,261,192	\$1,278,144	\$10,983,048	0.68%	\$493
2015	\$11,142,120	\$1,123,871	\$10,018,249	0.62%	\$450

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

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

CITY OF WILLOUGHBY, OHIO
DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT
DECEMBER 31, 2015
(UNAUDITED)

<u>Jurisdiction</u>	<u>Assessed Valuation (1)</u>	<u>General Obligation Debt Outstanding (1)</u>	<u>Percent Overlapping (3)</u>	<u>Amount Applicable to City of Willoughby</u>
Direct:				
City of Willoughby	\$ 576,887,400			
General Obligation Bonds		\$ 11,142,120	100.00%	\$ 11,142,120
Special Assessment Bonds		\$ 35,000	100.00%	\$ 35,000
Ohio Public Works Commission Loan		<u>\$ 7,737</u>	100.00%	<u>\$ 7,737</u>
Total Direct Debt		<u>\$ 11,184,857</u>		<u>\$ 11,184,857</u>
Overlapping:				
Willoughby-Eastlake City Schools	\$ 1,560,229,300	\$ 0	37.57%	\$ 0
Kirtland Local School District	\$ 318,181,910	\$ 12,949,992	4.18%	\$ 541,310
Auburn Joint Vocational S.D.(2)	\$ 4,505,314,360	\$ 4,585,000	0.36%	\$ 16,506
Lake County	\$ 5,739,195,400	<u>\$ 11,325,000</u>	10.06%	<u>\$ 1,139,295</u>
Total Overlapping		<u>\$ 28,859,992</u>		<u>\$ 1,697,111</u>
Total Direct and Overlapping Debt		<u><u>\$ 40,044,849</u></u>		<u><u>\$ 12,881,968</u></u>

Sources: (1) Lake County Auditor's Office and School districts- general obligation debt .
(2) From County Auditor includes Lake and Geauga County.
(3) Percentages are determined by dividing each overlapping government located within the boundaries of the City by the total assessed valuation of the government. The valuations were for the 2015 collection year.

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Overall Debt Limitation - 10.5% of Assessed Valuation	\$ 67,294,551	\$ 71,730,045	\$ 71,015,421	\$ 69,564,604	\$ 65,925,166	\$ 68,570,402	\$ 68,795,055	\$ 59,862,628	\$ 60,134,671	\$ 60,573,177
Gross Indebtedness	27,165,163	27,580,623	28,321,465	32,354,620	\$ 31,682,135	\$ 30,575,447	\$ 30,675,865	\$ 28,913,151	\$ 27,069,415	\$ 26,493,505
Less:										
OWDA	(3,988,288)	(4,303,686)	(5,839,487)	(5,837,076)	(6,096,887)	(6,261,465)	(6,664,417)	(6,222,611)	(5,708,705)	(6,410,778)
OPWC	(360,637)	(438,515)	(424,655)	(393,356)	(420,248)	(453,982)	(616,448)	(580,540)	(535,710)	(637,727)
Special Assessment Bond & BAN	(5,355,000)	(6,625,000)	(7,060,000)	(12,375,000)	(12,500,000)	(12,300,000)	(5,765,000)	(5,730,000)	(5,770,000)	(5,735,000)
Airport Debt							(155,000)	(150,000)	(145,000)	(140,000)
Sewer Debt	(696,926)	(550,662)	(401,117)	(249,534)	(136,898)	(68,450)	(1,600,000)	(1,535,000)	(1,465,000)	(1,395,000)
Golf Debt	(2,725,000)	(2,605,000)	(2,480,000)	(2,350,000)	(2,220,000)	(2,080,000)	(2,000,000)	(1,825,000)	(1,645,000)	(1,460,000)
	<u>(13,125,851)</u>	<u>(14,522,863)</u>	<u>(16,205,259)</u>	<u>(21,204,966)</u>	<u>(21,374,033)</u>	<u>(21,163,897)</u>	<u>(16,800,865)</u>	<u>(16,043,151)</u>	<u>(15,269,415)</u>	<u>(15,778,505)</u>
Net Debt Within 10.5% Limitations	14,039,312	13,057,760	12,116,206	11,149,654	10,308,102	9,411,550	13,875,000	12,870,000	11,800,000	10,715,000
Legal Debt Margin Within 10.5% Limitation*	<u>\$ 53,255,239</u>	<u>\$ 58,672,285</u>	<u>\$ 58,899,215</u>	<u>\$ 58,414,950</u>	<u>\$ 55,617,064</u>	<u>\$ 59,158,852</u>	<u>\$ 54,920,055</u>	<u>\$ 46,992,628</u>	<u>\$ 48,334,671</u>	<u>\$ 49,858,177</u>
Total Net Debt Applicable to the 10.5% Limit as a Percentage of the Debt Limit	20.86%	18.20%	17.06%	16.03%	15.64%	13.73%	20.17%	21.50%	19.62%	17.69%
Unvoted Debt Limitation - 5.5% of Assessed Valuation	\$ 35,249,526	\$ 37,572,881	\$ 37,198,554	\$ 36,438,602	\$ 34,532,230	\$ 35,917,830	\$ 36,035,505	\$ 31,356,615	\$ 31,499,113	\$ 31,728,807
Net Debt Within 10.5% Limitations	14,039,312	13,057,760	12,116,206	11,149,654	10,308,102	9,411,550	13,875,000	12,870,000	11,800,000	10,715,000
Less Debt Outside Limitations (Voted)	<u>(4,995,000)</u>	<u>(4,740,000)</u>	<u>(4,555,000)</u>	<u>(4,360,000)</u>	<u>(4,160,000)</u>	<u>(3,930,000)</u>	<u>(3,670,000)</u>	<u>(3,410,000)</u>	<u>(3,140,000)</u>	<u>(2,870,000)</u>
Debt Within 5.5% Limitations	<u>9,044,312</u>	<u>8,317,760</u>	<u>7,561,206</u>	<u>6,789,654</u>	<u>6,148,102</u>	<u>5,481,550</u>	<u>10,205,000</u>	<u>9,460,000</u>	<u>8,660,000</u>	<u>7,845,000</u>
Legal Debt Margin Within 5.5% Limitation*	<u>\$ 26,205,214</u>	<u>\$ 29,255,121</u>	<u>\$ 29,637,348</u>	<u>\$ 29,648,948</u>	<u>\$ 28,384,128</u>	<u>\$ 30,436,280</u>	<u>\$ 25,830,505</u>	<u>\$ 21,896,615</u>	<u>\$ 22,839,113</u>	<u>\$ 23,883,807</u>
Total Debt Applicable to the 5.5% Limit as a Percentage of the Debt Limit	25.66%	22.14%	20.33%	18.63%	17.80%	15.26%	28.32%	30.17%	27.49%	24.73%

LEGAL DEBT MARGIN CALCULATION FOR 2015

Assessed Valuation	\$ 576,887,400
Overall Debt Limitation - (10.5% of Assessed Valuation)	\$ 60,573,177
Gross Indebtedness	26,493,505
Less :	
OWDA/OPWC	(7,048,505)
Special Assessment Bond & BAN	(5,735,000)
Airport Debt	(140,000)
Sewer Debt	(1,395,000)
Recreation- Golf Debt	(1,460,000)
	<u>10,715,000</u>
Net Debt Within 10.5% Limitations-General Obligation Bonds	<u>10,715,000</u>
Legal Debt Margin Within 10.5% Limitation*	<u>\$ 49,858,177</u>
Unvoted Debt Limitation - (5.5% of Assessed Valuation)	\$ 31,728,807
Gross Indebtedness Authorized by Council	10,715,000
Less Debt Outside Limitations- Voted	<u>(2,870,000)</u>
Debt Within 5.5% Limitations	<u>7,845,000</u>
Legal Debt Margin Within 5.5% Limitation*	<u>\$ 23,883,807</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>	
2006	\$177,310	\$142,288	\$27,612	1.04
2007	\$43,612	\$20,000	\$17,257	1.17
2008	\$47,068	\$25,000	\$16,088	1.15
2009	\$42,793	\$25,000	\$14,625	1.08
2010	\$44,159	\$25,000	\$13,163	1.16
2011	\$41,216	\$30,000	\$11,700	0.99
2012	\$43,809	\$30,000	\$9,945	1.10
2013	\$44,206	\$35,000	\$8,190	1.02
2014	\$45,079	\$35,000	\$6,142	1.10
2015	\$45,600	\$35,000	\$4,095	1.17

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 (1)	Occupied Dwelling Units Households(1)	Persons Per/Owner Households	Owner Occupied Housing Units (%)	Occupied County Population (1)
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	4.8%	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	5.3%	351	10,700	10,265	2.40	59.8	227,511
2009	22,621	\$535,054,513	\$23,653	\$43,387	39.1	23.8%	3,968	8.0%	351	10,700	10,265	2.40	59.8	227,511
2010	22,268	\$673,584,732	\$30,249	\$50,611	43.6	28.3%	3,686	7.9%	200	11,387	10,413	2.30	61.1	230,041
2011	22,268	\$673,584,732	\$30,249	\$50,611	43.6	28.3%	3,686	6.8%	200	11,387	10,413	2.30	61.1	230,041
2012	22,268	\$673,584,732	\$30,249	\$50,611	43.6	28.3%	3,621	5.9%	200	11,387	10,413	2.30	61.1	230,041
2013	22,268	\$673,584,732	\$30,249	\$50,611	43.6	28.3%	3,570	6.3%	200	11,387	10,413	2.30	61.1	230,041
2014	22,268	\$673,584,732	\$30,249	\$50,611	43.6	28.3%	3,536	5.5%	200	11,387	10,413	2.30	61.1	230,041
2015	22,268	\$673,584,732	\$30,249	\$50,611	43.6	28.3%	3,445	4.4%	200	11,387	10,413	2.30	61.1	230,041

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

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

(3) Source: Ohio Bureau of Employment Statistics for 2006 and prior, 2007 to 2015 U.S Bureau of Labor Statistics

(4) Source: Willoughby-Eastlake Board of Administration

CITY OF WILLOUGHBY, OHIO
Income Tax Filers by Income Level
TAX YEARS 2014 and 2007

<u>Income Range</u>	2014 (1) (2)			
	<u>Number of Filers</u>	<u>Percent of Filers</u>	<u>Taxable Income</u>	<u>Percent of Taxable Income</u>
\$ 100,000 and Over	1,277	15.52%	204,625,796	42.85%
75,000-99,999	970	11.79%	83,595,279	17.51%
50,000-74,999	1,391	16.91%	85,283,922	17.86%
25,000-49,999	2,042	24.82%	75,704,344	15.85%
Under 25,000	2,548	30.97%	28,307,700	5.93%
Total	8,228	100.00%	477,517,041	100%

<u>Income Range</u>	2007 (1) (2)			
	<u>Number of Filers</u>	<u>Percent of Filers</u>	<u>Taxable Income</u>	<u>Percent of Taxable Income</u>
\$ 100,000 and Over	970	10.77%	147,264,851	33.16%
75,000-99,999	881	9.79%	75,756,443	17.06%
50,000-74,999	1,562	17.35%	96,484,265	21.72%
25,000-49,999	2,417	26.85%	89,024,047	20.04%
Under 25,000	3,173	35.24%	35,612,101	8.02%
Total	9,003	100.00%	444,141,707	100%

Source: Regional Income Tax Agency as of April 28,2016

- (1) Information for 2015 was not available and 2007 was the first year the information was available.
- (2) Taxable Income of residents of the City. Willoughby is a mandatory filing city but offers 100% reciprocity for up to 2% of withholdings paid to another work city.

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

	FULL-TIME EMPLOYEES AS OF DECEMBER 31									
<u>FUNCTION/PROGRAM</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>Governmental</u>										
General Government										
Council	8	8	8	8	8	7	7	7	7	8
Mayor	2	2	2	2	2	1	1	1	1	1
Law	3	3	3	3	3	2	2	2	2	2
Personnel	1	1	1	1	1	1	1	1	0	1
Court	26	27	26	27	26	24	25	25	24	24
Building & Grounds	7	7	7	7	7	7	7	7	7	7
Finance	9	9	9	9	9	9	9	9	9	9
Service	6	5	5	5	4	4	4	4	4	4
Vehicle Maintenance	5	5	5	5	4	3	3	3	3	3
Security of Persons and Property										
Police	59	59	59	59	59	58	57	57	55	57
Fire	40	41	41	41	41	41	41	41	41	41
Public Health and Welfare										
Cemetery	3	3	3	3	3	2	2	2	2	2
Community Environment										
Building	8	8	8	8	8	7	7	7	8	7
Community Development	2	2	2	2	2	2	2	2	2	1
Leisure Time Activities										
Parks	5	5	5	5	5	4	4	4	4	4
Recreation	7	7	7	7	7	7	7	7	7	7
Transportation										
Street	12	12	12	11	9	8	7	8	9	9
Traffic	2	2	2	2	2	2	2	2	2	2
Total Governmental	<u>205</u>	<u>206</u>	<u>205</u>	<u>205</u>	<u>200</u>	<u>189</u>	<u>188</u>	<u>189</u>	<u>187</u>	<u>189</u>
<u>Business-Type</u>										
Sewer										
Sewer	7	7	7	7	7	7	7	7	7	7
WPCC	21	22	22	21	22	19	18	18	18	17
Airport	1	1	1	1	1	1	1	0	0	0
Golf Course	3	3	3	3	3	3	3	3	4	4
Total Business-Type	<u>32</u>	<u>33</u>	<u>33</u>	<u>32</u>	<u>33</u>	<u>30</u>	<u>29</u>	<u>28</u>	<u>29</u>	<u>28</u>
Totals	<u>237</u>	<u>239</u>	<u>238</u>	<u>237</u>	<u>233</u>	<u>219</u>	<u>217</u>	<u>217</u>	<u>216</u>	<u>217</u>

Source: City of Willoughby Finance Dept.

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

<u>OPERATING INDICATORS BY FUNCTION/PROGRAM</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>Governmental</u>										
General Government										
Council - Ordinances & Resolutions	177	155	165	152	164	157	132	139	125	145
Personnel - Civil Service Exams (taken)	137	30	34	126	288	46	240	11	88	91
Court - Number of cases	18,735	17,811	18,653	17,516	16,610	15,892	14,917	17,110	16,370	15,165
Finance										
Number of A/P checks processed	7,076	7,047	6,785	6,780	6,478	5,973	6,033	6,053	5,934	6,005
Number of purchase orders issued	945	963	980	963	903	899	869	899	925	849
Security of Persons and Property										
Police										
Total Arrests & other Citations	5,548	5,436	5,347	4,901	5,187	4,564	4,036	4,577	6,179	4,654
Parking Citations	1,554	1,567	1,637	2,068	2,686	2,590	2,412	2,346	3,373	2,857
Fire										
Total Number of Calls	4,543	4,555	4,643	4,522	4,744	4,915	4,855	4,915	5,037	5,183
Public Health and Welfare										
Cemetery (plots sold)	55	84	52	84	70	53	72	73	80	61
Community Environment										
Building										
Building Permits Issued	993	897	836	715	844	801	833	1,008	755	803
Inspections - Residential	5,150	4,340	3,417	2,888	3,569	2,807	2,613	2,674	2,427	2,228
- Industrial	1,113	606	853	669	785	591	700	564	646	764
Leisure Time Activities										
Parks - Bus Rides	8,746	7,343	8,780	8,736	8,624	discontinued				
- Program Participants	307	301	361	356	374	373	390	471	382	452
Pools - Attendance	66,868	68,544	70,656	63,634	69,323	65,126	73,130	62,318	40,586	42,123
Senior Center - Membership	1,316	1,346	1,200	1,253	1,271	1,289	1,318	1,518	1,698	1,939
- Attendance	26,329	27,503	27,523	29,581	29,698	34,260	30,322	29,689	30,558	31,146
<u>Business-Type</u>										
Sewer										
Sewer - Point of Sale Inspections	324	268	237	192	195	240	241	292	292	319
WPCC										
Flow Data MG (millions of gallons)	2,705	2,365	2,628	2,370	2,155	3,098	2,285	2,366	2,306	2,235
Golf Course										
Rounds of golf	39,623	38,698	33,853	35,536	33,514	33,525	41,363	36,031	38,225	39,928

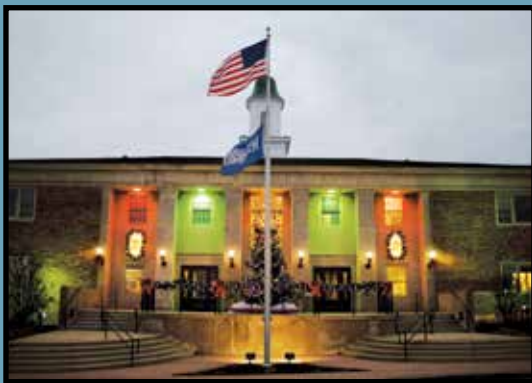
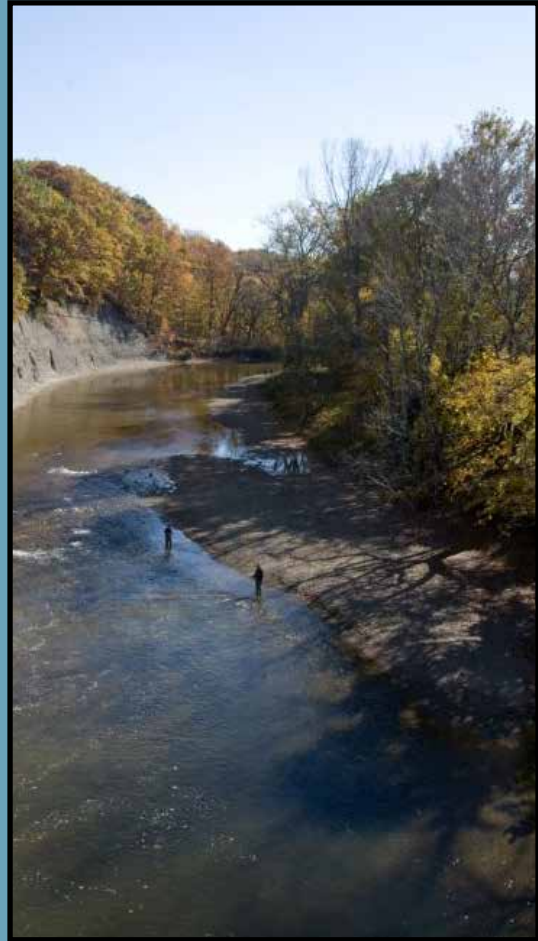
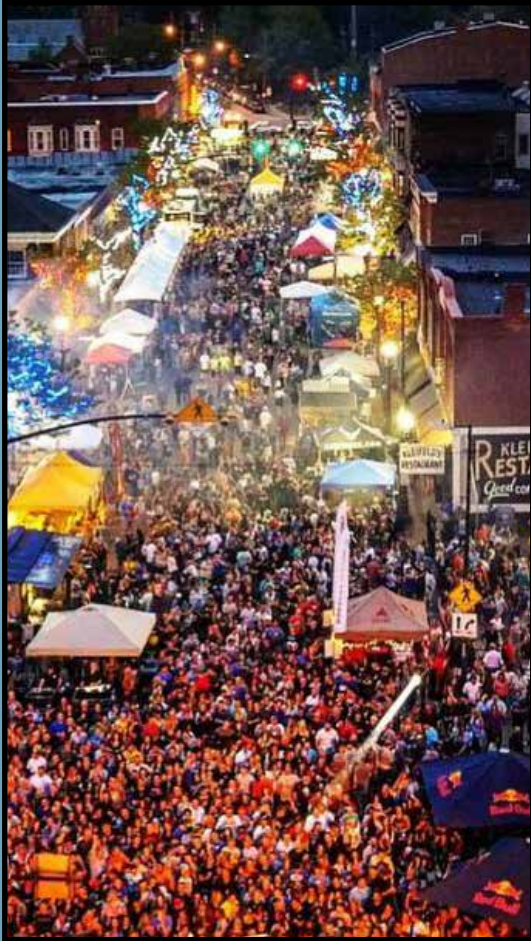
Source: Various Willoughby Departments

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

FUNCTION/PROGRAM	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Capital Assets										
General Government										
Other Departmental Vehicles	42	43	43	43	45	44	45	40	40	42
City Hall Square Footage	25,884	25,884	25,884	25,884	25,884	25,884	25,884	25,884	25,884	25,884
Municipal Court Square Footage	30,950	30,950	30,950	30,950	30,950	30,950	30,950	30,950	30,950	30,950
Security of Persons and Property										
Police										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Number of Vehicles	32	32	33	34	32	32	32	30	30	30
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	18	18	18	18	18	17	17	17	17
Square Footage of Buildings	37,878	37,878	37,878	37,878	37,878	37,878	37,878	37,878	37,878	37,878
Public Health and Welfare										
Cemetery										
Number of Cemeteries	2	2	2	2	2	2	2	2	2	2
Number of Acres	50	50	50	50	50	50	50	50	50	50
Number of Vehicles	2	2	2	2	2	2	2	2	2	2
Community Environment										
Building & Zoning										
Number of Vehicles	5	5	5	5	5	5	5	5	5	4
Leisure Time Activities										
Number of Parks	14	14	14	14	14	14	14	14	14	14
Parks Acreage	186	186	152	152	152	153	153	153	153	153
Number of Swimming Pools	2 large / 1sm	2 large / 1sm	2 large / 1sm	2 large / 1sm	2 large / 1sm	2 large / 1sm	2 large / 1sm	2 large / 1sm	2 large / 1sm	2 large / 1sm
Number of Ballfields	14	14	15	15	15	15	15	15	15	15
Recreation - Senior Center	1	1	1	1	1	1	1	1	1	1
Senior Center Square Footage	31,974	31,974	31,974	31,974	31,974	31,974	31,974	31,974	31,974	31,974
Number of Vehicles	13	14	15	15	15	14	13	12	11	11
Transportation										
Miles of Streets	89	89	89	89	89	92	92	94	96	96
Number of Street Lights	2,920	2,920	2,920	2,920	3,067	3,071	3,075	3,093	3,100	3,104
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	103	104	106	106
Miles of Storm Sewers	92	92	92	92	92	92	102	103	105	105
Airport										
Number of Runways	2	2	2	2	2	2	2	2	0	0
Golf Course										
Number of Holes	18	18	18	18	18	18	18	18	18	18
Number of Acres	141	141	141	141	141	141	141	141	141	141
Number of Vehicles	1	2	3	3	3	3	3	2	2	2

Sources: Various Willoughby Departments

History | Family | Fun | Entertainment



T H E C I T Y O F W I L L O U G H B Y , O H I O



Dave Yost • Auditor of State

CITY OF WILLOUGHBY

LAKE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 16, 2016**