

CITY OF WILLOUGHBY, OHIO

AUDIT REPORT

FOR THE YEAR ENDED DECEMBER 31, 2005



**Auditor of State
Betty Montgomery**

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

We have reviewed the *Independent Auditor's Report* of the City of Willoughby, Lake County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2005 through December 31, 2005. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

June 26, 2006

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**CITY OF WILLOUGHBY, OHIO
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2005**

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

Certified Public Accountants

5240 East 98th Street

Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

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

The Honorable Mayor, Finance Director,
and Members of City Council
City of Willoughby, Ohio

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Willoughby, Lake County, Ohio, (the City) as of and for the year ended December 31, 2005, and have issued our report thereon dated April 27, 2006. We have conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted certain matters involving the internal control over financial reporting that we have reported to the management of the City in a separate letter dated April 27, 2006.

Compliance and Other Matters

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

This report is intended solely for the information and use of management, City Council, and Federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

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

April 27, 2006

THE CITY OF WILLOUGHBY, OHIO

2005

Comprehensive Annual



FINANCIAL REPORT



FOR THE YEAR ENDED DECEMBER 31, 2005



2005

COMPREHENSIVE ANNUAL FINANCIAL REPORT

for the year ended December 31, 2005

The City of
Willoughby, Ohio

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

Director of Finance
Raymond J. Rogowski, CGFM

Deputy Finance Director
Diane C. Bosley, CPA

Staff Accountant
Cher Hoffman

Secretary
Mia Cicirello

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

The City of
Willoughby, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2005

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City Of Willoughby

David E. Anderson
Mayor and Safety Director

May 26, 2006

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, 2005, is hereby submitted. State law requires that all public offices shall file a financial report for each fiscal year. The law also requires that the report be submitted within one hundred fifty days of the close of the fiscal year.

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

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

The City's financial statements have been audited by James G. Zupka, CPA, Inc., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the year ended December 31, 2005, are free of material misstatement. The independent audit involved testing evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and the significant estimates made by management; and evaluation of the overall financial statement presentation. Based upon the audit, the independent auditor concluded that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended December 31, 2005, 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.

"The Courtesy City"

PROFILE OF THE GOVERNMENT

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

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

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

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

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

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

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

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

LOCAL ECONOMY

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

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

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

MAJOR INITIATIVES

The City completed a new building to house the Willoughby Municipal Court at the end of 2005. The Court staff and operations moved in and began service in the over 30,000 square foot facility in the first few weeks of 2006. This building is located at the northwest corner of the City's historic downtown. This project was completed with the cooperation and combined efforts of the Administration, City Council and Judge Larry Allen of the Willoughby Municipal Court. Court operations costs are shared with other entities which are part of the Municipal Court District by a formula mandated by the Ohio Revised Code. The new building will increase some operating costs for the City in regards to utilities but no significant increase in personnel will be needed for the operation of the court or the building.

The City continues to maintain and improve infrastructure with an annual road program and the completion of the Pelton/Erie road and bridge project. Preparation is underway for Mentor Avenue widening, the Lakeshore Boulevard force main and River Road sanitary sewer projects.

RELEVANT FINANCIAL POLICIES

Current union contracts were completed in 2005 and included a cost sharing provision for health insurance. All City employees, both union and non-union, are contributing 8% of the total health care cost on a bi-weekly basis. The union agreement also provided for a health care committee comprised of representatives of union and non union employees to monitor the health care policies and assist in evaluating savings opportunities in this increasingly expensive benefit. The union contracts are in effect until the end of March 2007.

LONG TERM FINANCIAL PLANNING

In 2006 the City is preparing a 5 year forecast for the major operations of the City as well as a 10 year Capital improvement plan. The master plan of the City is also undergoing an update in 2006. The purpose of this planning is to prepare for the future.

AWARDS & ACKNOWLEDGMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement of Excellence in Financial Reporting to the City of Willoughby for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2004. This was the 19th consecutive year that the City of Willoughby has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the City of Willoughby published an easily readable and efficiently organized Comprehensive Annual

Financial Report. This report must satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

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

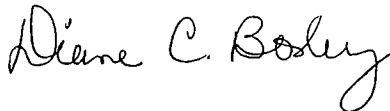
The preparation of the Comprehensive Annual Financial Report, on a timely basis, was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

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

Respectfully submitted,



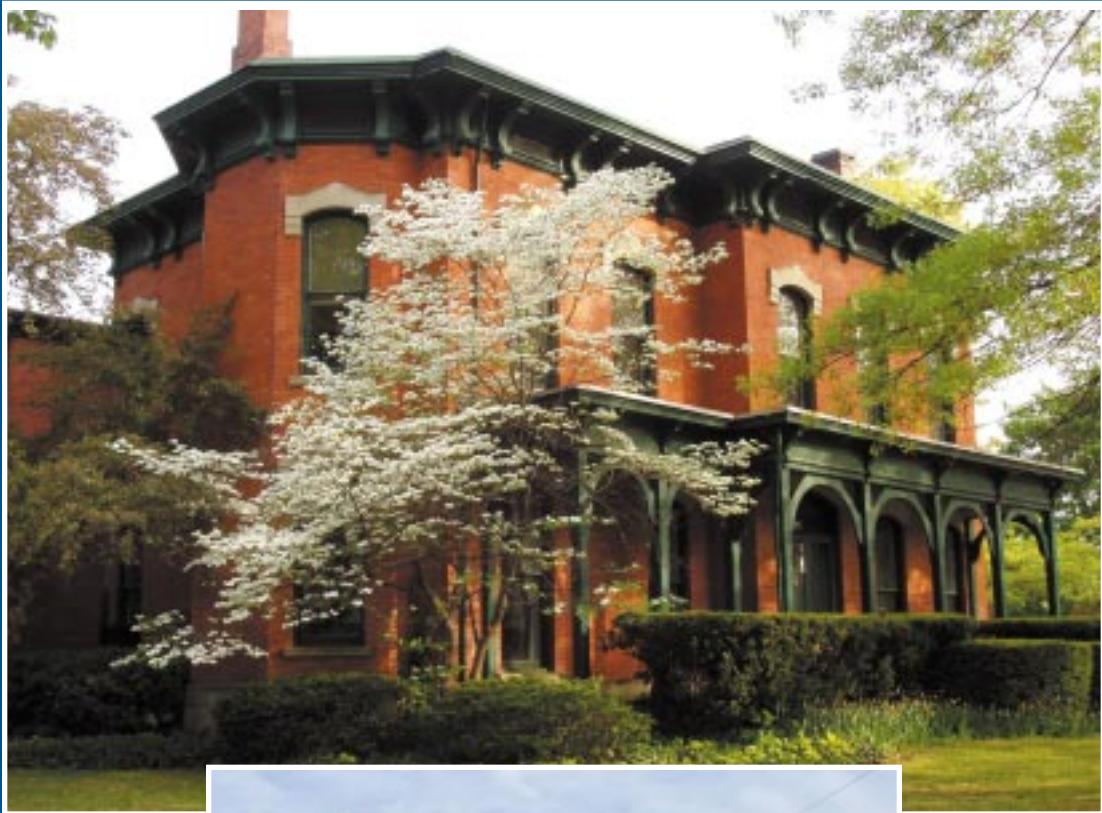
Raymond J. Rogowski, CGFM
Finance Director



Diane C. Bosley, CPA
Deputy Finance Director

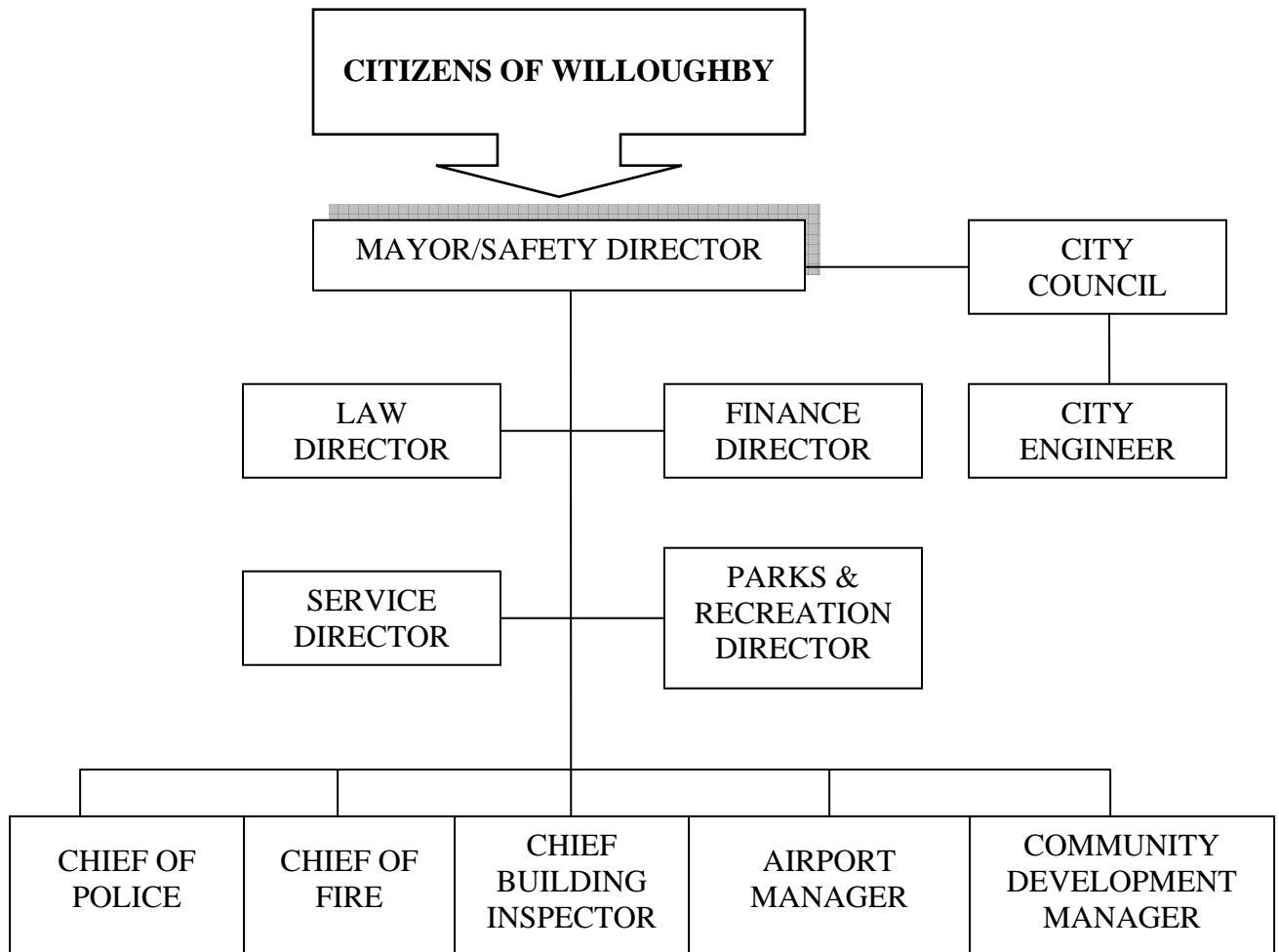
THE CITY OF WILLOUGHBY, OHIO

Enriched by its history 
PREPARED FOR ITS FUTURE



ORGANIZATIONAL CHART

The City of
Willoughby, Ohio



ELECTED & APPOINTED OFFICIALS

The City of
Willoughby, Ohio

Mayor
David E. Anderson

CITY COUNCIL

Ward 4
Charles W. Cox / President

Ward 1
Richard A. Wagner

Ward 3
Jerome P. Ranally

Ward 6
James J. Dempsey

Ward 2
Robert A. Fiala

Ward 5
Karen T. Manning

Councilman-At-Large
Jeffrey H. Black

Director of Finance
Raymond J. Rogowski

Director of Public Service
Angelo Tomaselli

Director of Law
John W. Wiles

*Director of
Parks & Recreation*
Brian L. Katz

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Willoughby,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2004

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



Carla E. Perry

President

Jeffrey R. Emer

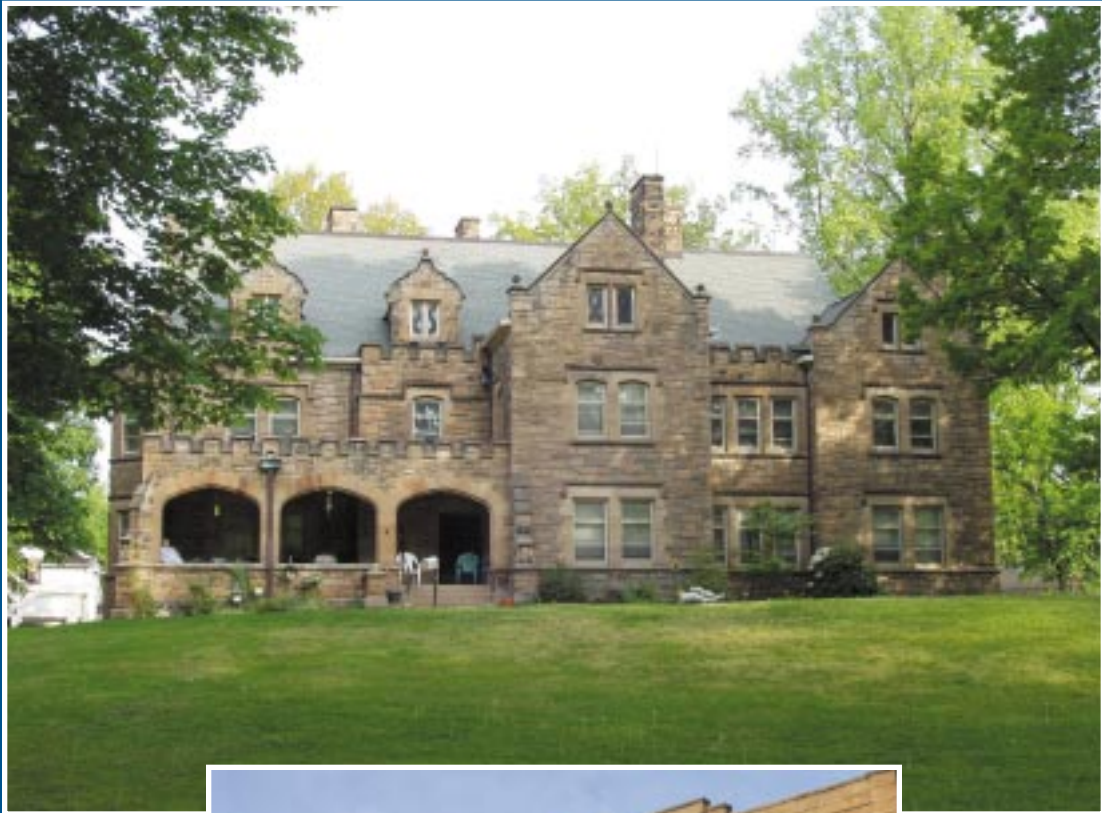
Executive Director



The City of Willoughby™

THE CITY OF WILLOUGHBY, OHIO

Financial 
INFORMATION



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

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

Member American Institute of Certified Public Accountants

(216) 475-6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Willoughby, Lake County, Ohio, as of and for the year ended December 31, 2005, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.


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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Willoughby, Lake County, Ohio, as of December 31, 2005, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the general fund thereof and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 27, 2006, on our consideration of the City of Willoughby, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

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


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

April 27, 2006

**CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
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, 2005. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers are encouraged to consider the information presented here in conjunction with the additional information contained in the transmittal letter, financial statements and the notes to those financial statements to enhance their understanding of the City's performance.

Financial Highlights

The assets of the City of Willoughby exceeded liabilities by \$88,592,989. Assets in Governmental activities exceeded liabilities by \$55,645,583 and \$32,947,406 in Business-Type activities.

Total liabilities of the City of Willoughby decreased \$751,101 as compared to 2004. Total liabilities of governmental activities decreased by \$300,906 and total liabilities of business type-activities decreased by \$450,195.

The total unrestricted fund balance of the City is \$5,219,811, an increase of \$28,368 from 2004.

Long term liabilities of the City decreased by \$1,425,748.

The overall financial condition of the City is unchanged from 2004 to 2005.

Using This Annual Financial Report

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

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

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

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

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

**CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
UNAUDITED**

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

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

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

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

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

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

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

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

**CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
UNAUDITED**

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

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

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

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

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

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

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

Notes to the Financial Statements

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

Other Information

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

CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
UNAUDITED

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

Government-wide Financial Analysis

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

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

The City of Willoughby as a Whole

By far the largest portion of the City's net assets (87%) reflects its investment in capital assets (e.g. land, infrastructure, building, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses those capital assets to provide services to its citizens; consequently these assets are not available for future spending. Although the City's investment is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities. The following table provides a summary of the City's net assets for 2005 compared to 2004.

	City of Willoughby's Net Assets					
	Governmental Activities		Business-type Activities		Total Government	
	2005	2004	2005	2004	2005	2004
Current and other assets	30,194,892	33,995,546	(763,656)	(852,403)	29,431,236	33,143,143
Capital assets	56,343,707	52,982,776	44,394,672	45,216,543	100,738,379	98,199,319
Total Assets	86,538,599	86,978,322	43,631,016	44,364,140	130,169,615	131,342,462
Current and other liabilities	10,235,527	9,859,461	550,268	251,687	10,785,795	10,111,148
Long term liabilities outstanding	20,657,489	21,334,461	10,133,342	10,882,118	30,790,831	32,216,579
Total Liabilities	30,893,016	31,193,922	10,683,610	11,133,805	41,576,626	42,327,727
Net Assets:						
Invested in capital assets, net of debt	41,775,054	39,876,454	35,008,255	35,096,164	76,783,309	74,972,618
Restricted	6,132,896	8,393,734	456,973	456,940	6,589,869	8,850,674
Unrestricted (deficit)	7,737,633	7,514,212	(2,517,822)	(2,322,769)	5,219,811	5,191,443
Total Net Assets	55,645,583	55,784,400	32,947,406	33,230,335	88,592,989	89,014,735

An additional portion of the City's net assets (7.4%) represents resources that have been restricted on how they may be used. The remaining balance of unrestricted net assets (\$5,219,811) may be used to meet the government's ongoing obligations to citizens and creditors.

**CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
UNAUDITED**

At the end of the current fiscal year, the City is able to report positive balances in governmental activities and the total government categories of net assets. Business-type activities show a net unrestricted deficit of \$2,517,822, which is primarily attributable to liabilities of the Airport fund consisting of amounts that are due to other funds.

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

City of Willoughby's Change in Net Assets						
	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Revenues						
Program Revenues						
Charges for Services	4,480,364	4,430,929	4,921,236	4,505,685	9,401,600	8,936,614
Operating Grants, Contributions & Interest	51,133	56,572			51,133	56,572
Capital Grants & Contributions	1,183,817	186,064	277,783	102,787	1,461,600	288,851
General Revenues						
Municipal Income Taxes	13,613,117	12,335,764	750,000	625,000	14,363,117	12,960,764
Property & Other Local Taxes	3,694,441	3,908,020			3,694,441	3,908,020
Grants & Entitlements	4,263,912	3,979,013			4,263,912	3,979,013
Investment Earnings	635,182	347,035	38,817	14,763	673,999	361,798
Miscellaneous	46,938	26,945	21,102	2,200	68,040	29,145
Total Revenues	27,968,904	25,270,342	6,008,938	5,250,435	33,977,842	30,520,777
Expenses						
General Government	6,567,500	6,030,958			6,567,500	6,030,958
Security of Persons & Property	12,794,773	11,987,818			12,794,773	11,987,818
Public Health & Welfare	389,006	370,060			389,006	370,060
Community Environment	892,606	867,212			892,606	867,212
Leisure Time Activities	2,166,231	2,037,094			2,166,231	2,037,094
Transportation	2,964,409	2,853,179			2,964,409	2,853,179
Basic Utility Services	1,394,827	1,574,874			1,394,827	1,574,874
Interest & Fiscal Charges	938,369	918,977			938,369	918,977
Golf Course			858,629	900,161	858,629	900,161
Sewer			4,839,291	4,702,286	4,839,291	4,702,286
Airport			593,947	693,580	593,947	693,580
Total Expenses	28,107,721	26,640,172	6,291,867	6,296,027	34,399,588	32,936,199
Transfers	0	(2,255)	0	2,255	0	0
Change in Net Assets	(138,817)	(1,372,085)	(282,929)	(1,043,337)	(421,746)	(2,415,422)
Net Assets Beginning of Year	55,784,400	57,156,485	33,230,335	34,273,672	89,014,735	91,430,157
Net Assets End of Year	55,645,583	55,784,400	32,947,406	33,230,335	88,592,989	89,014,735

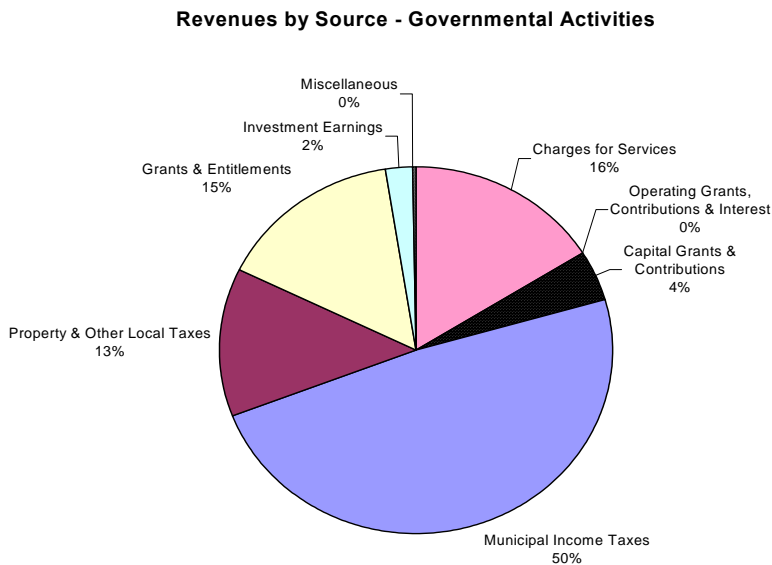
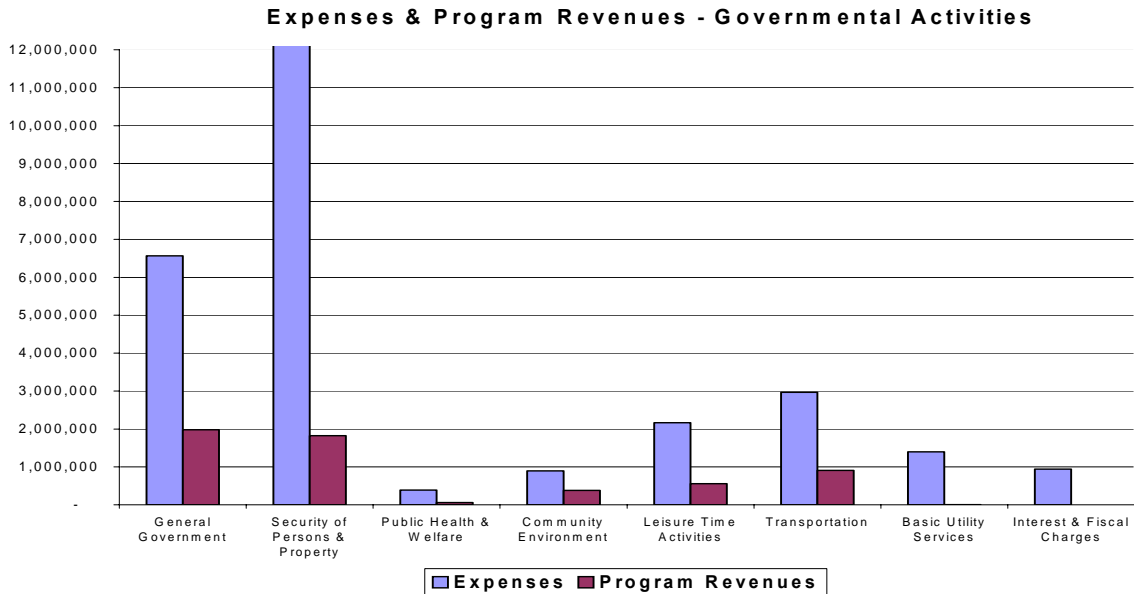
Governmental Activities

Income tax in governmental funds shows an increase of 10.36% because of an overall increase in income tax receipts to the City of Willoughby.

All other revenues in governmental activity increased by approximately 11%. This increase is primarily due to recognition of capital grants and contributions from the State of Ohio to repave Euclid Avenue, a major thoroughfare in the City and an increase in investment earnings of more than \$288,000 due to an improving interest rate environment.

CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
UNAUDITED

Expenses in governmental activity increased by 5.5%. The increase reflects a pay raise that was granted retroactively to April 1, 2004. The contract which was granted through collective bargaining was 3.25% a year for 3 years. Additional expenses were incurred primarily because of increased health insurance costs.

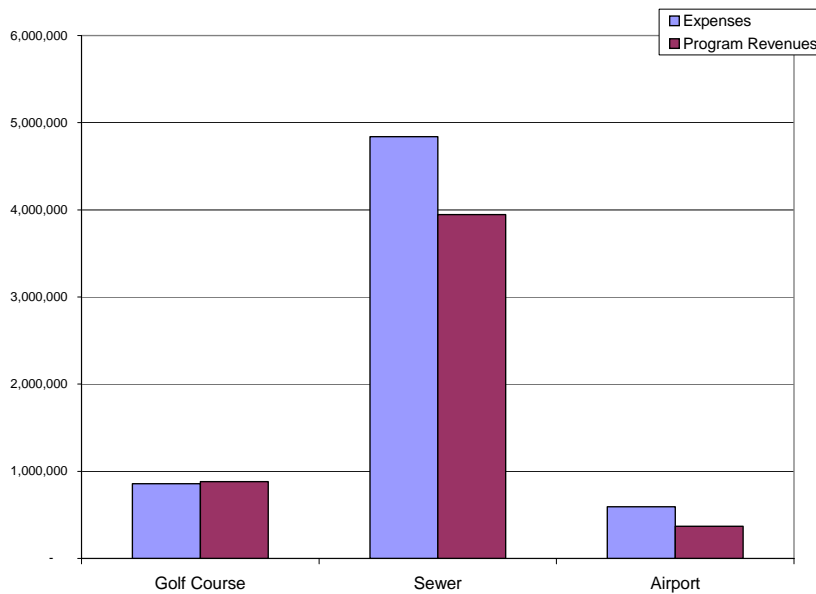


**CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
UNAUDITED**

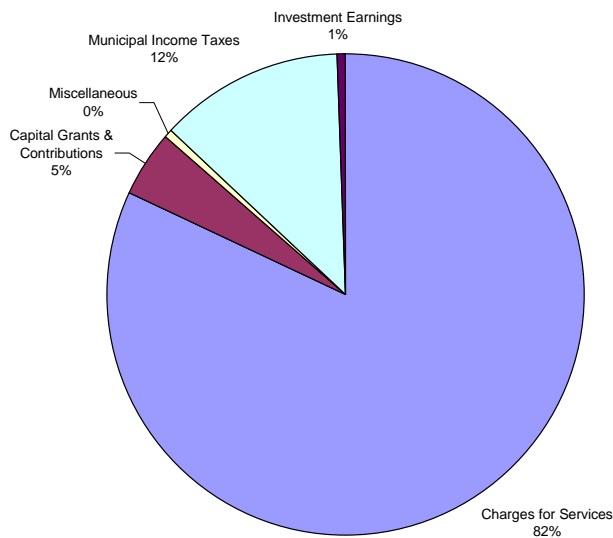
Business-Type Activities

Business-type activities account for 37.2% of the City of Willoughby's total net assets. Revenues increased 14.4% in business-type activities. This includes an increase of \$415,000 in charges for service reflecting an increase in sewer rates and an increase in play at the City owned and operated golf course. An increase of nearly \$175,000 in capital grants and contributions primarily reflects the recognition of the Airport fencing capital addition. This is an expenditure approved by the FAA using prior land sale funds. Total expenses were virtually unchanged for business-type activities, although salaries increased with the settlement of union agreements and retirements were paid from both the Sewer and Airport funds.

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business Type activities



**CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
UNAUDITED**

Financial Analysis of the City of Willoughby's Funds

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

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

At the end of the current fiscal year, the City's governmental funds reported an ending fund balance of \$14,895,509, a decrease of \$3,686,307 from last year. The decrease is primarily in the Capital Projects fund and Court Computer fund which used assets for the Willoughby Municipal Court facility, furnishings and equipment. Of the total amount \$5,615,918 is an unreserved fund balance, which is available at the government's discretion. Reservations of fund balances indicate that the funds are already committed. \$2,366,318 is reserved for encumbrances to liquidate purchase orders and contracts entered into during the fiscal year 2005 and prior; \$520,124 is reserved for debt service obligations.

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

Unrestricted net assets of the Golf Course fund reflect a deficit of (\$86,968) compared to (\$73,097) in 2004. The amount due to other funds remained at \$41,993.

Unrestricted net assets of the Sewer fund decreased from \$1,308,784 to \$1,252,728. The decrease is caused primarily by increased salaries and a retirement charged to the fund.

Unrestricted net assets of the Airport fund carry a deficit unreserved balance of (\$3,683,582). The increase in the deficit is caused by the airport's inability to pay its own debt. The accumulated deficit is caused by past advances and debt payments that had to be made for the airport from other funds.

General Fund Budgetary Highlights - Changes were made in the original and final budgets for 2005. The changes were necessitated by higher than projected revenues. The revenues were \$513,103 over final projection. Expenditures were adjusted to reflect new union agreements which had retroactive pay raises back to April 1, 2004. Actual ending fund balance for the General fund was \$4,412,007.

Capital Assets and Debt Administration

Capital Assets - The City's investment in capital assets for governmental and business-type activities as of December 31, 2005, was \$100,738,379 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment as well as infrastructure including roads, sidewalks, bridges, traffic signals, street lights, storm sewers, curbs and gutters. The City's investment in capital assets reflects a 7.7% increase over the prior year for governmental activities and 1.4% below for business-type activities. These changes are calculated before depreciation.

**CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
UNAUDITED**

City of Willoughby's Capital Assets						
	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Land	7,747,450	7,747,450	9,441,128	9,441,128	17,188,578	17,188,578
Construction in Progress	6,650,739	7,963,907	495,425	359,345	7,146,164	8,323,252
Buildings	18,983,536	13,536,853	18,416,627	18,416,627	37,400,163	31,953,480
Improvements	15,003,414	14,944,360	37,627,284	37,361,022	52,630,698	52,305,382
Machinery & Equipment	10,966,473	10,354,722	7,788,270	7,138,668	18,754,743	17,493,390
Infrastructure	30,124,918	28,557,662			30,124,918	28,557,662
Total Capital Assets	89,476,530	83,104,954	73,768,734	72,716,790	163,245,264	155,821,744
Accumulated Depreciation	(33,132,823)	(30,122,178)	(29,374,062)	(27,500,247)	(62,506,885)	(57,622,425)
Capital Assets (Net)	56,343,707	52,982,776	44,394,672	45,216,543	100,738,379	98,199,319

Major capital asset events during 2005 were as follows:

Construction was substantially completed on the new Municipal Court building located at the northwest quadrant of the historic downtown.

Planning continued for sewer replacements with engineering nearing completion on the Lakeshore Boulevard force main and the River Road sanitary sewer project under way.

In the Sewer fund, a new Vactor cleaner and Sewer Jetter equipment were purchased using \$400,000 from a five year short term bond that was issued.

New governmental capital project spending was curtailed in 2005 for budget reasons. Final engineering and land acquisition for the Mentor Avenue widening project was completed and will be constructed in 2006.

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

Long-term Debt - The City's total long-term debt decreased by \$1,501,778 (4.9%).

City of Willoughby's Outstanding Debt at December 31						
	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
General Obligation Bonds	14,548,577	15,457,842			14,548,577	15,457,842
Special Assessment Bonds	437,287	579,575			437,287	579,575
Enterprise Bonds w/ G.O. Commitment			4,241,386	4,187,581	4,241,386	4,187,581
OWDA & OPWC	20,076	21,310	5,196,758	5,997,457	5,216,834	6,018,767
Capital Notes Payable	4,950,000	4,650,000			4,950,000	4,650,000
Police Pension Liability	123,739	125,836			123,739	125,836
TOTAL	20,079,679	20,834,563	9,438,144	10,185,038	29,517,823	31,019,601

**CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
UNAUDITED**

State Law limits the amount of debt a city can issue in general obligation bonds to 10.5% of assessed valuation. The City had an assessed valuation of \$653,701,212 at the end of 2005. The City has borrowed less than 43% of our limitation and some debt that is in our total is not subject to that limitation by state law because the debt was actually issued by another party (i.e. O.W.D.A. or O.P.W.C.).

Short-term debt increased by \$300,000. The change is an increase to a special assessment note for Riverside Commons Commercial Industrial Park for \$4,950,000. Additional information regarding the City's debt can be found in note 15 in the notes to the financial statements.

Economic Factors and Next Year's Budget

The City of Willoughby has weathered the economic storm and had a record collection in income tax in 2005. The City plans a full capital program for 2006.

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

Requests for Information

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



The City of Willoughby™

CITY OF WILLOUGHBY, OHIO
STATEMENT OF NET ASSETS
DECEMBER 31, 2005

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Equity in City Treasury Cash and Investments	\$ 15,590,133	\$ 1,397,030	\$ 16,987,163
Inventory	184,737	31,465	216,202
Accrued Interest Receivable	95,479	0	95,479
Accounts Receivable	364,668	345,420	710,088
Prepaid Items	2,176	4,721	6,897
Intergovernmental Receivable	2,295,411	278,224	2,573,635
Taxes Receivable	6,579,112	125,000	6,704,112
Internal Balances	3,911,190	(3,911,190)	0
Restricted Assets -Cash	0	913,947	913,947
Special Assessments Receivable	1,171,986	0	1,171,986
Unamortized Bond Issuance Costs	0	51,727	51,727
Nondepreciable Capital Assets	14,398,189	9,936,553	24,334,742
Depreciable Capital Assets, Net	41,945,518	34,458,119	76,403,637
TOTAL ASSETS	<u>86,538,599</u>	<u>43,631,016</u>	<u>130,169,615</u>
LIABILITIES			
Accounts Payable	784,442	384,259	1,168,701
Matured Compensated Absences Payable	69,295	0	69,295
Salaries, Wages and Benefits Payable	1,522,422	40,369	1,562,791
Accrued Interest Payable	70,977	120,866	191,843
Property Taxes Payable	0	4,204	4,204
Intergovernmental Payable	21,275	570	21,845
Notes Payable	4,950,000	0	4,950,000
Unearned Revenue	2,814,176	0	2,814,176
Matured Bonds and Interest Payable	2,940	0	2,940
Long-Term Liabilities:			
Due Within One Year	2,443,751	1,464,168	3,907,919
Due In More Than One Year	18,213,738	8,669,174	26,882,912
TOTAL LIABILITIES	<u>30,893,016</u>	<u>10,683,610</u>	<u>41,576,626</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	41,775,054	35,008,255	76,783,309
Restricted for:			
Debt Service	3,952,630	0	3,952,630
Equipment Replacement	0	456,973	456,973
Other Purposes	1,994,616	0	1,994,616
Permanent Fund Purpose:			
Nonexpendable - Cemetery Fund	185,650	0	185,650
Unrestricted (Deficit)	7,737,633	(2,517,822)	5,219,811
TOTAL NET ASSETS	<u>\$ 55,645,583</u>	<u>\$ 32,947,406</u>	<u>\$ 88,592,989</u>

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2005

	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS		
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES							
General Government	\$ 6,567,500	\$ 1,979,498	\$ 0	\$ 0	\$ (4,588,002)		\$ (4,588,002)
Security of Persons and Property	12,794,773	1,595,353	46,633	179,443	(10,973,344)		(10,973,344)
Public Health and Welfare	389,006	60,859	0	0	(328,147)		(328,147)
Community Environment	892,606	380,138	0	0	(512,468)		(512,468)
Leisure Time Activities	2,166,231	463,156	4,500	93,142	(1,605,433)		(1,605,433)
Transportation	2,964,409	1,360	0	907,035	(2,056,014)		(2,056,014)
Basic Utility Services	1,394,827	-	0	4,197	(1,390,630)		(1,390,630)
Interest and Fiscal Charges	938,369	-	0	0	(938,369)		(938,369)
TOTAL GOVERNMENTAL ACTIVITIES	28,107,721	4,480,364	51,133	1,183,817	(22,392,407)		(22,392,407)
BUSINESS-TYPE ACTIVITIES							
Golf Course	858,629	882,293	0	0		\$ 23,664	23,664
Sewer	4,839,291	3,858,155	0	87,865		(893,271)	(893,271)
Airport	593,947	180,788	0	189,918		(223,241)	(223,241)
TOTAL BUSINESS-TYPE ACTIVITIES	6,291,867	4,921,236	0	277,783		(1,092,848)	(1,092,848)
TOTAL	\$34,399,588	\$9,401,600	\$51,133	\$1,461,600	(22,392,407)	(1,092,848)	(23,485,255)
GENERAL REVENUES							
Property Taxes Levied for:							
					1,703,756		1,703,756
					550,027		550,027
					1,333,059		1,333,059
					107,599		107,599
Income Taxes Levied for:							
					13,613,117		13,613,117
						750,000	750,000
					4,263,912		4,263,912
					30,798		30,798
					6,241		6,241
					635,182	38,817	673,999
					9,899	21,102	31,001
					0		0
TOTAL GENERAL REVENUE					22,253,590	809,919	23,063,509
CHANGE IN NET ASSETS					(138,817)	(282,929)	(421,746)
NET ASSETS BEGINNING OF YEAR					55,784,400	33,230,335	89,014,735
NET ASSETS END OF YEAR					\$ 55,645,583	\$ 32,947,406	\$ 88,592,989

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2005

ASSETS	<u>GENERAL</u>	<u>CAPITAL PROJECTS</u>	<u>GENERAL BOND RETIREMENT</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
Assets:					
Equity in City Treasury Cash and Investments	\$6,484,314	\$5,015,392	\$125,739	\$3,266,088	\$14,891,533
Inventory-Supplies	94,976	0	0	89,761	184,737
Accrued Interest Receivable	95,479	0	0	0	95,479
Accounts Receivable	360,535	4,091	0	42	364,668
Prepaid Items	2,176	0	0	0	2,176
Due from Other Governments	1,741,290	11,844	65,686	476,591	2,295,411
Taxes Receivable	4,518,159	0	1,552,318	508,635	6,579,112
Due from Other Funds	1,363,453	30,169	2,521,572	0	3,915,194
Special Assessments Receivable	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,171,986</u>	<u>1,171,986</u>
TOTAL ASSETS	<u>\$14,660,382</u>	<u>\$5,061,496</u>	<u>\$4,265,315</u>	<u>\$5,513,103</u>	<u>\$29,500,296</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$164,959	\$473,670	\$0	\$145,813	\$784,442
Matured Compensated Absences Payable	0	0	0	69,295	69,295
Salaries, Wages, and Benefits Payable	1,475,029	0	0	47,393	1,522,422
Due to Other Governments	3,489	0	0	17,786	21,275
Due to Other Funds	2,981	1,023	0	0	4,004
Notes Payable	0	4,950,000	0	0	4,950,000
Deferred Revenue	3,578,489	0	1,618,004	2,053,916	7,250,409
Matured Bonds & Interest Payable	<u>0</u>	<u>0</u>	<u>2,940</u>	<u>0</u>	<u>2,940</u>
TOTAL LIABILITIES	<u>5,224,947</u>	<u>5,424,693</u>	<u>1,620,944</u>	<u>2,334,203</u>	<u>14,604,787</u>
Fund Balances:					
Reserved for Encumbrances	771,531	1,238,442	9,786	346,559	2,366,318
Reserved for Inventory	94,976	0	0	89,761	184,737
Reserved for Debt Service	0	0	113,013	407,111	520,124
Reserved for Prepaid Items	2,176	0	0	0	2,176
Reserved for Long-Term Loan -Airport	1,326,019	23,176	2,521,572	0	3,870,767
Unreserved	7,240,733	(1,624,815)	0	0	5,615,918
Unreserved, Reported in Nonmajor					
Special Revenue Funds	0	0	0	2,149,819	2,149,819
Permanent Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>185,650</u>	<u>185,650</u>
TOTAL FUND BALANCES	<u>9,435,435</u>	<u>(363,197)</u>	<u>2,644,371</u>	<u>3,178,900</u>	<u>14,895,509</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$14,660,382</u>	<u>\$5,061,496</u>	<u>\$4,265,315</u>	<u>\$5,513,103</u>	<u>\$29,500,296</u>

See accompanying notes to the basic financial statements.

<p>CITY OF WILLOUGHBY, OHIO RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET ASSETS OF GOVERNMENTAL ACTIVITIES AS OF DECEMBER 31, 2005</p>
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TOTAL GOVERNMENTAL FUND BALANCES	\$14,895,509
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Amounts reported for government activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	56,343,707
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Other long-term assets are not available to pay for current-period expenditures and therefore are not revenue in the funds.

Property Taxes	251,972	
Grants and Entitlements	1,660,047	
Municipal Income Taxes	1,239,835	
Special Assessments	1,171,986	
Charges for Services	81,832	
Fines and Forfeitures	30,561	
Total		4,436,233

An internal service fund is used by management to account for a retrospective rating workers' compensation program provided to City employees. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.	698,600
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Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds.

General Obligation Bonds	(14,548,577)	
OPWC Loans	(20,076)	
Special Assessments	(437,287)	
Police Pension Liability	(123,739)	
Landfill Post Closure Care Liability	(1,001,959)	
Compensated Absences	(4,525,851)	
Accrued Interest Payable	(70,977)	
Total		(20,728,466)

NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 55,645,583</u>
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CITY OF WILLOUGHBY, OHIO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	<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	\$13,785,433	\$0	\$0	\$0	\$13,785,433
Property and Other Local Taxes	1,894,821	107,599	1,241,288	521,746	3,765,454
Intergovernmental	3,260,354	153,210	137,470	1,077,305	4,628,339
Charges for Services	1,265,074	0	0	229,794	1,494,868
Special Assessments	0	0	0	804,264	804,264
Fines and Forfeitures	1,704,309	0	0	389,067	2,093,376
Licenses & Permits	295,003	0	0	0	295,003
Interest	508,556	103,874	1,534	0	613,964
Miscellaneous	<u>12,369</u>	<u>24,959</u>	<u>0</u>	<u>3,771</u>	<u>41,099</u>
TOTAL REVENUES	<u>22,725,919</u>	<u>389,642</u>	<u>1,380,292</u>	<u>3,025,947</u>	<u>27,521,800</u>
EXPENDITURES:					
Current:					
General Government	6,049,975	1,957	28,788	186,130	6,266,850
Security of Persons and Property	9,795,248	53,874	0	1,974,060	11,823,182
Public Health and Welfare	365,795	0	0	0	365,795
Community Environment	802,929	0	0	61,601	864,530
Leisure Time Activities	826,103	126,837	0	800,720	1,753,660
Transportation	0	1,160	0	1,670,603	1,671,763
Basic Utility Services	1,014,315	30,678	0	0	1,044,993
Capital Outlay	42,183	5,263,740	0	162,191	5,468,114
Debt Service:					
Principal	0	0	910,499	142,288	1,052,787
Interest	<u>0</u>	<u>162,750</u>	<u>739,263</u>	<u>37,946</u>	<u>939,959</u>
TOTAL EXPENDITURES	<u>18,896,548</u>	<u>5,640,996</u>	<u>1,678,550</u>	<u>5,035,539</u>	<u>31,251,633</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,829,371	(5,251,354)	(298,258)	(2,009,592)	(3,729,833)
OTHER FINANCING SOURCES (USES):					
Transfers In	0	605,821	300,000	2,281,556	3,187,377
Transfers Out	(2,346,724)	0	0	(840,653)	(3,187,377)
Sale of Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>30,798</u>	<u>30,798</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,346,724)</u>	<u>605,821</u>	<u>300,000</u>	<u>1,471,701</u>	<u>30,798</u>
NET CHANGE IN FUND BALANCES	1,482,647	(4,645,533)	1,742	(537,891)	(3,699,035)
FUND BALANCE BEGINNING OF YEAR	7,938,265	4,282,336	2,642,629	3,718,586	18,581,816
INCREASE (DECREASE) IN RESERVE FOR INVENTORY	<u>14,523</u>	<u>0</u>	<u>0</u>	<u>(1,795)</u>	<u>12,728</u>
FUND BALANCES END OF YEAR	<u>\$9,435,435</u>	<u>(\$363,197)</u>	<u>\$2,644,371</u>	<u>\$3,178,900</u>	<u>\$14,895,509</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, 2005

NET CHANGES IN FUND BALANCES-TOTAL GOVERNMENTAL FUNDS \$ (3,699,035)

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

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

Capital Asset Additions	5,468,114	
Current Year Depreciation	<u>(3,015,493)</u>	
Total		2,452,621

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

Donations	908,310	
Total		908,310

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

Property Taxes	(71,012)	
Grants and Entitlements	(66,942)	
Municipal Income Taxes	(172,316)	
Special Assessments	(176,475)	
Charges for Services	(18,898)	
Fines and Forfeitures	<u>(7,578)</u>	
Total		(513,221)

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

1,079,891

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

1,590

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

Compensated Absences	(402,919)	
Change in Inventory	<u>12,728</u>	
Total		(390,191)

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

21,218

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES **\$ (138,817)**

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, 2005

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Municipal Income Taxes	\$12,296,999	\$13,696,999	\$13,692,344	(\$4,655)
Property and Other Local Taxes	1,740,180	1,740,180	1,851,789	111,609
Intergovernmental	2,856,573	3,206,573	3,421,837	215,264
Charges for Services	544,850	994,850	1,087,911	93,061
Fines and Forfeitures	1,716,000	1,761,000	1,764,976	3,976
Licenses, Permits	261,200	261,200	294,615	33,415
Interest Income	310,000	439,000	439,198	198
Other	<u>203,787</u>	<u>203,787</u>	<u>264,022</u>	<u>60,235</u>
Total Revenues	<u>19,929,589</u>	<u>22,303,589</u>	<u>22,816,692</u>	<u>513,103</u>
EXPENDITURES:				
General Government	6,374,742	6,473,354	6,183,929	289,425
Security of Persons and Property	9,970,671	10,388,913	9,945,880	443,033
Public Health and Welfare	350,036	356,525	365,995	(9,470)
Community Environment	835,978	865,754	831,481	34,273
Leisure Time Activities	874,096	893,124	866,488	26,636
Basic Utility Service	<u>1,142,800</u>	<u>1,142,800</u>	<u>1,013,238</u>	<u>129,562</u>
Total Expenditures	<u>19,548,323</u>	<u>20,120,470</u>	<u>19,207,011</u>	<u>913,459</u>
Excess of Revenues Over (Under) Expenditures	381,266	2,183,119	3,609,681	1,426,562
OTHER FINANCING SOURCES (USES):				
Transfers Out	(2,275,168)	(2,346,724)	(2,346,724)	0
Other	<u>10,000</u>	<u>10,000</u>	<u>108,055</u>	<u>98,055</u>
Total Other Financing Sources (Uses)	<u>(2,265,168)</u>	<u>(2,336,724)</u>	<u>(2,238,669)</u>	<u>98,055</u>
NET CHANGE IN FUND BALANCE	(1,883,902)	(153,605)	1,371,012	1,524,617
FUND BALANCE BEGINNING OF YEAR	3,016,260	3,016,260	3,016,260	0
Prior Year Encumbrances Appropriated	<u>24,735</u>	<u>24,735</u>	<u>24,735</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$1,157,093</u>	<u>\$2,887,390</u>	<u>\$4,412,007</u>	<u>\$1,524,617</u>

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
AS OF DECEMBER 31, 2005

	<u>BUSINESS-TYPE ACTIVITIES</u>			<u>TOTAL</u>	<u>GOVERNMENTAL</u> <u>ACTIVITIES -</u> <u>Internal Service Fund</u>
	<u>GOLF COURSE</u>	<u>SEWER</u>	<u>AIRPORT</u>	<u>2005</u>	<u>WORKERS'</u> <u>COMPENSATION</u>
ASSETS					
CURRENT ASSETS					
Equity in City Treasury Cash and Investments	\$12,309	\$1,273,025	\$111,696	\$1,397,030	\$698,600
Inventory	4,538	26,927	0	31,465	0
Accounts Receivable	0	103,528	241,892	345,420	0
Prepaid Expenses	0	1,742	2,979	4,721	0
Due from Other Funds	360	161,576	805	162,741	0
Due from Other Governments	0	278,224	0	278,224	0
Taxes Receivable	<u>0</u>	<u>125,000</u>	<u>0</u>	<u>125,000</u>	<u>0</u>
TOTAL CURRENT ASSETS	<u>17,207</u>	<u>1,970,022</u>	<u>357,372</u>	<u>2,344,601</u>	<u>698,600</u>
NONCURRENT ASSETS					
Restricted Assets:					
Cash Investments	0	913,947	0	913,947	0
Unamortized Bond Issuance Costs	51,727	0	0	51,727	0
Land and Construction in Progress	1,799,950	896,066	7,240,537	9,936,553	0
Depreciable Capital Assets, Net	<u>1,996,412</u>	<u>29,719,865</u>	<u>2,741,842</u>	<u>34,458,119</u>	<u>0</u>
TOTAL NONCURRENT ASSETS	<u>3,848,089</u>	<u>31,529,878</u>	<u>9,982,379</u>	<u>45,360,346</u>	<u>0</u>
TOTAL ASSETS	<u>3,865,296</u>	<u>33,499,900</u>	<u>10,339,751</u>	<u>47,704,947</u>	<u>698,600</u>
LIABILITIES					
CURRENT LIABILITIES					
Accounts Payable	3,583	378,392	2,284	384,259	0
Salaries, Wages & Benefits Payable	14,615	230,927	2,971	248,513	0
Accrued Interest Payable	9,741	109,134	1,991	120,866	0
Property Tax Payable	0	0	4,204	4,204	0
Due to Other Funds	41,993	2,434	4,029,504	4,073,931	0
Due to Other Governments	554	16	0	570	0
Bonds Payable	<u>115,000</u>	<u>1,011,024</u>	<u>130,000</u>	<u>1,256,024</u>	<u>0</u>
TOTAL CURRENT LIABILITIES	<u>185,486</u>	<u>1,731,927</u>	<u>4,170,954</u>	<u>6,088,367</u>	<u>0</u>
NONCURRENT LIABILITIES					
Salaries, Wages & Benefits Payable	33,689	453,365	0	487,054	0
Bonds Payable	<u>2,725,000</u>	<u>5,027,120</u>	<u>430,000</u>	<u>8,182,120</u>	<u>0</u>
TOTAL NONCURRENT LIABILITIES	<u>2,758,689</u>	<u>5,480,485</u>	<u>430,000</u>	<u>8,669,174</u>	<u>0</u>
TOTAL LIABILITIES	<u>2,944,175</u>	<u>7,212,412</u>	<u>4,600,954</u>	<u>14,757,541</u>	<u>0</u>
NET ASSETS					
Invested in Capital Assets, Net of Related Debt	1,008,089	24,577,787	9,422,379	35,008,255	0
Restricted for:					
Equipment Replacement	0	456,973	0	456,973	0
Unrestricted (Deficit)	<u>(86,968)</u>	<u>1,252,728</u>	<u>(3,683,582)</u>	<u>(2,517,822)</u>	<u>698,600</u>
TOTAL NET ASSETS	<u>\$921,121</u>	<u>\$26,287,488</u>	<u>\$5,738,797</u>	<u>\$32,947,406</u>	<u>\$698,600</u>

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>BUSINESS-TYPE ACTIVITIES</u>			<u>TOTAL</u>	<u>GOVERNMENTAL</u> <u>ACTIVITIES -</u> <u>Internal Service Fund</u>
	<u>GOLF COURSE</u>	<u>SEWER</u>	<u>AIRPORT</u>	<u>2005</u>	<u>WORKERS '</u> <u>COMPENSATION</u>
OPERATING REVENUES:					
Charges for Services	\$882,293	\$3,858,062	\$25,622	\$4,765,977	\$0
Rentals	0	0	155,166	155,166	0
Other	<u>0</u>	<u>93</u>	<u>0</u>	<u>93</u>	<u>0</u>
Total Operating Revenues	<u>882,293</u>	<u>3,858,155</u>	<u>180,788</u>	<u>4,921,236</u>	<u>0</u>
OPERATING EXPENSES:					
Personal Services	376,712	2,146,972	109,531	2,633,215	0
Contractual Services	90,844	501,361	17,112	609,317	0
Materials & Supplies	140,317	119,764	14,158	274,239	0
Heat, Light & Power	33,914	407,625	13,215	454,754	0
Other Expenses	4,063	10,462	2,244	16,769	0
Depreciation	<u>80,321</u>	<u>1,384,340</u>	<u>409,154</u>	<u>1,873,815</u>	<u>0</u>
Total Operating Expenses	<u>726,171</u>	<u>4,570,524</u>	<u>565,414</u>	<u>5,862,109</u>	<u>0</u>
Net Income (Loss) from Operations	<u>156,122</u>	<u>(712,369)</u>	<u>(384,626)</u>	<u>(940,873)</u>	<u>0</u>
NON-OPERATING REVENUES (EXPENSES):					
Interest - Income	2,808	32,130	3,879	38,817	21,218
- Expense	(132,458)	(268,767)	(28,533)	(429,758)	0
Municipal Income Tax	0	750,000	0	750,000	0
Other - Income	<u>0</u>	<u>0</u>	<u>21,102</u>	<u>21,102</u>	<u>0</u>
Total Non-Operating Revenues (Expenses)	<u>(129,650)</u>	<u>513,363</u>	<u>(3,552)</u>	<u>380,161</u>	<u>21,218</u>
Net Income (Loss) Before Contributions and Transfers	26,472	(199,006)	(388,178)	(560,712)	21,218
Capital Contributions	<u>0</u>	<u>87,865</u>	<u>189,918</u>	<u>277,783</u>	<u>0</u>
CHANGE IN NET ASSETS	26,472	(111,141)	(198,260)	(282,929)	21,218
NET ASSETS BEGINNING OF YEAR	<u>894,649</u>	<u>26,398,629</u>	<u>5,937,057</u>	<u>33,230,335</u>	<u>677,382</u>
NET ASSETS END OF YEAR	<u>\$921,121</u>	<u>\$26,287,488</u>	<u>\$5,738,797</u>	<u>\$32,947,406</u>	<u>\$698,600</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, 2005

(continued on following page)

	<u>Business-Type Activities</u>				<u>Governmental Activities - Internal Service</u>
	<u>Golf Course</u>	<u>Sewer</u>	<u>Airport</u>	<u>Total</u>	<u>Workers' Compensation</u>
Cash flows from operating activities:					
Receipts from customers and users	\$882,326	\$3,819,964	\$160,905	\$4,863,195	\$1,124
Receipts from other fund	0	0	153,955	153,955	0
Payments to suppliers	(257,203)	(743,100)	(47,143)	(1,047,446)	0
Payments to employees	(371,077)	(2,133,392)	(127,993)	(2,632,462)	0
Other operating revenues	<u>0</u>	<u>93</u>	<u>0</u>	<u>93</u>	<u>0</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>254,046</u>	<u>943,565</u>	<u>139,724</u>	<u>1,337,335</u>	<u>1,124</u>
Cash flows from noncapital financing activities:					
Municipal Income Tax	<u>0</u>	<u>750,000</u>	<u>0</u>	<u>750,000</u>	<u>0</u>
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	<u>0</u>	<u>750,000</u>	<u>0</u>	<u>750,000</u>	<u>0</u>
Cash flows from capital and related financing activities:					
Proceeds from long-term debt	0	400,000	0	400,000	0
Acquisition and construction of capital assets	(18,596)	(822,328)	0	(840,924)	0
Principal reduction on long-term debt	(115,000)	(906,894)	(125,000)	(1,146,894)	0
Interest paid on long-term debt	(132,458)	(268,767)	(28,533)	(429,758)	0
Contribution of capital to other funds	0	(505)	0	(505)	0
Contributions from customers	<u>0</u>	<u>88,370</u>	<u>0</u>	<u>88,370</u>	<u>0</u>
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(266,054)</u>	<u>(1,510,124)</u>	<u>(153,533)</u>	<u>(1,929,711)</u>	<u>0</u>
Cash flows from investing activities:					
Interest on investments	<u>2,808</u>	<u>32,130</u>	<u>3,879</u>	<u>38,817</u>	<u>21,218</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>2,808</u>	<u>32,130</u>	<u>3,879</u>	<u>38,817</u>	<u>21,218</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(9,200)	215,571	(9,930)	196,441	22,342
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>21,509</u>	<u>1,971,401</u>	<u>121,626</u>	<u>2,114,536</u>	<u>676,258</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$12,309</u>	<u>\$2,186,972</u>	<u>\$111,696</u>	<u>\$2,310,977</u>	<u>\$698,600</u>

(Sewer Fund includes \$913,947 of cash and cash equivalent in restricted assets)

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

(continued)

	<u>Business-Type Activities</u>				<u>Governmental Activities - Internal Service</u>
	<u>Golf Course</u>	<u>Sewer</u>	<u>Airport</u>	<u>Total</u>	<u>Workers' Compensation</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:					
Operating income (loss)	\$156,122	(\$712,369)	(\$384,626)	(\$940,873)	\$0
Adjustments to reconcile operating income (loss) to net cash from operating activities:					
Depreciation	80,321	1,384,340	409,154	\$1,873,815	0
Change in assets and liabilities:					
(Increase) decrease in inventory of supplies	(1,791)	(1,766)	0	(3,557)	0
(Increase) decrease in accounts receivable	31	(17,921)	(19,883)	(37,773)	0
(Increase) decrease in prepaid expense	2,135	476	0	2,611	0
(Increase) decrease in due from other funds	2	(2,057)	0	(2,055)	1,124
(Increase) decrease in due from other govts	0	(18,120)	0	(18,120)	0
Increase (decrease) in accounts payable	220	321,350	(310)	321,260	0
Increase (decrease) in accrued salaries, wages, and benefits	5,635	13,580	(18,462)	753	0
Increase (decrease) in accrued interest payable	(239)	(23,650)	(422)	(24,311)	0
Increase (decrease) in property tax liabilities	0	0	318	318	0
Increase (decrease) in due to other funds	0	(299)	153,955	153,656	0
Increase (decrease) in due to other governments	(1,322)	1	0	(1,321)	0
(Increase) decrease in deferred charges	12,932	0	0	12,932	0
TOTAL ADJUSTMENTS	<u>97,924</u>	<u>1,655,934</u>	<u>524,350</u>	<u>2,278,208</u>	<u>1,124</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>\$254,046</u>	<u>\$943,565</u>	<u>\$139,724</u>	<u>\$1,337,335</u>	<u>\$1,124</u>

Schedule of Noncash Investing, Capital and Financing Activities:

The Airport Fund had additions from contributions of capital in the amount of \$189,918 from the Federal Government.
The Sewer Fund had additions from contributions of capital in the amount of \$88,370 from Other Governments.

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
AS OF DECEMBER 31, 2005

	<u>AGENCY</u>
ASSETS	
Equity in City Treasury Cash and Investments	\$1,094,233
Accounts Receivable	<u>106,454</u>
TOTAL ASSETS	<u>\$1,200,687</u>
LIABILITIES	
Accounts Payable	\$847,580
Deposits Held and Due to Others	167,295
Due to Other Governments	<u>185,812</u>
TOTAL LIABILITIES	<u>\$1,200,687</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, 2005

NOTE 1: REPORTING ENTITY

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

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

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

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

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Basis of Presentation

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

Government-wide Financial Statements – The statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid “doubling up” revenues and expenses. The statements distinguish between those activities of the City that are governmental and those that are considered business-type.

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

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

B. Fund Accounting

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

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

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

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

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

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

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

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

CITY OF WILLOUGHBY, OHIO
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Fiduciary Funds – Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: *pension trust funds*, *investment trust funds*, *private-purpose trust funds*, and *agency funds*. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City’s own programs. The City of Willoughby has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City’s agency funds account for money received for insurance and payment of utility bills, deposits held for contractors and developers, and money on deposit with Willoughby Municipal Court.

C. **Measurement Focus**

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

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

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

D. **Basis of Accounting**

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

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

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

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

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

Property taxes for which there is an enforceable legal claim as of December 31, 2005, but which were levied to finance year 2006 operations, have been recorded as Unearned Revenue on the Statement of Net Assets. Grants and entitlements received before the eligibility requirements are met are also recorded as unearned revenue.

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

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

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if

CITY OF WILLOUGHBY, OHIO
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measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

E. Pooled Cash and Cash Equivalents

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

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

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

The City complies with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. In applying Gasb Statement No. 31, the City utilized the following methods and assumptions as of December 31, 2005:

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

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

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

Following Ohio statutes, the City has specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General fund during fiscal year 2005 amounted to \$508,556 which includes \$207,870 assigned from other City funds.

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F. **Receivables**

Receivables at December 31, 2005 consist of taxes, amounts due from other governments, accounts (billings for user charged services), special assessments, and accrued interest on investments. All are deemed collectible in full.

G. **Materials and Supplies Inventory**

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

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

Inventory consists of expendable supplies held for consumption.

H. **Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2005 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

I. **Capital Assets**

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of \$1,000. The City's infrastructure consists of roads, sidewalks, curbs and gutters, storm sewers, street lights, traffic signals, and bridges. Infrastructure acquired prior to implementation of GASB34 has been reported, using City records and data provided by the City Engineer. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

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

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

J. Interfund Balances

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

K. Compensated Absences

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

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

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

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

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employees who have accumulated the leave are paid. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

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

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

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

M. **Fund Balance Reserves**

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

N. **Net Assets**

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

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

O. **Grants and Intergovernmental Revenues**

Federal grants and assistance awards made on the basis of entitlement periods are recorded as intergovernmental receivables and revenues when entitlement occurs. Federal reimbursement-type grants are recorded as intergovernmental receivables and

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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revenues in the period when all applicable eligibility requirements have been met and the resources are available.

P. Operating Revenues and Expenses

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

Q. Contributions of Capital

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

R. Interfund Activity

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

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

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence; neither occurred in 2005.

T. Estimates

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

CITY OF WILLOUGHBY, OHIO
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U. **Budgetary Data**

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. The amounts reported as the original budgeted amounts on the budgetary statements reflect the 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 2005.

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

NOTE 3: COMPLIANCE AND ACCOUNTABILITY

A. **Change in Accounting Principles**

For fiscal year 2005, the City has implemented GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, and GASB Statement No. 44, *Economic Condition Reporting: The Statistical Section*.

GASB Statement No. 40 establishes and modified disclosure requirements related to investment risks: credit risk (including custodial credit risk and concentrations of credit risk) and interest rate risk. This statement also establishes and modified disclosure requirements for custodial credit risk on deposits.

GASB Statement No. 42 establishes accounting and financial reporting standards for impairment of capital assets. This statement also clarifies and establishes accounting revenues for insurance recoveries.

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GASB Statement No. 44 amends positions of NCGA Statement 1, *Governmental Accounting and Financial Reporting Principles*, which guide the preparation of the statistical section.

The implementation of GASB Statement No. 40 did not have an effect on the financial statements of the City, however additional note disclosure can be found in Note 4. The implementation of GASB Statement No. 42 did not have an effect on the financial statements of the City. GASB Statement No. 44 improved the understandability and usefulness of information in the statistical section.

B. Fund Deficits

At December 31, 2005, the Airport fund had deficit unrestricted net assets of \$3,683,582. The Due to Other Funds amount represents long-term debt on behalf of the Airport fund paid by the General fund, the General Retirement Bond fund, the Sewer fund and the Capital fund. The Airport fund has liabilities (due to other funds) in the amount of \$4,029,504, which consists of \$1,326,019 due to the General fund, \$2,521,572 to the General Retirement Bond fund, \$158,737 to the Sewer fund and \$23,176 to the Capital fund. The Airport fund is ultimately responsible for its long-term debt based upon the intent of Council and the Administration of the City. This has not been possible due to insufficient revenue received by this Enterprise fund. The airport, when and if capable, will be required to repay all liabilities to other funds.

The Golf Course fund had deficit unrestricted net assets of \$86,968. The "Due to Other Funds" amount includes \$40,000 of advances from the General and Capital Projects funds.

The Capital Projects fund had a deficit unreserved fund balance of \$1,624,815. No income tax allocation was made to the fund in 2005. The Notes Payable liability of \$4,950,000 remains. Encumbrances of \$1,238,442 are primarily for completion of the Municipal Court and Riverside Commons projects.

NOTE 4: DEPOSITS AND INVESTMENTS

A. Deposits

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

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

Inactive deposits are public funds not required for use within the current five year period of designation of depositories. Inactive deposits may be deposited or invested only as

CITY OF WILLOUGHBY, OHIO
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certificates of deposit maturing no later than the end of the current period of designation of depositories.

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

B. Investments

The Finance Director is permitted to invest in any security authorized by the Ohio Revised Code, Section 135.14, or other relevant sections as amended. All investment procedures are conducted as specified in the Ohio Revised Code including, but not limited to, the collateralization of deposits and repurchase agreements. The maximum final maturity of any investment will be five years from the date of purchase. The City's investment practices have consistently protected the portfolio from unnecessary credit risk (safety) and market risks (liquidity) while providing a competitive yield. Generally only eligible investments with remaining terms of two years or less are purchased. Average days to maturity of the City's investments at December 31, 2005 were 168.

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

Investments are permitted in the following securities:

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

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

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

Cash on Hand

At December 31, 2005, the City had \$3,995 in undeposited cash on hand, which is included on the balance sheet of the City as part of "Equity in City Treasury Cash and Investments".

Deposits

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

At December 31, 2005, the carrying amount of the City's deposits was \$11,378,153 including restricted cash of \$913,947 and the bank balance was \$12,270,348. \$600,000 of the City's bank balance was covered by Federal Depository Insurance. \$764,151 was uninsured and collateralized with securities held by the pledging financial institutions trust department or agent in the City's name. \$10,906,197 was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name. Although the securities were held by the pledging institution's trust department and all statutory requirements for the investments of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

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Investments

As of December 31, 2005 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
STAROhio		AAAm	\$ 2,090,303	\$ 2,090,303	\$ 0	\$ 0
FHLB	Aaa	AAA	2,482,413	1,982,413	0	500,000
FNMA	Aaa	AAA	1,495,760	1,495,760	0	0
FHLMC	Aaa	AAA	992,369	0	992,369	0
Repurchase Agreements	Aaa	AAA	552,350	552,350	0	0
			<u>\$ 7,613,195</u>	<u>\$ 6,120,826</u>	<u>\$ 992,369</u>	<u>\$ 500,000</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 practice that operating funds be invested primarily in short-term investments maturing within two 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 practice 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 STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The City has no investments policy that would further limit its investment choices.

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

Concentration of Credit Risk: The City investment policy places no limit on the amount it may invest in any one issuer. Of the City's total investments 32.7% are in FHLB Notes, 19.63% in FNMA and 13.08% in FHLMC. Other investments not specifically guaranteed by the U.S. government total 34.6% of the City's investments.

CITY OF WILLOUGHBY, OHIO
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FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 5: INTERFUND TRANSFERS AND BALANCES

As of December 31, 2005, interfund transfers were as follows:

<u>Transfer To</u>	<u>Transfer From</u>		<u>Total</u>
	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	
Capital Projects Fund	\$ 65,168	\$ 540,653	\$ 605,821
General Bond Retirement Fund	0	300,000	300,000
Nonmajor Governmental Funds	2,281,556	0	2,281,556
Total	<u>\$ 2,346,724</u>	<u>\$ 840,653</u>	<u>\$ 3,187,377</u>

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

Transfers from nonmajor governmental funds to the Capital Projects fund were for additional purchases for the Municipal Court project and to the General Bond Retirement fund for debt payments.

As of December 31, 2005, interfund transfers were as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
<u>Major Funds</u>		
General	\$ 1,363,453	\$ 2,981
Capital Projects	30,169	1,023
General Bond Retirement	2,521,572	0
Golf Course	360	41,993
Sewer	161,576	2,434
Airport	805	4,029,504
	<u>\$ 4,077,935</u>	<u>\$ 4,077,935</u>

Interfund balances of \$3,911,190 are a result of advances from the General fund for airport and golf course operations, the General Bond Retirement fund for airport debt payments and the Capital Projects fund for equipment purchases of the Airport and Golf enterprise funds. Remaining amounts are for reimbursements due from operations.

NOTE 6: BUDGETARY BASIS OF ACCOUNTING

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

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

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

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

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

Net Change in Fund Balance	
GAAP Basis	\$ 1,482,647
Net Adjustment for Revenue Accruals	638,417
Fair Value Adjustment for Investments	17,107
Net Adjustment for Expenditure Accruals	(684,905)
Encumbrances	(750,392)
Current Expense Against Prior Year Encumbrances	668,138
Budget Basis	<u>\$ 1,371,012</u>

NOTE 7: RECEIVABLES

Receivables at December 31, 2005, 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, 2005

A. Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2005 for real and public property taxes represents collections of 2004 taxes. Property tax payments received during 2005 for tangible personal property (other than public utility property) are for 2005 taxes.

2005 real property taxes are levied after October 1, 2005, on the assessed value as of January 1, 2005, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2005 real property taxes are collected in and intended to finance 2006 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. 2005 public utility property taxes which became a lien December 31, 2004, are levied after October 1, 2005, and are collected in 2006 with real property taxes.

2005 tangible personal property taxes are levied after October 1, 2004, on the value as of December 31, 2004. Collections are made in 2005. Tangible personal property assessments are 25 percent of true value.

The full tax rate for all City operations for the year ended December 31, 2005, was \$6.68 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2005 property tax receipts were based are as follows:

Real Property	\$548,414,790
Public Utility Tangible	\$16,147,940
Tangible Personal	\$89,138,482
Total	\$653,701,212

Real property taxes are payable annually or semiannually. The due date for the 2005 levy was February 15, 2006, for all or one half of the taxes due. The second half due date is July 19, 2006.

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

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

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2005, and for which there is an enforceable legal claim. In general, for Police Pension, Fire Pension, Recreation, and General Bond Retirement funds, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2005 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

B. Municipal Income Taxes

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

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

C. Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

Governmental Activities:	
Property & Other Local Taxes	\$ 15,614
Estate Tax	151,717
Gasoline & Motor Vehicle Tax	425,671
Local Government	1,325,712
Charges for Service	82,886
Homestead and Rollback	122,469
Grants	3,146
Fines	168,196
Total Governmental	<u>2,295,411</u>
Business-Type Activities:	
Charges for Service	<u>278,224</u>
Total Business-Type	<u>278,224</u>
Total Intergovernmental Receivables	\$ <u>2,573,635</u>

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 8: CAPITAL ASSETS

A summary of changes in capital assets during 2005 follows:

	Balance 01/01/05	Additions	Deletions	Balance 12/31/05
Governmental Activities				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$7,747,450	\$0	\$0	\$7,747,450
Construction in Progress	7,963,907	145,944	(1,459,112)	6,650,739
<i>Total Capital Assets Not Being Depreciated</i>	<u>15,711,357</u>	<u>145,944</u>	<u>(1,459,112)</u>	<u>14,398,189</u>
<i>Capital Assets Being Depreciated</i>				
Buildings	13,536,853	5,450,209	(3,526)	18,983,536
Improvements	14,944,360	60,376	(1,322)	15,003,414
Machinery and Equipment	10,354,722	611,751	0	10,966,473
Infrastructure:				
Roads	18,147,381	1,555,118		19,702,499
Sidewalks	1,129,483	12,138		1,141,621
Curbs & Gutters	985,795	0		985,795
Storm Sewers	6,221,405	0		6,221,405
Street Lights	44,648	0		44,648
Traffic Signals	1,495,740	0		1,495,740
Bridges	533,210	0		533,210
<i>Total Capital Assets Being Depreciated</i>	<u>67,393,597</u>	<u>7,689,592</u>	<u>(4,848)</u>	<u>75,078,341</u>
<i>Less Accumulated Depreciation</i>				
Buildings	(4,381,596)	(518,531)	3,526	(4,896,601)
Improvements	(7,114,390)	(473,534)	1,322	(7,586,602)
Machinery and Equipment	(7,128,930)	(777,662)	0	(7,906,592)
Infrastructure:				
Roads	(7,746,449)	(895,082)		(8,641,531)
Sidewalks	(380,867)	(40,483)		(421,350)
Curbs & Gutters	(345,818)	(34,582)		(380,400)
Storm Sewers	(2,092,830)	(180,265)		(2,273,095)
Street Lights	(19,901)	(2,905)		(22,806)
Traffic Signals	(860,299)	(81,785)		(942,084)
Bridges	(51,098)	(10,664)		(61,762)
<i>Total Accumulated Depreciation</i>	<u>(30,122,178)</u>	<u>(3,015,493)</u>	<u>4,848</u>	<u>(33,132,823)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>37,271,419</u>	<u>4,674,099</u>	<u>0</u>	<u>41,945,518</u>
Total Government Activities Capital Assets, Net	<u><u>\$52,982,776</u></u>	<u><u>\$4,820,043</u></u>	<u><u>(\$1,459,112)</u></u>	<u><u>\$56,343,707</u></u>

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 8: CAPITAL ASSETS (CONTINUED)

	Balance 01/01/05	Additions	Deletions	Balance 12/31/05
Business-Type Activities				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$9,441,128	\$0	\$0	\$9,441,128
Construction in Progress	359,345	336,483	(200,403)	495,425
<i>Total Capital Assets Not Being Depreciated</i>	<u>9,800,473</u>	<u>336,483</u>	<u>(200,403)</u>	<u>9,936,553</u>
<i>Capital Assets Being Depreciated</i>				
Buildings	18,416,627	0	0	18,416,627
Improvements	37,361,022	266,262	0	37,627,284
Machinery and Equipment	7,138,668	649,602	0	7,788,270
<i>Total Capital Assets Being Depreciated</i>	<u>62,916,317</u>	<u>915,864</u>	<u>0</u>	<u>63,832,181</u>
<i>Less Accumulated Depreciation</i>				
Buildings	(8,077,817)	(471,273)	0	(8,549,090)
Improvements	(14,338,279)	(1,106,121)	0	(15,444,400)
Machinery and Equipment	(5,084,151)	(296,421)	0	(5,380,572)
<i>Total Accumulated Depreciation</i>	<u>(27,500,247)</u>	<u>(1,873,815)</u>	<u>0</u>	<u>(29,374,062)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>35,416,070</u>	<u>(957,951)</u>	<u>0</u>	<u>34,458,119</u>
Total Business-Type Capital Assets, Net	<u><u>\$45,216,543</u></u>	<u><u>(\$621,468)</u></u>	<u><u>(\$200,403)</u></u>	<u><u>\$44,394,672</u></u>
*Depreciation expense was charged to governmental functions as follows:				
General Government				\$236,321
Security of Persons and Property				726,717
Public Health and Welfare				17,160
Community Environment				8,501
Leisure Time Activities				388,271
Transportation				1,288,689
Basic Utility Service				349,834
Total				<u><u>\$3,015,493</u></u>
Depreciation expense was charged to business-type activities as follows:				
Golf				\$80,321
Sewer				1,384,340
Airport				409,154
Total				<u><u>\$1,873,815</u></u>

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 9: PENSION PLANS

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

A. Ohio Public Employees Retirement System (OPERS)

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

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

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

The City of Willoughby contributes to OPERS. OPERS provides retirement, disability, annual cost of living adjustments, survivor and death benefits to members of the Traditional Plan and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by the state statute per Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to OPERS at 277 East Town Street, Columbus, Ohio 43215-4642 or by calling 1-800-222-PERS (7377) or (614) 222-6701.

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2005, member and employer contribution rates were consistent across all three plans (TP, MD and CO).

CITY OF WILLOUGHBY, OHIO
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Plan members, other than those engaged in law enforcement and public safety, are required to contribute 8.5 percent of their annual covered salary to fund pension obligations. For 2005 the City was required to contribute 13.55 percent of covered payroll. The City's contributions for all plans (TP, MD and CO) for the years ended December 31, 2005, 2004, and 2003 were \$ 1,106,380, \$1,050,374 and \$1,065,748, respectively, which were equal to the required contributions for each year.

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

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

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

Police and firefighters are required to contribute 10.00 percent of their annual covered salary to fund pension obligations and the City is required to contribute 19.50 percent for police and 24.00 percent for firefighters. The City's contributions to OP&F for the years ended December 31, 2005, 2004 and 2003 were \$ 627,035, \$593,506 and \$571,439 for police and \$ 667,806, \$673,944 and \$645,832 for firefighters, respectively, which were equal to the required contributions for each year.

NOTE 10: POST-EMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System (OPERS)

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

A portion of each employer's contribution to OPERS is set aside for the funding of postretirement health care. The Ohio Revised Code provides statutory authority for employer contributions and requires public employers to fund postretirement health care through their contributions to OPERS. The 2005 employer rate was 13.55 percent of covered payroll. The portion used to fund health care was 4.00 percent.

CITY OF WILLOUGHBY, OHIO
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The post-retirement health care coverage is advance-funded on an actuarially determined basis. The following assumptions and calculations were based on OPERS' latest actuarial review performed as of December 31, 2004: an entry age normal actuarial cost method of valuation is used in determining the present value of benefit liabilities; the difference between the assumed and actual experience is part of the unfunded actuarial accrued liability; the investment assumption rate for 2004 was 8.00 percent; all investments are carried at market value; for actuarial valuation purposes a smoothed market approach is used meaning that assets are adjusted annually to reflect 25 percent of unrealized market appreciation or depreciation on investment assets; individual pay increases are assumed to increase 4.00 percent compounded annually with no change in the number of active employees; annual pay increases over and above 4.00 percent base increase were assumed to range from 0.50 percent to 6.3 percent; and health care costs are assumed to increase 4.00 percent annually.

For 2005, the number of active and contributing participants in the Traditional and Combined Plans totaled 376,109. The City's actual contributions for 2005, which were used to fund post-employment benefits, were \$326,603. The actuarial value of the Retirement System's net assets available for OPEB at December 31, 2004, the date of the latest actuarial review, was \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$29.5 billion and \$18.7 billion, respectively.

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. In addition to the HCPP, OPERS has taken additional action to improve the solvency of the Health Care Fund in 2005 by creating a separate investment pool for health care assets. As an additional component of the HCPP, member and employer contribution rates increased as of January 1, 2006, which will allow additional funds to be allocated to the health care plan.

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

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

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

The Ohio Revised Code provides statutory authority allowing OP&F's Board of Trustees to provide post-employment health care coverage to all eligible individuals.

CITY OF WILLOUGHBY, OHIO
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Health care funding and accounting is on a pay-as-you-go basis. A percentage of covered payroll, as defined by the Board is used to pay retiree health care expenses. The Board defined allocation was 7.75 percent of covered payroll in 2004 and 2005. In addition, since July 1, 1992 most retirees and survivors have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The number of participants eligible to receive health care benefits as of December 31, 2004, (the latest information available) was 13,812 for police and 10,528 for firefighters. The portion of the City's contributions that were used to pay post-employment benefits was \$248,933 for police and \$215,701 for firefighters. The OP&F's total health care expense for the year ended December 31, 2004 (the latest information available) was \$102,173,796, which was net of member contributions of \$55,665,341.

NOTE 11: OTHER EMPLOYEE BENEFITS – COMPENSATED ABSENCES

A. Accumulated Unpaid Vacation

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

B. Accumulated Unpaid Sick Leave

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

C. Accumulated Unpaid Compensatory Time

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

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 12: CONTRACTUAL COMMITMENTS

At December 31, 2005, the City's significant contractual commitments consisted of:

Project	Contract Amount	Amount Paid	Remaining on Contract
·Municipal Court Building	\$ 6,953,784	\$ 6,439,074	\$ 514,710
·Riverside Commons	4,419,631	4,160,443	259,188
·WPCC Scada System	<u>276,700</u>	<u>269,700</u>	<u>7,000</u>
Total	\$11,650,115	\$10,869,217	\$780,898

The City has sold bonds to construct a municipal building to be used for the Willoughby Municipal Court. The City sold bonds of \$6,350,000 in 2003 which covers construction commitments of \$5,094,737 and other related expenses, such as furnishings and equipment.

NOTE 13: CONTINGENCIES, CLAIMS AND JUDGMENTS

A. Litigation

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

B. Special Assessment/Enterprise Bonds

Special assessment bonds are being retired by assessments against the affected property owners. General obligation bonds in the enterprise funds are being retired by use of revenues generated by those funds. The lone exception is the Airport Fund where current income does not support debt repayment. The General Bond Retirement fund is currently paying the obligation. Special assessment bonds are nonetheless backed by the full faith and credit of the City. However, management does not foresee any circumstances that would change the source of funding for these bonds. In addition, options exist in the law to assist in protecting general tax dollars from the special assessment obligations should those assessed default.

NOTE 14: OTHER COMMITMENTS

Water/Sewer Billing Agreement

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

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 15: LONG-TERM OBLIGATIONS

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

	Original Issue Date	Maturity Date	Interest Rate	Original Issue Amount
<u>Governmental Activities:</u>				
<u>General Obligations Bonds Voted</u>				
Service Garage	1986	2007	6.875%	1,500,000
Fire Station Construction	1999	2024	4.95%	6,200,000
<u>General Obligation Bonds Unvoted</u>				
1986 Street Improvement	1986	2006	7.625%	2,417,225
Lost Nation Road Improvement	1990	2011	6.25%-7.40%	2,600,000
Landfill and Erosion Control	1992	2012	3.0%-6.375%	1,601,148
Various Purpose Bond Issue	1996	2016	4.3%-5.45%	3,230,000
Municipal Building Improvement OPWC	2003	2023	3.94%	6,350,000
Karen Isle Watermains	2001	2020	Interest Free	9,003
Brown Avenue Watermains	2001	2022	Interest Free	15,675
<u>Special Assessment Bonds</u>				
1986 Street Improvement	1986	2006	7.625%	547,775
Biltmore Place	1995	2016	5.66%	464,000
<u>Other General Long -Term Liabilities</u>				
Police Pension Liability	1968	2035	4.25%	148,460
Landfill Postclosure Care	1994	2024		1,227,640
<u>Business-Type Activities:</u>				
<u>Enterprise Fund G.O. Debt Sewer Bonds</u>				
Sewer 1992	1992	2012	3.0%-6.375%	1,343,852
Sewer Equipment OPWC	2005	2010	3.34%	400,000
Waldamere-Glenwood Sanitary Sewer	1997	2017	Interest Free	200,000
Vine Street Area Sanitary Sewer	2001	2022	Interest Free	223,351
Center-Wood Sanitary Sewer	2003	2024	Interest Free	78,505
OWDA				
Grove-Erie Sanitary Sewer	1994	2013	4.8%	639,009
Waldamere-Glenwood Sanitary Sewer	1997	2017	4.04%	305,320
Waste Water Treatment	1986	2006	10.02%	5,941,535
Downtown Sanitary Sewer	2001	2020	3.91%	1,372,534
Highland-Maple-Wood Sanitary Sewer	2002	2022	3.53-3.99%	1,734,234
Center-Wood Sanitary Sewer	2003	2023	3.65%	974,020
Van Gorder Sewer Lining	2003	2023	4.78%	88,505
<u>Airport Bonds</u>				
Airport Improvement	1999	2009	4.23%	1,360,000
<u>Golf Bonds</u>				
Golf Course Improvement	2002	2022	4.179%	3,150,000

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

Changes in the long-term obligations of the City during 2005 were as follows:

	Balance 01/01/05	Increases	Decreases	Balance 12/31/05	Amounts Due Within One Year
Governmental Activities:					
<u>General Obligation Bonds Voted</u>					
Service Garage	\$ 225,000	\$ 0	\$ 75,000	\$ 150,000	\$ 75,000
Fire Station Construction	5,255,000	0	165,000	5,090,000	170,000
<i>Subtotal - General Obligation Bonds Voted</i>	<u>5,480,000</u>	<u>0</u>	<u>240,000</u>	<u>5,240,000</u>	<u>245,000</u>
<u>General Obligation Bonds Unvoted</u>					
1986 Street Improvement	55,425	0	27,712	27,713	27,713
Lost Nation Road Improvement	910,000	0	130,000	780,000	130,000
Landfill and Erosion Control	652,417	0	81,553	570,864	81,553
Various Purpose Bond Issue	2,010,000	0	185,000	1,825,000	200,000
Municipal Building Improvement	6,350,000	0	245,000	6,105,000	255,000
OPWC					
Karen Isle Watermains	7,203	0	450	6,753	450
Brown Avenue Watermains	14,107	0	784	13,323	784
<i>Subtotal - General Obligation Bonds Unvoted</i>	<u>9,999,152</u>	<u>0</u>	<u>670,499</u>	<u>9,328,653</u>	<u>695,500</u>
Total Government Fund					
General Obligation Bonds	<u>15,479,152</u>	<u>0</u>	<u>910,499</u>	<u>14,568,653</u>	<u>940,500</u>
<u>Special Assessment Bonds</u>					
1986 Street Improvement	244,575	0	122,288	122,287	122,287
Biltmore Place	335,000	0	20,000	315,000	20,000
<i>Subtotal - Special Assessment Bonds</i>	<u>579,575</u>	<u>0</u>	<u>142,288</u>	<u>437,287</u>	<u>142,287</u>
<u>Other General Long Term Liabilities</u>					
Police Pension Liability	125,836	0	2,097	123,739	2,187
Landfill Post Closure Care	1,026,966	0	25,007	1,001,959	43,242
Compensated Absences	4,122,932	1,851,426	1,448,507	4,525,851	1,315,535
<i>Subtotal - Other General Long -Term Liabilities</i>	<u>5,275,734</u>	<u>1,851,426</u>	<u>1,475,611</u>	<u>5,651,549</u>	<u>1,360,964</u>
Subtotal Governmental Activities	<u>\$ 21,334,461</u>	<u>\$ 1,851,426</u>	<u>\$ 2,528,398</u>	<u>\$ 20,657,489</u>	<u>\$ 2,443,751</u>

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

Long-Term Obligations (cont)

	Balance 01/01/05	Increases	Decreases	Balance 12/31/05	Amounts Due Within One Year
Business-Type Activities:					
<u>Enterprise Fund General Obligation</u>					
<u>Debt - Sewer Bonds</u>					
1992 Sewer Bond	\$ 547,581	\$ 0	\$ 68,447	\$ 479,134	\$ 68,448
2005 Sewer Equipment	0	400,000	37,748	362,252	75,900
OPWC					
Waldamere-Glenwood Sanitary Sewer	125,000	0	10,000	115,000	10,000
Vine Street Area Sanitary Sewer	186,909	0	10,384	176,525	10,384
Center-Wood Sanitary Sewer	78,505	0	3,925	74,580	3,925
OWDA					
Grove-Erie Sanitary Sewer	362,372	0	33,057	329,315	34,661
Waldamere-Glenwood Sanitary Sewer	218,158	0	13,724	204,434	14,284
Waste Water Treatment	1,212,546	0	577,346	635,200	635,200
Downtown Sanitary Sewer	1,175,903	0	54,104	1,121,799	56,240
Highland-Maple-Wood Sanitary Sewer	1,617,693	0	63,010	1,554,683	65,537
Center-Wood Sanitary Sewer	935,156	0	29,979	905,177	36,334
Van Gorder Sewer Lining	85,215	-	5,170	80,045	111
Subtotal - Sewer Bonds	<u>6,545,038</u>	<u>400,000</u>	<u>906,894</u>	<u>6,038,144</u>	<u>1,011,024</u>
<u>Airport Bonds</u>					
Airport Improvement	685,000	0	125,000	560,000	130,000
Subtotal - Airport Bonds	<u>685,000</u>	<u>0</u>	<u>125,000</u>	<u>560,000</u>	<u>130,000</u>
<u>Golf Bonds</u>					
Golf Course Improvement	2,955,000	0	115,000	2,840,000	115,000
Total Bonds Payable	<u>10,185,038</u>	<u>400,000</u>	<u>1,146,894</u>	<u>9,438,144</u>	<u>1,256,024</u>
<u>Other Liabilities</u>					
Compensated Absences	697,080	219,385	221,267	695,198	208,144
Subtotal Business-Type Activities	<u>10,882,118</u>	<u>619,385</u>	<u>1,368,161</u>	<u>10,133,342</u>	<u>1,464,168</u>
Total Long-Term Liabilities	<u>\$ 32,216,579</u>	<u>\$ 2,470,811</u>	<u>\$ 3,896,559</u>	<u>\$ 30,790,831</u>	<u>\$ 3,907,919</u>

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. During the year, \$400,000 was issued for new equipment for the Sewer department.

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

During the year, the City refunded golf course debt with bond issuance costs being recognized over the remaining life of the original debt. At December 31, 2005, the balance of the unamortized bond issuance costs is \$51,727.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

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

Year Ending December 31	General Obligation Bonds			
	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2006	939,265	694,585	389,349	182,798
2007	846,552	647,018	401,905	167,091
2008	796,553	603,654	419,547	150,627
2009	816,553	564,248	432,278	132,985
2010	841,553	523,868	241,412	114,561
2011-2015	3,868,101	2,031,005	896,895	438,653
2016-2020	3,590,000	1,160,071	975,000	252,740
2021-2025	2,850,000	312,800	485,000	35,162
Total	\$ 14,548,577	\$ 6,537,249	\$ 4,241,386	\$ 1,474,617

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

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

Year Ending December 31	Special Assessment	
	Governmental Activities	
	Principal	Interest
2006	142,287	27,611
2007	20,000	17,258
2008	25,000	16,088
2009	25,000	14,626
2010	25,000	13,162
2011-2015	165,000	40,074
2016-2020	35,000	2,048
Total	\$ 437,287	\$ 130,867

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

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

The City's legal debt margin at December 31, 2005, was \$68,638,627. Annual debt service requirements to maturity for other debt are as follows:

Year Ending December 31	Other Debt				
	Governmental Activities			Business-type Activities	
	Police Pension Principal	Liability Interest	O.P.W.C. Principal	O.W.D.A. & O.P.W.C. Principal	O.P.W.C. Interest
2006	2,187	5,236	1,234	866,676	209,053
2007	2,281	5,142	1,234	242,960	155,992
2008	2,379	5,044	1,234	251,911	147,039
2009	2,481	4,942	1,234	261,236	137,713
2010	2,588	4,835	1,234	270,947	128,004
2011-2015	14,702	22,411	6,169	1,411,259	483,372
2016-2020	18,146	18,968	6,169	1,400,429	230,627
2021-2025	22,393	14,723	1,568	491,340	26,343
2026-2030	27,634	9,483	0	0	0
2031-2035	28,948	3,047	0	0	0
Total	\$ 123,739	\$ 93,831	\$ 20,076	\$ 5,196,758	\$ 1,518,143

NOTE 16: CONDUIT DEBT

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

TYPE	ON BEHALF OF	ORIGINAL AMOUNT	OUTSTANDING BALANCE	YEAR OF ISSUE
Multi-Family Housing Mortgage Revenue Bonds	Oakhill Village	\$5,955,000	\$5,955,000	2002A
	Oakhill Village	\$3,395,000	\$3,055,000	2002B
Industrial Development Revenue Bonds	Kennedy Group	\$6,500,000	\$4,220,000	1998
Industrial Development Revenue Refunding Bonds	Ohio Presbyterian Retirement Services	\$8,200,000	\$6,090,000	1996
Economic Development Revenue Bonds	Andrews School	\$6,050,000	\$ 0	1996

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

NOTE 17: NOTES PAYABLE

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

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

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

The following general obligation note was payable at December 31, 2005:

	Maturity Date	Balance December 31, 2004	Issued	Retired	Balance December 31, 2005
Capital Projects Note Payable: 3.25%	Dec. 8, 2006	\$4,650,000	\$4,950,000	\$4,650,000	\$4,950,000
Total Note Payable		<u>\$4,650,000</u>	<u>\$4,950,000</u>	<u>\$4,650,000</u>	<u>\$4,950,000</u>

NOTE 18: LANDFILL CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations require the City to perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. The City's landfill placed its final cover in 1995. The \$1,001,959 reported as Landfill Postclosure Care at December 31, 2005 represents estimated cost of maintenance and monitoring through 2024. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

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

NOTE 19: INSURANCE AND RISK MANAGEMENT

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

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

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

Coverage	Company	Claim Limit	Deductible
General Liability	CNA Companies	\$1,000,000	\$ 0
Public Officials Liability	Clarendon National Ins.	2,000,000	25,000
Law Enforcement Liability	Clarendon National Ins.	1,000,000	7,500
Commercial Property	CNA Companies	61,972,546	25,000
Commercial Crime	CNA Companies	10,000	2,500
Equipment Breakdown	CNA Companies	61,972,546	10,000
Automobile Liability	CNA Companies	1,000,000	0
Automobile Comprehensive	CNA Companies	Per Schedule	1,000
Automobile Collision	CNA Companies	Per Schedule	1,000
Excess General Liability (Umbrella)	American Alternative Ins.	10,000,000	10,000
Fire Errors and Omissions	CNA Companies	1,000,000	0
Ambulance Malpractice	CNA Companies	1,000,000	0
Blanket Bond	CNA Companies	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.

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

At December 31, 2004 the City had no further liability to the fund. The fund will be closed out in 2006.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 20: JOINT ORGANIZATION

Northeast Ohio Public Energy Council

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

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The City of Willoughby did not contribute to NOPEC during 2005. Financial information can be obtained by contacting Joseph Migliorini, Board Chairman, 1615 Clark Avenue, Cleveland, Ohio 44109.

Combining Statements and Individual Fund Schedules

Combining Statements – Nonmajor Funds

NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

Court Computer Fund - the Municipal Court has established this fund for the purpose of acquisition, improvement, replacement or repair of court 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.

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.

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

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

Railroad Grade Crossing Fund – to account for fines received and expenditures for crossing improvements. This is a state mandated fund, but there has been no activity through 2005.

NONMAJOR DEBT SERVICE FUND

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

PERMANENT FUND

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

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

CITY OF WILLOUGHBY, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2005

	NONMAJOR SPECIAL REVENUE FUNDS	SPECIAL ASSESSMENTS DEBT SERVICE FUND	CEMETERY CARE PERMANENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS				
Equity in City Treasury Cash and Investments	\$2,673,327	\$407,111	\$185,650	\$3,266,088
Inventory - Supplies	89,761	0	0	89,761
Accounts Receivable	42	0	0	42
Due from Other Governments	476,591	0	0	476,591
Taxes Receivable	508,635	0	0	508,635
Special Assessments Receivable	<u>566,221</u>	<u>605,765</u>	<u>0</u>	<u>1,171,986</u>
TOTAL ASSETS	<u>\$4,314,577</u>	<u>\$1,012,876</u>	<u>\$185,650</u>	<u>\$5,513,103</u>
LIABILITIES				
Accounts Payable	\$145,813	\$0	\$0	\$145,813
Matured Compensated Absences Payable	69,295	0	0	69,295
Salaries, Wages & Benefits Payable	47,393	0	0	47,393
Due to Other Governments	17,786	0	0	17,786
Deferred Revenue	<u>1,448,151</u>	<u>605,765</u>	<u>0</u>	<u>2,053,916</u>
TOTAL LIABILITIES	<u>1,728,438</u>	<u>605,765</u>	<u>0</u>	<u>2,334,203</u>
FUND BALANCES				
Reserved for Encumbrances	346,559	0	0	346,559
Reserved for Inventory	89,761	0	0	89,761
Reserved for Debt Service	0	407,111	0	407,111
Unreserved, Undesignated Reported in:				
Special Revenue Funds	2,149,819	0	0	2,149,819
Permanent Fund	<u>0</u>	<u>0</u>	<u>185,650</u>	<u>185,650</u>
TOTAL FUND BALANCES	<u>2,586,139</u>	<u>407,111</u>	<u>185,650</u>	<u>3,178,900</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$4,314,577</u>	<u>\$1,012,876</u>	<u>\$185,650</u>	<u>\$5,513,103</u>

CITY OF WILLOUGHBY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	NONMAJOR SPECIAL REVENUE <u>FUNDS</u>	SPECIAL ASSESSMENTS DEBT SERVICE <u>FUND</u>	CEMETERY CARE PERMANENT <u>FUND</u>	TOTAL NONMAJOR GOVERNMENTAL <u>FUNDS</u>
REVENUES:				
Property and Other Local Taxes	\$521,746	\$0	\$0	\$521,746
Intergovernmental	1,077,305	0	0	1,077,305
Charges for Services	221,646	0	8,148	229,794
Special Assessments	613,024	191,240	0	804,264
Fines and Forfeitures	389,067	0	0	389,067
Miscellaneous	<u>3,771</u>	<u>0</u>	<u>0</u>	<u>3,771</u>
Total Revenues	<u>2,826,559</u>	<u>191,240</u>	<u>8,148</u>	<u>3,025,947</u>
EXPENDITURES:				
Current:				
General Government	180,396	5,734	0	186,130
Security of Persons and Property	1,974,060	0	0	1,974,060
Community Environment	61,601	0	0	61,601
Leisure Time Activities	800,720	0	0	800,720
Transportation	1,670,603	0	0	1,670,603
Capital Outlay	162,191	0	0	162,191
Debt Service:				
Principal	0	142,288	0	142,288
Interest	<u>0</u>	<u>37,946</u>	<u>0</u>	<u>37,946</u>
Total Expenditures	<u>4,849,571</u>	<u>185,968</u>	<u>0</u>	<u>5,035,539</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,023,012)	5,272	8,148	(2,009,592)
OTHER FINANCING SOURCES (USES):				
Transfers In	2,281,556	0	0	2,281,556
Transfers (Out)	(740,653)	(100,000)	0	(840,653)
Sale of Assets	<u>30,798</u>	<u>0</u>	<u>0</u>	<u>30,798</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,571,701</u>	<u>(100,000)</u>	<u>0</u>	<u>1,471,701</u>
NET CHANGE IN FUND BALANCES	(451,311)	(94,728)	8,148	(537,891)
FUND BALANCES BEGINNING OF YEAR	3,039,245	501,839	177,502	3,718,586
INCREASE (DECREASE) IN RESERVE FOR INVENTORY	<u>(1,795)</u>	<u>0</u>	<u>0</u>	<u>(1,795)</u>
FUND BALANCES END OF YEAR	<u>\$2,586,139</u>	<u>\$407,111</u>	<u>\$185,650</u>	<u>\$3,178,900</u>

CITY OF WILLOUGHBY, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2005

	<u>FIRE</u> <u>PENSION</u>	<u>POLICE</u> <u>PENSION</u>	<u>LAW</u> <u>ENFORCEMENT</u>	<u>RECREATION</u>	<u>STREET</u> <u>CONSTRUCTION</u> <u>MAINTENANCE</u> <u>AND REPAIR</u>	<u>STATE</u> <u>HIGHWAY</u>	<u>CORPORATE</u> <u>MAINTENANCE</u>
ASSETS							
Equity in City Treasury Cash and Investments	\$58,958	\$67,391	\$81,284	\$232,081	\$234,822	\$57,940	\$65,412
Inventory - Supplies	0	0	0	0	89,761	0	0
Accounts Receivable	0	0	0	0	42	0	0
Due from Other Governments	8,920	8,920	0	2,943	398,096	31,924	0
Taxes Receivable	194,358	194,358	0	119,919	0	0	0
Special Assessments Receivable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,405</u>
TOTAL ASSETS	<u>\$262,236</u>	<u>\$270,669</u>	<u>\$81,284</u>	<u>\$354,943</u>	<u>\$722,721</u>	<u>\$89,864</u>	<u>\$67,817</u>
LIABILITIES							
Accounts Payable	\$0	\$0	\$0	\$7,620	\$58,233	\$0	\$0
Salaries, Wages & Benefits Payable	12,289	11,917	0	8,226	14,324	0	0
Matured Compensated Absences Payable	0	0	0	0	0	0	0
Due to Other Governments	0	0	0	1,701	0	16,085	0
Deferred Revenue	<u>203,278</u>	<u>203,278</u>	<u>0</u>	<u>122,862</u>	<u>326,075</u>	<u>26,437</u>	<u>2,405</u>
TOTAL LIABILITIES	<u>215,567</u>	<u>215,195</u>	<u>0</u>	<u>140,409</u>	<u>398,632</u>	<u>42,522</u>	<u>2,405</u>
FUND BALANCES							
Reserved for Encumbrances	0	0	0	28,988	35,958	11,303	27,217
Reserved for Inventory	0	0	0	0	89,761	0	0
Unreserved, Undesignated Reported in:							
Special Revenue Funds	<u>46,669</u>	<u>55,474</u>	<u>81,284</u>	<u>185,546</u>	<u>198,370</u>	<u>36,039</u>	<u>38,195</u>
TOTAL FUND BALANCES	<u>46,669</u>	<u>55,474</u>	<u>81,284</u>	<u>214,534</u>	<u>324,089</u>	<u>47,342</u>	<u>65,412</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$262,236</u>	<u>\$270,669</u>	<u>\$81,284</u>	<u>\$354,943</u>	<u>\$722,721</u>	<u>\$89,864</u>	<u>\$67,817</u>



<u>ENFORCEMENT AND EDUCATION</u>	<u>INDIGENT DRIVERS TREATMENT</u>	<u>COURT COMPUTER</u>	<u>GENERAL SPECIAL PROJECTS</u>	<u>URBAN FOREST MANAGEMENT</u>	<u>VICTIMS ASSISTANCE</u>	<u>STREET LIGHTING</u>	<u>FUTURE RETIREMENT RESERVE</u>	<u>TOTAL 2005</u>
\$31,973	\$309,409	\$353,394	\$182,345	\$45,300	\$10,959	\$522,049	\$420,010	\$2,673,327
0	0	0	0	0	0	0	0	89,761
0	0	0	0	0	0	0	0	42
258	1,360	9,408	14,762	0	0	0	0	476,591
0	0	0	0	0	0	0	0	508,635
0	0	0	0	0	0	563,816	0	566,221
<u>\$32,231</u>	<u>\$310,769</u>	<u>\$362,802</u>	<u>\$197,107</u>	<u>\$45,300</u>	<u>\$10,959</u>	<u>\$1,085,865</u>	<u>\$420,010</u>	<u>\$4,314,577</u>
\$0	\$0	\$1,178	\$0	\$0	\$443	\$78,339	\$0	\$145,813
0	0	0	0	0	637	0	0	47,393
0	0	0	0	0	0	0	69,295	69,295
0	0	0	0	0	0	0	0	17,786
0	0	0	0	0	0	563,816	0	1,448,151
0	0	1,178	0	0	1,080	642,155	69,295	1,728,438
0	0	192,432	35	0	0	50,626	0	346,559
0	0	0	0	0	0	0	0	89,761
<u>32,231</u>	<u>310,769</u>	<u>169,192</u>	<u>197,072</u>	<u>45,300</u>	<u>9,879</u>	<u>393,084</u>	<u>350,715</u>	<u>2,149,819</u>
<u>32,231</u>	<u>310,769</u>	<u>361,624</u>	<u>197,107</u>	<u>45,300</u>	<u>9,879</u>	<u>443,710</u>	<u>350,715</u>	<u>2,586,139</u>
<u>\$32,231</u>	<u>\$310,769</u>	<u>\$362,802</u>	<u>\$197,107</u>	<u>\$45,300</u>	<u>\$10,959</u>	<u>\$1,085,865</u>	<u>\$420,010</u>	<u>\$4,314,577</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, 2005

	FIRE	POLICE	LAW		STREET		STATE	CORPORATE
	PENSION	PENSION	ENFORCEMENT	RECREATION	CONSTRUCTION	AND REPAIR	HIGHWAY	MAINTENANCE
REVENUES:								
Property and Other Local Taxes	\$179,032	\$179,032	\$0	\$109,884	\$53,798		\$0	\$0
Intergovernmental	19,970	19,970	0	106,632	834,126		67,632	0
Charges for Services	0	0	0	210,086	1,360		0	0
Special Assessments	0	0	0	0	0		0	54,007
Fines and Forfeitures	0	0	10,423	0	0		0	0
Miscellaneous	0	0	0	0	3,771		0	0
Total Revenues	<u>199,002</u>	<u>199,002</u>	<u>10,423</u>	<u>426,602</u>	<u>893,055</u>		<u>67,632</u>	<u>54,007</u>
EXPENDITURES:								
Current:								
General Government	2,227	2,227	0	0	0		0	62
Security of Persons and Property	668,306	635,377	1,466	0	0		0	0
Community Environment	0	0	0	0	0		0	57,133
Leisure Time Activities	0	0	0	800,720	0		0	0
Transportation	0	0	0	0	1,588,480		82,123	0
Capital Outlay	0	0	0	3,543	2,467		0	0
Total Expenditures	<u>670,533</u>	<u>637,604</u>	<u>1,466</u>	<u>804,263</u>	<u>1,590,947</u>		<u>82,123</u>	<u>57,195</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(471,531)	(438,602)	8,957	(377,661)	(697,892)		(14,491)	(3,188)
OTHER FINANCING SOURCES (USES):								
Transfers In	513,392	458,164	0	425,000	650,000		0	0
Transfers (Out)	0	0	0	0	0		0	0
Sale of Assets	0	0	30,798	0	0		0	0
TOTAL OTHER FINANCING SOURCES (USES)	<u>513,392</u>	<u>458,164</u>	<u>30,798</u>	<u>425,000</u>	<u>650,000</u>		<u>0</u>	<u>0</u>
NET CHANGE IN FUND BALANCES	41,861	19,562	39,755	47,339	(47,892)		(14,491)	(3,188)
FUND BALANCES BEGINNING OF YEAR	4,808	35,912	41,529	167,480	373,491		61,833	68,600
INCREASE (DECREASE) IN RESERVE FOR INVENTORY	0	0	0	(285)	(1,510)		0	0
FUND BALANCES END OF YEAR	<u>\$46,669</u>	<u>\$55,474</u>	<u>\$81,284</u>	<u>\$214,534</u>	<u>\$324,089</u>		<u>\$47,342</u>	<u>\$65,412</u>

<u>ENFORCEMENT AND EDUCATION</u>	<u>INDIGENT DRIVERS TREATMENT</u>	<u>COURT COMPUTER</u>	<u>GENERAL SPECIAL PROJECTS</u>	<u>URBAN FOREST MANAGEMENT</u>	<u>VICTIMS ASSISTANCE</u>	<u>STREET LIGHTING</u>	<u>FUTURE RETIREMENT RESERVE</u>	<u>TOTAL 2005</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$521,746
0	0	0	0	0	28,975	0	0	1,077,305
0	0	0	0	10,200	0	0	0	221,646
0	0	0	0	0	0	559,017	0	613,024
3,432	39,940	128,242	207,030	0	0	0	0	389,067
<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>3,771</u>
<u>3,432</u>	<u>39,940</u>	<u>128,242</u>	<u>207,030</u>	<u>10,200</u>	<u>28,975</u>	<u>559,017</u>	<u>0</u>	<u>2,826,559</u>
0	18,100	102,066	14,965	0	0	16,859	23,890	180,396
0	0	0	0	0	46,050	435,950	186,911	1,974,060
0	0	0	0	4,468	0	0	0	61,601
0	0	0	0	0	0	0	0	800,720
0	0	0	0	0	0	0	0	1,670,603
<u>0</u>	<u>0</u>	<u>156,181</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>162,191</u>
<u>0</u>	<u>18,100</u>	<u>258,247</u>	<u>14,965</u>	<u>4,468</u>	<u>46,050</u>	<u>452,809</u>	<u>210,801</u>	<u>4,849,571</u>
3,432	21,840	(130,005)	192,065	5,732	(17,075)	106,208	(210,801)	(2,023,012)
0	0	0	0	0	10,000	0	225,000	2,281,556
0	0	(540,653)	(200,000)	0	0	0	0	(740,653)
<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>30,798</u>
<u>0</u>	<u>0</u>	<u>(540,653)</u>	<u>(200,000)</u>	<u>0</u>	<u>10,000</u>	<u>0</u>	<u>225,000</u>	<u>1,571,701</u>
3,432	21,840	(670,658)	(7,935)	5,732	(7,075)	106,208	14,199	(451,311)
0	0	0	0	0	0	0	0	0
28,799	288,929	1,032,282	205,042	39,568	16,954	337,502	336,516	3,039,245
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,795)</u>
<u>\$32,231</u>	<u>\$310,769</u>	<u>\$361,624</u>	<u>\$197,107</u>	<u>\$45,300</u>	<u>\$9,879</u>	<u>\$443,710</u>	<u>\$350,715</u>	<u>\$2,586,139</u>

Combining Statements – Agency Funds

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

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

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

CITY OF WILLOUGHBY, OHIO
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
AS OF DECEMBER 31, 2005

	<u>DEPOSITS & INSPECTIONS</u>	<u>MUNICIPAL COURT</u>	<u>TOTAL 2005</u>
ASSETS			
Equity in City Treasury Cash and Investments	\$780,048	\$314,185	\$1,094,233
Accounts Receivable	<u>0</u>	<u>106,454</u>	<u>106,454</u>
TOTAL ASSETS	<u>\$780,048</u>	<u>\$420,639</u>	<u>\$1,200,687</u>
LIABILITIES			
Accounts Payable	\$779,234	\$68,346	\$847,580
Deposits Held and Due to Others	0	167,295	167,295
Due to Other Governments	<u>814</u>	<u>184,998</u>	<u>185,812</u>
TOTAL LIABILITIES	<u>\$780,048</u>	<u>\$420,639</u>	<u>\$1,200,687</u>

CITY OF WILLOUGHBY, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>BALANCE</u> <u>1/1/2005</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>12/31/2005</u>
DEPOSITS & INSPECTIONS				
ASSETS				
Equity in City Treasury Cash and Investments	\$848,208	\$1,244,264	\$1,312,424	\$780,048
TOTAL ASSETS	<u>\$848,208</u>	<u>\$1,244,264</u>	<u>\$1,312,424</u>	<u>\$780,048</u>
LIABILITIES				
Accounts Payable	\$848,208	\$1,177,914	\$1,246,888	\$779,234
Due to Other Governments	0	66,350	65,536	814
TOTAL LIABILITIES	<u>\$848,208</u>	<u>\$1,244,264</u>	<u>\$1,312,424</u>	<u>\$780,048</u>
MUNICIPAL COURT				
ASSETS				
Equity in City Treasury Cash and Investments	\$333,460	\$4,876,573	\$4,895,848	\$314,185
Accounts Receivable	122,903	106,454	122,903	106,454
TOTAL ASSETS	<u>\$456,363</u>	<u>\$4,983,027</u>	<u>\$5,018,751</u>	<u>\$420,639</u>
LIABILITIES				
Accounts Payable	\$79,730	\$1,477,535	\$1,488,919	\$68,346
Deposits Held and Due to Others	177,430	2,187,532	2,197,667	167,295
Due to Other Governments	199,203	1,317,960	1,332,165	184,998
TOTAL LIABILITIES	<u>\$456,363</u>	<u>\$4,983,027</u>	<u>\$5,018,751</u>	<u>\$420,639</u>
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Equity in City Treasury Cash and Investments	\$1,181,668	\$6,120,837	\$6,208,272	\$1,094,233
Accounts Receivable	122,903	106,454	122,903	106,454
TOTAL ASSETS	<u>\$1,304,571</u>	<u>\$6,227,291</u>	<u>\$6,331,175</u>	<u>\$1,200,687</u>
LIABILITIES				
Accounts Payable	\$927,938	\$2,655,449	\$2,735,807	\$847,580
Deposits Held and Due to Others	177,430	2,187,532	2,197,667	167,295
Due to Other Governments	199,203	1,384,310	1,397,701	185,812
TOTAL LIABILITIES	<u>\$1,304,571</u>	<u>\$6,227,291</u>	<u>\$6,331,175</u>	<u>\$1,200,687</u>

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

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Municipal Income Taxes	\$12,296,999	\$13,696,999	\$13,692,344	(\$4,655)
Property and Other Local Taxes	1,740,180	1,740,180	1,851,789	111,609
Intergovernmental	2,856,573	3,206,573	3,421,837	215,264
Charges for Services	544,850	994,850	1,087,911	93,061
Fines and Forfeitures	1,716,000	1,761,000	1,764,976	3,976
Licenses, Permits	261,200	261,200	294,615	33,415
Interest Income	310,000	439,000	439,198	198
Other	<u>203,787</u>	<u>203,787</u>	<u>264,022</u>	<u>60,235</u>
Total Revenues	<u>19,929,589</u>	<u>22,303,589</u>	<u>22,816,692</u>	<u>513,103</u>
EXPENDITURES:				
General Government	6,374,742	6,473,354	6,183,929	289,425
Security of Persons and Property	9,970,671	10,388,913	9,945,880	443,033
Public Health and Welfare	350,036	356,525	365,995	(9,470)
Community Environment	835,978	865,754	831,481	34,273
Leisure Time Activities	874,096	893,124	866,488	26,636
Basic Utility Service	<u>1,142,800</u>	<u>1,142,800</u>	<u>1,013,238</u>	<u>129,562</u>
Total Expenditures	<u>19,548,323</u>	<u>20,120,470</u>	<u>19,207,011</u>	<u>913,459</u>
Excess of Revenues Over (Under) Expenditures	381,266	2,183,119	3,609,681	1,426,562
OTHER FINANCING SOURCES (USES):				
Transfers Out	(2,275,168)	(2,346,724)	(2,346,724)	0
Other	<u>10,000</u>	<u>10,000</u>	<u>108,055</u>	<u>98,055</u>
Total Other Financing Sources (Uses)	<u>(2,265,168)</u>	<u>(2,336,724)</u>	<u>(2,238,669)</u>	<u>98,055</u>
NET CHANGE IN FUND BALANCE	(1,883,902)	(153,605)	1,371,012	1,524,617
FUND BALANCE BEGINNING OF YEAR	3,016,260	3,016,260	3,016,260	0
Prior Year Encumbrances Appropriated	<u>24,735</u>	<u>24,735</u>	<u>24,735</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$1,157,093</u>	<u>\$2,887,390</u>	<u>\$4,412,007</u>	<u>\$1,524,617</u>

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	<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	\$109,000	\$109,000	\$106,967	(\$2,033)
Intergovernmental	141,649	141,649	150,064	8,415
Interest Income	<u>25,000</u>	<u>77,329</u>	<u>101,538</u>	<u>24,209</u>
Total Revenues	<u>275,649</u>	<u>327,978</u>	<u>358,569</u>	<u>30,591</u>
EXPENDITURES:				
Capital Outlay	4,025,039	4,600,105	2,697,152	1,902,953
Debt Service				
Principal Retirement	4,650,000	4,650,000	4,650,000	0
Interest	<u>162,750</u>	<u>162,750</u>	<u>162,750</u>	<u>0</u>
Total Expenditures	<u>8,837,789</u>	<u>9,412,855</u>	<u>7,509,902</u>	<u>1,902,953</u>
Excess of Revenues Over (Under) Expenditures	(8,562,140)	(9,084,877)	(7,151,333)	1,933,544
OTHER FINANCING SOURCES (USES):				
Notes Issued	4,812,750	4,812,750	4,950,000	137,250
Other	0	0	24,959	24,959
Transfers In	<u>67,014</u>	<u>607,667</u>	<u>605,821</u>	<u>(1,846)</u>
Total Other Financing Sources (Uses)	<u>4,879,764</u>	<u>5,420,417</u>	<u>5,580,780</u>	<u>160,363</u>
NET CHANGE IN FUND BALANCE	(3,682,376)	(3,664,460)	(1,570,553)	2,093,907
FUND BALANCE BEGINNING OF YEAR	4,819,804	4,819,804	4,819,804	0
Prior Year Encumbrances Appropriated	<u>69,713</u>	<u>69,713</u>	<u>69,713</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$1,207,141</u>	<u>\$1,225,057</u>	<u>\$3,318,964</u>	<u>\$2,093,907</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, 2005

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
REVENUES:				
Property and Other Local Taxes	\$1,194,971	\$1,194,971	\$1,241,288	\$46,317
Intergovernmental	132,500	132,500	137,470	4,970
Interest Income	<u>0</u>	<u>0</u>	<u>1,534</u>	<u>1,534</u>
Total Revenues	<u>1,327,471</u>	<u>1,327,471</u>	<u>1,380,292</u>	<u>52,821</u>
EXPENDITURES:				
General Government	36,000	36,000	28,439	7,561
Debt Service				
Principal	1,035,499	1,035,499	1,035,499	0
Interest	<u>768,217</u>	<u>768,217</u>	<u>768,217</u>	<u>0</u>
Total Expenditures	<u>1,839,716</u>	<u>1,839,716</u>	<u>1,832,155</u>	<u>7,561</u>
Excess of Revenues Over (Under) Expenditures	(512,245)	(512,245)	(451,863)	60,382
OTHER FINANCING SOURCES (USES):				
Transfer In	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	0
Total Other Financing Sources (Uses)	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	(212,245)	(212,245)	(151,863)	60,382
FUND BALANCE BEGINNING OF YEAR	<u>267,816</u>	<u>267,816</u>	<u>267,816</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$55,571</u>	<u>\$55,571</u>	<u>\$115,953</u>	<u>\$60,382</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, 2005

	<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	\$871,000	\$880,850	\$881,845	\$995
Interest Income	0	0	2,841	2,841
Other	<u>1,701</u>	<u>1,701</u>	<u>4,614</u>	<u>2,913</u>
Total Revenues	<u>872,701</u>	<u>882,551</u>	<u>889,300</u>	<u>6,749</u>
EXPENSES:				
Leisure Time Activities	627,910	649,284	648,007	1,277
Capital Outlay	14,885	14,885	14,563	322
Debt Principal	115,000	115,000	115,000	0
Debt Interest	<u>119,765</u>	<u>119,765</u>	<u>119,765</u>	<u>0</u>
Total Expenses	<u>877,560</u>	<u>898,934</u>	<u>897,335</u>	<u>1,599</u>
Excess of Revenues Over (Under) Expenses	(4,859)	(16,383)	(8,035)	8,348
OTHER FINANCING SOURCES (USES):				
Other	0	0	3,906	3,906
Advance In	<u>0</u>	<u>10,000</u>	<u>0</u>	<u>(10,000)</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>10,000</u>	<u>3,906</u>	<u>(6,094)</u>
NET CHANGE IN FUND BALANCE	(4,859)	(6,383)	(4,129)	2,254
FUND EQUITY BEGINNING OF YEAR	16,228	16,228	16,228	0
Prior Year Encumbrances Appropriated	<u>33</u>	<u>33</u>	<u>33</u>	<u>0</u>
FUND EQUITY END OF YEAR	<u>\$11,402</u>	<u>\$9,878</u>	<u>\$12,132</u>	<u>\$2,254</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, 2005

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>FINAL BUDGET</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
REVENUES:				
Municipal Income Taxes	\$750,000	\$750,000	\$750,000	\$0
Intergovernmental	149,900	0	0	0
Charges for Services	4,285,266	3,680,266	3,851,404	171,138
Interest Income	0	0	41,422	41,422
Other	<u>165,309</u>	<u>165,309</u>	<u>212,108</u>	<u>46,799</u>
Total Revenues	<u>5,350,475</u>	<u>4,595,575</u>	<u>4,854,934</u>	<u>259,359</u>
EXPENSES:				
Basic Utility Service	5,797,657	4,715,952	4,242,407	473,545
Debt Principal	879,941	879,941	897,319	(17,378)
Debt Interest	<u>298,011</u>	<u>298,011</u>	<u>301,992</u>	<u>(3,981)</u>
Total Expenses	<u>6,975,609</u>	<u>5,893,904</u>	<u>5,441,718</u>	<u>452,186</u>
Excess of Revenues Over (Under) Expenses	(1,625,134)	(1,298,329)	(586,784)	711,545
OTHER FINANCING SOURCES (USES):				
Sale of Debt	168,085	18,085	18,085	0
Sale of Bond	<u>425,000</u>	<u>425,000</u>	<u>400,000</u>	<u>(25,000)</u>
Total Other Financing Sources (Uses)	<u>593,085</u>	<u>443,085</u>	<u>418,085</u>	<u>(25,000)</u>
NET CHANGE IN FUND BALANCE	(1,032,049)	(855,244)	(168,699)	686,545
FUND EQUITY BEGINNING OF YEAR	1,834,095	1,834,095	1,834,095	0
Prior Year Encumbrances Appropriated	<u>4,071</u>	<u>4,071</u>	<u>4,071</u>	<u>0</u>
FUND EQUITY END OF YEAR	<u>\$806,117</u>	<u>\$982,922</u>	<u>\$1,669,467</u>	<u>\$686,545</u>

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN FUND EQUITY - BUDGET(Non-GAAP Basis) AND ACTUAL
AIRPORT FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES:				
Charges for Services	\$20,500	\$20,500	\$25,538	\$5,038
Interest Income	500	500	4,156	3,656
Rental	130,500	130,500	134,615	4,115
Other	<u>567</u>	<u>567</u>	<u>1,199</u>	<u>632</u>
Total Revenues	<u>152,067</u>	<u>152,067</u>	<u>165,508</u>	<u>13,441</u>
EXPENSES:				
Transportation	<u>220,899</u>	<u>224,239</u>	<u>176,716</u>	<u>47,523</u>
Total Expenses	<u>220,899</u>	<u>224,239</u>	<u>176,716</u>	<u>47,523</u>
Excess of Revenues Over (Under) Expenses	<u>(68,832)</u>	<u>(72,172)</u>	<u>(11,208)</u>	<u>60,964</u>
OTHER FINANCING SOURCES (USES):				
Other	<u>0</u>	<u>0</u>	<u>408</u>	<u>408</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>408</u>	<u>408</u>
NET CHANGE IN FUND BALANCE	(68,832)	(72,172)	(10,800)	61,372
FUND EQUITY BEGINNING OF YEAR	120,698	120,698	120,698	0
FUND EQUITY END OF YEAR	<u>\$51,866</u>	<u>\$48,526</u>	<u>\$109,898</u>	<u>\$61,372</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, 2005

	<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	\$172,315	\$172,315	\$179,032	\$6,717
Intergovernmental	<u>19,254</u>	<u>19,254</u>	<u>19,970</u>	<u>716</u>
Total Revenues	<u>191,569</u>	<u>191,569</u>	<u>199,002</u>	<u>7,433</u>
EXPENDITURES:				
Security of Persons and Property	<u>661,036</u>	<u>699,428</u>	<u>670,032</u>	<u>29,396</u>
Total Expenditures	<u>661,036</u>	<u>699,428</u>	<u>670,032</u>	<u>29,396</u>
Excess of Revenues Over (Under) Expenditures	(469,467)	(507,859)	(471,030)	36,829
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>475,000</u>	<u>513,392</u>	<u>513,392</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>475,000</u>	<u>513,392</u>	<u>513,392</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	5,533	5,533	42,362	36,829
FUND BALANCE BEGINNING OF YEAR	<u>16,596</u>	<u>16,596</u>	<u>16,596</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$22,129</u>	<u>\$22,129</u>	<u>\$58,958</u>	<u>\$36,829</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, 2005

	<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	\$172,315	\$172,315	\$179,032	\$6,717
Intergovernmental	<u>19,254</u>	<u>19,254</u>	<u>19,970</u>	<u>716</u>
Total Revenues	<u>191,569</u>	<u>191,569</u>	<u>199,002</u>	<u>7,433</u>
EXPENDITURES:				
Security of Persons and Property	<u>616,916</u>	<u>650,080</u>	<u>636,543</u>	<u>13,537</u>
Total Expenditures	<u>616,916</u>	<u>650,080</u>	<u>636,543</u>	<u>13,537</u>
Excess of Revenues Over (Under) Expenditures	(425,347)	(458,511)	(437,541)	20,970
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>425,000</u>	<u>458,164</u>	<u>458,164</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>425,000</u>	<u>458,164</u>	<u>458,164</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	(347)	(347)	20,623	20,970
FUND BALANCE BEGINNING OF YEAR	<u>46,768</u>	<u>46,768</u>	<u>46,768</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$46,421</u>	<u>\$46,421</u>	<u>\$67,391</u>	<u>\$20,970</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, 2005

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES:				
Fines and Forfeitures	<u>\$500</u>	<u>\$500</u>	<u>\$10,423</u>	<u>\$9,923</u>
Total Revenues	<u>500</u>	<u>500</u>	<u>10,423</u>	<u>9,923</u>
EXPENDITURES:				
Security of Persons and Property	<u>40,000</u>	<u>40,000</u>	<u>1,466</u>	<u>38,534</u>
Total Expenditures	<u>40,000</u>	<u>40,000</u>	<u>1,466</u>	<u>38,534</u>
NET CHANGE IN FUND BALANCE	(39,500)	(39,500)	8,957	48,457
OTHER FINANCING SOURCES (USES):				
Sale of Assets	<u>0</u>	<u>0</u>	<u>30,798</u>	<u>30,798</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>30,798</u>	<u>30,798</u>
Excess of Revenues & Other Sources				
Over (Under) Expenditures & Other Uses	(39,500)	(39,500)	39,755	79,255
FUND BALANCE BEGINNING OF YEAR	<u>41,529</u>	<u>41,529</u>	<u>41,529</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$2,029</u>	<u>\$2,029</u>	<u>\$81,284</u>	<u>\$79,255</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, 2005

	<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	\$98,189	\$98,189	\$109,884	\$11,695
Intergovernmental	47,151	47,151	106,632	59,481
Charges for Services	<u>200,000</u>	<u>200,000</u>	<u>210,172</u>	<u>10,172</u>
Total Revenues	<u>345,340</u>	<u>345,340</u>	<u>426,688</u>	<u>81,348</u>
EXPENDITURES:				
Leisure Time Activities	814,233	838,198	818,633	19,565
Total Expenditures	<u>814,233</u>	<u>838,198</u>	<u>818,633</u>	<u>19,565</u>
Excess of Revenues Over (Under) Expenditures	(468,893)	(492,858)	(391,945)	100,913
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>425,000</u>	<u>425,000</u>	<u>425,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>425,000</u>	<u>425,000</u>	<u>425,000</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	(43,893)	(67,858)	33,055	100,913
FUND BALANCE BEGINNING OF YEAR	161,878	161,878	161,878	0
Prior Year Encumbrances Appropriated	<u>143</u>	<u>143</u>	<u>143</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$118,128</u>	<u>\$94,163</u>	<u>\$195,076</u>	<u>\$100,913</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, 2005

	<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	\$55,000	\$55,000	\$53,482	(\$1,518)
Intergovernmental	840,000	840,000	830,775	(9,225)
Charges for Services	<u>550</u>	<u>550</u>	<u>1,360</u>	<u>810</u>
Total Revenues	<u>895,550</u>	<u>895,550</u>	<u>885,617</u>	<u>(9,933)</u>
EXPENDITURES:				
Transportation	<u>1,542,302</u>	<u>1,586,435</u>	<u>1,584,404</u>	<u>2,031</u>
Total Expenditures	<u>1,542,302</u>	<u>1,586,435</u>	<u>1,584,404</u>	<u>2,031</u>
Excess of Revenues Over (Under) Expenditures	(646,752)	(690,885)	(698,787)	(7,902)
OTHER FINANCING SOURCES (USES):				
Transfers In	650,000	650,000	650,000	0
Other	<u>2,000</u>	<u>2,000</u>	<u>3,771</u>	<u>1,771</u>
Total Other Financing Sources (Uses)	<u>652,000</u>	<u>652,000</u>	<u>653,771</u>	<u>1,771</u>
NET CHANGE IN FUND BALANCE	5,248	(38,885)	(45,016)	(6,131)
FUND BALANCE BEGINNING OF YEAR	186,642	186,642	186,642	0
Prior Year Encumbrances Appropriated	<u>1,688</u>	<u>1,688</u>	<u>1,688</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$193,578</u>	<u>\$149,445</u>	<u>\$143,314</u>	<u>(\$6,131)</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, 2005

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>(NEGATIVE)</u>
REVENUES:				
Intergovernmental	\$67,000	\$67,000	\$67,360	\$360
Total Revenues	<u>67,000</u>	<u>67,000</u>	<u>67,360</u>	<u>360</u>
EXPENDITURES:				
Transportation	80,000	115,613	115,613	0
Total Expenditures	<u>80,000</u>	<u>115,613</u>	<u>115,613</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	(13,000)	(48,613)	(48,253)	360
FUND BALANCE BEGINNING OF YEAR	<u>78,805</u>	<u>78,805</u>	<u>78,805</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$65,805</u>	<u>\$30,192</u>	<u>\$30,552</u>	<u>\$360</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, 2005

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES:				
Special Assessments	<u>\$31,500</u>	<u>\$31,500</u>	<u>\$54,007</u>	<u>\$22,507</u>
Total Revenues	<u>31,500</u>	<u>31,500</u>	<u>54,007</u>	<u>22,507</u>
EXPENDITURES:				
Community Environment	<u>55,700</u>	<u>55,700</u>	<u>51,256</u>	<u>4,444</u>
Total Expenditures	<u>55,700</u>	<u>55,700</u>	<u>51,256</u>	<u>4,444</u>
NET CHANGE IN FUND BALANCE	(24,200)	(24,200)	2,751	26,951
FUND BALANCE BEGINNING OF YEAR	30,186	30,186	30,186	0
Prior Year Encumbrances Appropriated	<u>5,258</u>	<u>5,258</u>	<u>5,258</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$11,244</u>	<u>\$11,244</u>	<u>\$38,195</u>	<u>\$26,951</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, 2005

	<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>\$4,500</u>	<u>\$4,500</u>	<u>\$3,249</u>	<u>(\$1,251)</u>
Total Revenues	<u>4,500</u>	<u>4,500</u>	<u>3,249</u>	<u>(1,251)</u>
EXPENDITURES:				
Capital Outlay	<u>25,000</u>	<u>25,000</u>	<u>0</u>	<u>25,000</u>
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>0</u>	<u>25,000</u>
NET CHANGE IN FUND BALANCE	(20,500)	(20,500)	3,249	23,749
FUND BALANCE BEGINNING OF YEAR	<u>28,724</u>	<u>28,724</u>	<u>28,724</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$8,224</u>	<u>\$8,224</u>	<u>\$31,973</u>	<u>\$23,749</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, 2005

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES:				
Fines and Forfeitures	<u>\$39,000</u>	<u>\$39,000</u>	<u>\$39,869</u>	<u>\$869</u>
Total Revenues	<u>39,000</u>	<u>39,000</u>	<u>39,869</u>	<u>869</u>
EXPENDITURES:				
General Government	<u>75,000</u>	<u>75,000</u>	<u>50,000</u>	<u>25,000</u>
Total Expenditures	<u>75,000</u>	<u>75,000</u>	<u>50,000</u>	<u>25,000</u>
NET CHANGE IN FUND BALANCE	(36,000)	(36,000)	(10,131)	25,869
FUND BALANCE BEGINNING OF YEAR	<u>270,885</u>	<u>270,885</u>	<u>270,885</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$234,885</u>	<u>\$234,885</u>	<u>\$260,754</u>	<u>\$25,869</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, 2005

	<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>\$145,000</u>	<u>\$145,000</u>	<u>\$128,714</u>	<u>(\$16,286)</u>
Total Revenues	<u>145,000</u>	<u>145,000</u>	<u>128,714</u>	<u>(16,286)</u>
EXPENDITURES:				
General Government	<u>44,063</u>	<u>94,063</u>	<u>143,070</u>	<u>(49,007)</u>
Capital Outlay	<u>900,000</u>	<u>900,000</u>	<u>265,125</u>	<u>634,875</u>
Total Expenditures	<u>944,063</u>	<u>994,063</u>	<u>408,195</u>	<u>585,868</u>
Excess of Revenues Over (Under) Expenditures	<u>(799,063)</u>	<u>(849,063)</u>	<u>(279,481)</u>	<u>569,582</u>
OTHER FINANCING SOURCES (USES):				
Transfers Out	<u>0</u>	<u>0</u>	<u>(540,653)</u>	<u>(540,653)</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(540,653)</u>	<u>(540,653)</u>
NET CHANGE IN FUND BALANCE	<u>(799,063)</u>	<u>(849,063)</u>	<u>(820,134)</u>	<u>28,929</u>
FUND BALANCE BEGINNING OF YEAR	<u>980,108</u>	<u>980,108</u>	<u>980,108</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$181,045</u>	<u>\$131,045</u>	<u>\$159,974</u>	<u>\$28,929</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, 2005

	<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>\$200,000</u>	<u>\$200,000</u>	<u>\$208,033</u>	<u>\$8,033</u>
Total Revenues	<u>200,000</u>	<u>200,000</u>	<u>208,033</u>	<u>8,033</u>
EXPENDITURES:				
General Government	<u>0</u>	<u>25,000</u>	<u>15,000</u>	<u>10,000</u>
Total Expenditures	<u>0</u>	<u>25,000</u>	<u>15,000</u>	<u>10,000</u>
Excess of Revenues Over (Under) Expenditures	200,000	175,000	193,033	18,033
OTHER FINANCING SOURCES (USES):				
Transfers Out	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	0	(25,000)	(6,967)	18,033
FUND BALANCE BEGINNING OF YEAR	<u>189,277</u>	<u>189,277</u>	<u>189,277</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$189,277</u>	<u>\$164,277</u>	<u>\$182,310</u>	<u>\$18,033</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, 2005

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE <u>(NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
REVENUES:				
Charges for Services	<u>\$9,000</u>	<u>\$9,000</u>	<u>\$10,800</u>	<u>\$1,800</u>
Total Revenues	<u>9,000</u>	<u>9,000</u>	<u>10,800</u>	<u>1,800</u>
EXPENDITURES:				
Community Environment	<u>25,000</u>	<u>25,000</u>	<u>3,990</u>	<u>21,010</u>
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>3,990</u>	<u>21,010</u>
NET CHANGE IN FUND BALANCE	(16,000)	(16,000)	6,810	22,810
FUND BALANCE BEGINNING OF YEAR	<u>37,287</u>	<u>37,287</u>	<u>37,287</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$21,287</u>	<u>\$21,287</u>	<u>\$44,097</u>	<u>\$22,810</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, 2005

	<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>\$21,000</u>	<u>\$26,570</u>	<u>\$28,975</u>	<u>\$2,405</u>
Total Revenues	<u>21,000</u>	<u>26,570</u>	<u>28,975</u>	<u>2,405</u>
EXPENDITURES:				
Security of Persons and Property	<u>42,786</u>	<u>50,067</u>	<u>46,049</u>	<u>4,018</u>
Total Expenditures	<u>42,786</u>	<u>50,067</u>	<u>46,049</u>	<u>4,018</u>
Excess of Revenues Over (Under) Expenditures	(21,786)	(23,497)	(17,074)	6,423
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	(11,786)	(13,497)	(7,074)	6,423
FUND BALANCE BEGINNING OF YEAR	<u>17,643</u>	<u>17,643</u>	<u>17,643</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$5,857</u>	<u>\$4,146</u>	<u>\$10,569</u>	<u>\$6,423</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, 2005

	<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>\$526,743</u>	<u>\$526,743</u>	<u>\$559,017</u>	<u>\$32,274</u>
Total Revenues	<u>526,743</u>	<u>526,743</u>	<u>559,017</u>	<u>32,274</u>
EXPENDITURES:				
Security of Persons and Property	600,000	600,000	521,290	78,710
General Government	<u>18,000</u>	<u>18,000</u>	<u>16,859</u>	<u>1,141</u>
Total Expenditures	<u>618,000</u>	<u>618,000</u>	<u>538,149</u>	<u>79,851</u>
NET CHANGE IN FUND BALANCE	(91,257)	(91,257)	20,868	112,125
FUND BALANCE BEGINNING OF YEAR	<u>411,948</u>	<u>411,948</u>	<u>411,948</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$320,691</u>	<u>\$320,691</u>	<u>\$432,816</u>	<u>\$112,125</u>

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL
FUTURE RETIREMENT RESERVE FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES:				
Other	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXPENDITURES:				
General Government	20,000	20,000	22,150	(2,150)
Security of Persons	<u>232,615</u>	<u>232,615</u>	<u>207,595</u>	<u>25,020</u>
Total Expenditures	<u>252,615</u>	<u>252,615</u>	<u>229,745</u>	<u>22,870</u>
Excess of Revenues Over (Under) Expenditures	(252,615)	(252,615)	(229,745)	22,870
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>225,000</u>	<u>225,000</u>	<u>225,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>225,000</u>	<u>225,000</u>	<u>225,000</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	(27,615)	(27,615)	(4,745)	22,870
FUND BALANCE BEGINNING OF YEAR	<u>424,755</u>	<u>424,755</u>	<u>424,755</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$397,140</u>	<u>\$397,140</u>	<u>\$420,010</u>	<u>\$22,870</u>

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL
RAILROAD GRADE CROSSING FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	<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>\$100</u>	<u>\$100</u>	<u>\$0</u>	<u>(\$100)</u>
Total Revenues	<u>100</u>	<u>100</u>	<u>0</u>	<u>(100)</u>
EXPENDITURES:				
Security of Persons and Property	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	100	100	0	(100)
FUND BALANCE BEGINNING OF YEAR	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$100</u>	<u>\$100</u>	<u>\$0</u>	<u>(\$100)</u>

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL
SPECIAL ASSESSMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>(NEGATIVE)</u>
REVENUES:				
Special Assessments	<u>\$160,000</u>	<u>\$160,000</u>	<u>\$191,240</u>	<u>\$31,240</u>
Total Revenues	<u>160,000</u>	<u>160,000</u>	<u>191,240</u>	<u>31,240</u>
EXPENDITURES:				
General Government	20,000	20,000	5,734	14,266
Debt Service				
Principal	142,288	142,288	142,288	0
Interest	<u>37,946</u>	<u>37,946</u>	<u>37,946</u>	<u>0</u>
Total Expenditures	<u>200,234</u>	<u>200,234</u>	<u>185,968</u>	<u>14,266</u>
Excess of Revenues Over (Under) Expenditures	(40,234)	(40,234)	5,272	45,506
OTHER FINANCING SOURCES (USES):				
Transfer Out	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	(140,234)	(140,234)	(94,728)	45,506
FUND BALANCE BEGINNING OF YEAR	<u>501,839</u>	<u>501,839</u>	<u>501,839</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$361,605</u>	<u>\$361,605</u>	<u>\$407,111</u>	<u>\$45,506</u>

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN FUND EQUITY - BUDGET(Non-GAAP Basis) AND ACTUAL
WORKERS' COMPENSATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>(NEGATIVE)</u>
REVENUES:				
Interest Income	\$10,000	\$10,000	\$20,129	\$10,129
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>20,129</u>	<u>10,129</u>
EXPENSES:				
Other	<u>150,000</u>	<u>150,000</u>	<u>0</u>	<u>150,000</u>
Total Expenses	<u>150,000</u>	<u>150,000</u>	<u>0</u>	<u>150,000</u>
NET CHANGE IN FUND BALANCE	(140,000)	(140,000)	20,129	160,129
FUND EQUITY BEGINNING OF YEAR	<u>680,013</u>	<u>680,013</u>	<u>680,013</u>	<u>0</u>
FUND EQUITY END OF YEAR	<u>\$540,013</u>	<u>\$540,013</u>	<u>\$700,142</u>	<u>\$160,129</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, 2005

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES:				
Miscellaneous	<u>\$5,000</u>	<u>\$5,000</u>	<u>\$8,258</u>	<u>\$3,258</u>
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>8,258</u>	<u>3,258</u>
FUND BALANCE BEGINNING OF YEAR	<u>177,392</u>	<u>177,392</u>	<u>177,392</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$182,392</u>	<u>\$182,392</u>	<u>\$185,650</u>	<u>\$3,258</u>

Asset Schedules

Capital Assets Used in the Operation of Governmental Funds

CITY OF WILLOUGHBY, OHIO
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULE BY SOURCE
DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
GOVERNMENTAL FUNDS CAPITAL ASSETS:		
Land	\$7,747,450	\$7,747,450
Building	18,983,536	13,536,853
Improvements	15,003,414	14,944,360
Machinery and Equipment	10,966,473	10,354,722
Infrastructure	30,124,918	28,557,662
Construction in Progress	<u>6,650,739</u>	<u>7,963,907</u>
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	<u>\$89,476,530</u>	<u>\$83,104,954</u>
INVESTMENT IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE:		
General Fund	\$2,078,868	\$2,040,339
Special Revenue Funds	1,757,076	1,356,749
Grant Funds	239,668	86,458
Capital Projects Fund	64,628,137	59,780,076
Donations	17,965,804	17,034,355
Special Assessments Fund	<u>2,806,977</u>	<u>2,806,977</u>
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	<u>\$89,476,530</u>	<u>\$83,104,954</u>

CITY OF WILLOUGHBY, OHIO
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
DECEMBER 31, 2005

	<u>TOTAL</u>	<u>LAND</u>	<u>BUILDINGS</u>	<u>IMPROVEMENTS</u>	<u>MACHINERY AND EQUIPMENT</u>	<u>INFRASTRUCTURE</u>	<u>CONSTRUCTION IN PROGRESS</u>
GENERAL GOVERNMENT							
Legislative	\$1,437	\$0	\$0	\$0	\$1,437	\$0	\$0
Mayor	47,667	0	0	0	47,667	0	0
Legal	8,381	0	0	0	8,381	0	0
Personnel	4,577	0	0	0	4,577	0	0
Civil Service	3,781	0	0	0	3,781	0	0
Public Works Administration	95,507	3,820	0	0	91,687	0	0
Municipal Court	6,398,018	0	5,444,622	147,455	751,995	0	53,946
Vehicle Maintenance	181,077	0	0	0	181,077	0	0
Finance	217,068	0	0	2,510	106,311	0	108,247
Lands & Buildings	842,552	0	595,211	145,079	102,262	0	0
General Admin. Support	<u>4,042,701</u>	<u>2,796,180</u>	<u>963,417</u>	<u>22,177</u>	<u>227,172</u>	<u>0</u>	<u>33,755</u>
TOTAL	<u>11,842,766</u>	<u>2,800,000</u>	<u>7,003,250</u>	<u>317,221</u>	<u>1,526,347</u>	<u>0</u>	<u>195,948</u>
SECURITY OF PERSONS AND PROPERTY							
Police Law Enforcement	4,428,038	22,360	1,827,573	148,537	2,429,568	0	0
Fire Control	<u>9,943,277</u>	<u>170,000</u>	<u>6,455,833</u>	<u>0</u>	<u>3,317,444</u>	<u>0</u>	<u>0</u>
TOTAL	<u>14,371,315</u>	<u>192,360</u>	<u>8,283,406</u>	<u>148,537</u>	<u>5,747,012</u>	<u>0</u>	<u>0</u>
PUBLIC HEALTH AND WELFARE							
Cemetery	<u>361,400</u>	<u>115,495</u>	<u>25,824</u>	<u>44,320</u>	<u>175,761</u>	<u>0</u>	<u>0</u>
TOTAL	<u>361,400</u>	<u>115,495</u>	<u>25,824</u>	<u>44,320</u>	<u>175,761</u>	<u>0</u>	<u>0</u>
COMMUNITY ENVIRONMENT							
Building & Zoning	103,260	0	0	1,671	101,589	0	0
Economic Development	<u>108,769</u>	<u>0</u>	<u>30,143</u>	<u>70,084</u>	<u>8,542</u>	<u>0</u>	<u>0</u>
TOTAL	<u>212,029</u>	<u>0</u>	<u>30,143</u>	<u>71,755</u>	<u>110,131</u>	<u>0</u>	<u>0</u>
LEISURE TIME							
Administration	345,252	66,632	221,989	1,078	55,553	0	0
Recreation Programs	36,709	0	0	0	36,709	0	0
Senior Citizens	243,181	0	15,958	26,673	200,550	0	0
Parks & Playgrounds	4,169,105	315,452	1,310,770	1,842,115	609,530	90,687	551
Swimming Facilities	<u>3,142,990</u>	<u>0</u>	<u>70,800</u>	<u>2,915,629</u>	<u>156,561</u>	<u>0</u>	<u>0</u>
TOTAL	<u>7,937,237</u>	<u>382,084</u>	<u>1,619,517</u>	<u>4,785,495</u>	<u>1,058,903</u>	<u>90,687</u>	<u>551</u>
TRANSPORTATION							
Street Maint. & Repair	37,783,923	4,220,621	1,806,974	820,086	2,185,707	22,317,086	6,433,449
Traffic Signs & Signals	<u>1,740,535</u>	<u>4,260</u>	<u>85,802</u>	<u>0</u>	<u>147,412</u>	<u>1,495,740</u>	<u>7,321</u>
TOTAL	<u>39,524,458</u>	<u>4,224,881</u>	<u>1,892,776</u>	<u>820,086</u>	<u>2,333,119</u>	<u>23,812,826</u>	<u>6,440,770</u>
BASIC UTILITY SERVICE							
Storm Water - Collection	15,071,225	20,350	0	8,816,000	0	6,221,405	13,470
Solid Waste - Collection	<u>156,100</u>	<u>12,280</u>	<u>128,620</u>	<u>0</u>	<u>15,200</u>	<u>0</u>	<u>0</u>
TOTAL	<u>15,227,325</u>	<u>32,630</u>	<u>128,620</u>	<u>8,816,000</u>	<u>15,200</u>	<u>6,221,405</u>	<u>13,470</u>
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	<u>\$89,476,530</u>	<u>\$7,747,450</u>	<u>\$18,983,536</u>	<u>\$15,003,414</u>	<u>\$10,966,473</u>	<u>\$30,124,918</u>	<u>\$6,650,739</u>

CITY OF WILLOUGHBY, OHIO
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2005

	GOVERNMENTAL FUNDS CAPITAL ASSETS				GOVERNMENTAL FUNDS CAPITAL ASSETS
	01/01/05	ADDITIONS	TRANSFERS	DELETIONS	12/31/05
GENERAL GOVERNMENT					
Legislative	\$1,437	\$0	\$0	\$0	\$1,437
Mayor	47,667	0	0	0	47,667
Legal	8,381	0	0	0	8,381
Personnel	4,577	0	0	0	4,577
Civil Service	3,781	0	0	0	3,781
Public Works Administration	95,507	0	0	0	95,507
Municipal Court	2,509,920	5,349,666	(2,775)	(1,458,793)	6,398,018
Vehicle Maintenance	178,577	2,500	0	0	181,077
Finance	103,607	113,461	0	0	217,068
Lands & Buildings	842,552	0	0	0	842,552
General Admin. Support	<u>4,039,926</u>	<u>0</u>	<u>2,775</u>	<u>0</u>	<u>4,042,701</u>
TOTAL	<u>7,835,932</u>	<u>5,465,627</u>	<u>0</u>	<u>(1,458,793)</u>	<u>11,842,766</u>
SECURITY OF PERSONS AND PROPERTY					
Police Law Enforcement	4,246,377	183,406	0	(1,745)	4,428,038
Fire Control	<u>9,715,470</u>	<u>227,807</u>	<u>0</u>	<u>0</u>	<u>9,943,277</u>
TOTAL	<u>13,961,847</u>	<u>411,213</u>	<u>0</u>	<u>(1,745)</u>	<u>14,371,315</u>
PUBLIC HEALTH AND WELFARE					
Cemetery	<u>361,400</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>361,400</u>
TOTAL	<u>361,400</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>361,400</u>
COMMUNITY ENVIRONMENT					
Building & Zoning	103,260	0	0	0	103,260
Economic Development	<u>108,769</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>108,769</u>
TOTAL	<u>212,029</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>212,029</u>
LEISURE TIME					
Administration	342,297	2,955	0	0	345,252
Recreation Programs	36,709	0	0	0	36,709
Senior Citizens	235,020	11,583	0	(3,422)	243,181
Parks & Playgrounds	4,160,148	8,957	0	0	4,169,105
Swimming Facilities	<u>3,121,611</u>	<u>21,379</u>	<u>0</u>	<u>0</u>	<u>3,142,990</u>
TOTAL	<u>7,895,785</u>	<u>44,874</u>	<u>0</u>	<u>(3,422)</u>	<u>7,937,237</u>
TRANSPORTATION					
Street Maint. & Repair	35,870,101	1,913,822	0	0	37,783,923
Traffic Signs & Signals	<u>1,740,535</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,740,535</u>
TOTAL	<u>37,610,636</u>	<u>1,913,822</u>	<u>0</u>	<u>0</u>	<u>39,524,458</u>
BASIC UTILITY SERVICE					
Storm Water - Collection	15,071,225	0	0	0	15,071,225
Solid Waste - Collection	<u>156,100</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>156,100</u>
TOTAL	<u>15,227,325</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15,227,325</u>
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	<u>\$83,104,954</u>	<u>\$7,835,536</u>	<u>\$0</u>	<u>(\$1,463,960)</u>	<u>\$89,476,530</u>

THE CITY OF WILLOUGHBY, OHIO

Statistical 
INFORMATION



Statistical Section

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

Contents

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Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. 102-108

Revenue Capacity

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. 109-112

Debt Capacity

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. 113-117

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. 118-119

Operating Information

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. 120-122

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

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
GOVERNMENTAL ACTIVITIES				
Invested in Capital Assets, Net of Related Debt	\$ 36,040,109	\$ 40,931,168	\$ 39,876,454	\$ 41,775,054
Restricted For:				
Capital Projects	5,697,451	5,837,728	4,275,201	0
Debt Service	4,275,119	273,062	1,812,314	3,952,630
Other Purposes	2,674,081	1,532,116	2,128,717	1,994,616
Permanent Fund Purpose	158,408	167,340	177,502	185,650
Unrestricted (Deficit)	<u>9,282,482</u>	<u>8,415,071</u>	<u>7,514,212</u>	<u>7,737,633</u>
Total Governmental Activities Net Assets	<u>58,127,650</u>	<u>57,156,485</u>	<u>55,784,400</u>	<u>55,645,583</u>
BUSINESS-TYPE ACTIVITIES				
Invested in Capital Assets, Net of Related Debt	34,642,111	35,223,998	35,096,164	35,008,255
Restricted For:				
Equipment Replacement	558,381	510,868	456,940	456,973
Unrestricted (Deficit)	<u>(289,790)</u>	<u>(1,461,194)</u>	<u>(2,322,769)</u>	<u>(2,517,822)</u>
Total Business-type Activities Net Assets	<u>34,910,702</u>	<u>34,273,672</u>	<u>33,230,335</u>	<u>32,947,406</u>
PRIMARY GOVERNMENT				
Invested in Capital Assets, Net of Related Debt	70,682,220	76,155,166	74,972,618	76,783,309
Restricted For:				
Capital Projects	5,697,451	5,837,728	4,275,201	0
Debt Service	4,275,119	273,062	1,812,314	3,952,630
Equipment Replacement	558,381	510,868	456,940	456,973
Other Purposes	2,674,081	1,532,116	2,128,717	1,994,616
Permanent Fund Purpose	158,408	167,340	177,502	185,650
Unrestricted (Deficit)	<u>8,992,692</u>	<u>6,953,877</u>	<u>5,191,443</u>	<u>5,219,811</u>
Total Primary Government Net Assets	<u>\$ 93,038,352</u>	<u>\$ 91,430,157</u>	<u>\$ 89,014,735</u>	<u>\$ 88,592,989</u>

CITY OF WILLOUGHBY, OHIO

CHANGES IN NET ASSETS

LAST FOUR YEARS

(Accrual Basis of Accounting)

(continued on following page)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
PROGRAM REVENUES				
Governmental Activities				
Charges for Services:				
General Government	\$ 1,859,780	\$ 1,808,601	\$ 2,073,794	\$ 1,979,498
Security of Persons and Property	767,404	774,148	1,133,232	1,595,353
Public Health and Welfare	67,620	69,642	82,227	60,859
Community Environment	325,590	329,721	731,694	380,138
Leisure Time Activities	436,663	415,191	408,566	463,156
Transportation	980	850	1,416	1,360
Operating Grants, Contributions and Interest	986,298	78,071	56,572	51,133
Capital Grants and Contributions	<u>73,232</u>	<u>541,506</u>	<u>143,860</u>	<u>1,183,817</u>
Total Governmental Activities Program Revenues	<u>4,517,567</u>	<u>4,017,730</u>	<u>4,631,361</u>	<u>5,715,314</u>
Business-type Activities:				
Charges for Services:				
Golf Course	793,405	727,217	793,299	882,293
Sewer	3,185,803	3,320,402	3,532,603	3,858,155
Airport	153,950	164,347	179,783	180,788
Capital Grants and Contributions	<u>408,749</u>	<u>456,368</u>	<u>102,787</u>	<u>277,783</u>
Total Business-type Activities Program Revenues	<u>4,541,907</u>	<u>4,668,334</u>	<u>4,608,472</u>	<u>5,199,019</u>
Total Primary Government Program Revenues	<u>9,059,474</u>	<u>8,686,064</u>	<u>9,239,833</u>	<u>10,914,333</u>
EXPENSES				
Governmental Activities				
General Government	5,962,383	6,037,557	6,030,958	6,567,500
Security of Persons and Property	11,538,823	12,011,078	11,987,818	12,794,773
Public Health and Welfare	360,111	381,304	370,060	389,006
Community Environment	906,903	817,519	867,212	892,606
Leisure Time Activities	2,017,390	2,141,809	2,037,094	2,166,231
Transportation	2,892,787	2,992,462	2,853,179	2,964,409
Basic Utility Services	1,541,443	1,363,511	1,574,874	1,394,827
Interest and Fiscal Charges	<u>700,779</u>	<u>734,157</u>	<u>918,977</u>	<u>938,369</u>
Total Governmental Activities Expenses	<u>25,920,619</u>	<u>26,479,397</u>	<u>26,640,172</u>	<u>28,107,721</u>
Business-type Activities:				
Golf Course	790,733	885,864	900,161	858,629
Sewer	4,348,504	4,551,402	4,702,286	4,839,291
Airport	<u>570,955</u>	<u>679,595</u>	<u>693,580</u>	<u>593,947</u>
Total Business-type Activities Expenses	<u>5,710,192</u>	<u>6,116,861</u>	<u>6,296,027</u>	<u>6,291,867</u>
Total Primary Government Expenses:	<u>31,630,811</u>	<u>32,596,258</u>	<u>32,936,199</u>	<u>34,399,588</u>
NET (EXPENSE)/REVENUE				
Governmental Activities	(21,403,052)	(22,461,667)	(22,008,811)	(22,392,407)
Business-type Activities	<u>(1,168,285)</u>	<u>(1,448,527)</u>	<u>(1,687,555)</u>	<u>(1,092,848)</u>
Total Primary Government	<u>\$ (22,571,337)</u>	<u>\$ (23,910,194)</u>	<u>\$ (23,696,366)</u>	<u>\$ (23,485,255)</u>

CITY OF WILLOUGHBY, OHIO

CHANGES IN NET ASSETS

LAST FOUR YEARS

(Accrual Basis of Accounting)

(continued)

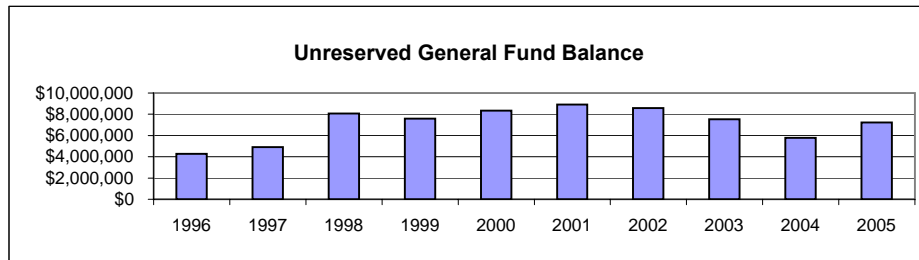
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS				
Governmental Activities:				
Property Taxes	\$ 3,542,044	\$ 3,406,795	\$ 3,908,020	\$ 3,694,441
Income Taxes	13,287,833	12,775,995	12,335,764	13,613,117
Unrestricted Grants, Entitlements and Contributions	3,072,611	3,827,506	3,979,013	4,270,153
Gain on Sale of Capital Assets	0	35,131	42,204	30,798
Investment Earnings	753,337	385,766	347,035	635,182
Miscellaneous	219,719	11,170	26,945	9,899
Transfers	0	0	(2,255)	0
Total Governmental Activities	<u>20,875,544</u>	<u>20,442,363</u>	<u>20,636,726</u>	<u>22,253,590</u>
Business-type Activities:				
Income Taxes	800,000	750,000	625,000	750,000
Investment Earnings	34,317	23,108	14,763	38,817
Miscellaneous	12,014	38,389	2,200	21,102
Transfers	0	0	2,255	0
Total Business-type Activities	<u>846,331</u>	<u>811,497</u>	<u>644,218</u>	<u>809,919</u>
Total Primary Government General Revenues and Other Changes in Net Assets	<u>21,721,875</u>	<u>21,253,860</u>	<u>21,280,944</u>	<u>23,063,509</u>
CHANGE IN NET ASSETS				
Governmental Activities	(527,508)	(2,019,304)	(1,372,085)	(138,817)
Business-type Activities	<u>(321,954)</u>	<u>(637,030)</u>	<u>(1,043,337)</u>	<u>(282,929)</u>
Total Primary Government Change in Net Assets	<u>\$ (849,462)</u>	<u>\$ (2,656,334)</u>	<u>\$ (2,415,422)</u>	<u>\$ (421,746)</u>

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

<u>Year</u>	<u>Municipal Income Taxes</u>	<u>Property and Other Local Taxes</u>	<u>Total</u>
2002	\$13,287,833	\$3,542,044	\$16,829,877
2003	\$12,775,995	\$3,406,795	\$16,182,790
2004	\$12,335,764	\$3,908,020	\$16,243,784
2005	\$13,613,117	\$3,694,441	\$17,307,558

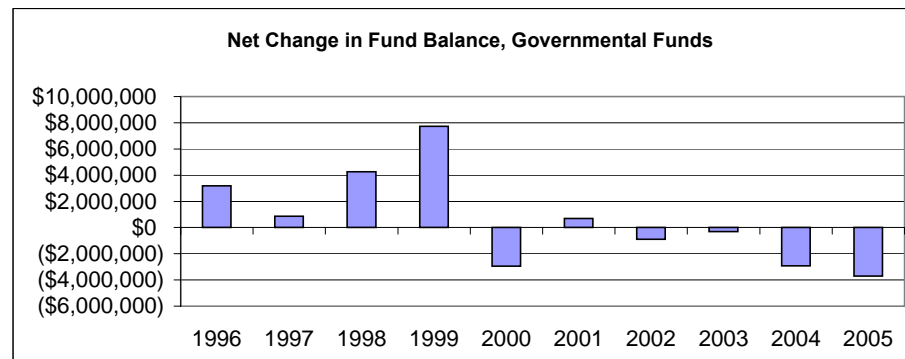
CITY OF WILLOUGHBY, OHIO
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS
(Modified Accrual Basis of Accounting)

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
GENERAL FUND										
Reserved	\$ 1,489,133	\$ 1,538,965	\$ 1,720,188	\$ 1,838,521	\$ 1,924,231	\$ 1,685,483	\$ 2,031,772	\$ 2,020,352	\$ 2,148,683	\$ 2,194,702
Unreserved	4,279,229	4,914,577	8,058,633	7,584,591	8,352,242	8,901,027	8,569,892	7,538,817	5,789,582	7,240,733
Total General Fund	5,768,362	6,453,542	9,778,821	9,423,112	10,276,473	10,586,510	10,601,664	9,559,169	7,938,265	9,435,435
CAPITAL PROJECTS FUND										
Reserved	1,063,839	526,366	949,725	7,129,709	1,668,299	982,294	3,858,118	892,368	4,103,741	1,261,618
Unreserved	(713,807)	2,800,004	2,440,975	4,200,015	5,599,781	6,067,075	1,796,861	4,947,920	178,595	(1,624,815)
Total Capital Projects Fund	350,032	3,326,370	3,390,700	11,329,724	7,268,080	7,049,369	5,654,979	5,840,288	4,282,336	(363,197)
GENERAL BOND RETIREMENT FUND										
Reserved	4,240,969	1,371,991	1,533,183	1,705,442	1,900,808	2,069,059	2,384,008	2,648,470	2,642,629	2,644,371
Total General Bond Retirement Fund	4,240,969	1,371,991	1,533,183	1,705,442	1,900,808	2,069,059	2,384,008	2,648,470	2,642,629	2,644,371
ALL OTHER GOVERNMENTAL FUNDS										
Reserved	582,953	857,582	850,388	782,476	707,671	906,527	934,738	815,740	758,684	843,431
Unreserved, Reported in Non-major:										
Special Revenue Funds	1,007,635	893,026	1,609,694	1,603,995	1,705,114	2,055,523	2,223,921	2,529,278	2,782,400	2,149,819
Permanent Funds	0	0	0	0	0	4,670	2,994	69,924	177,502	185,650
Total All Other Governmental Funds	1,590,588	1,750,608	2,460,082	2,386,471	2,412,785	2,966,720	3,161,653	3,414,942	3,718,586	3,178,900
Total Governmental Funds	\$ 11,949,951	\$ 12,902,511	\$ 17,162,786	\$ 24,844,749	\$ 21,858,146	\$ 22,671,658	\$ 21,802,304	\$ 21,462,869	\$ 18,581,816	\$ 14,895,509



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

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
REVENUES:										
Municipal Income Taxes	\$ 10,906,548	\$ 11,362,875	\$ 12,655,910	\$ 12,680,563	\$ 14,810,764	\$ 13,354,406	\$ 12,992,665	\$ 12,668,369	\$ 12,397,156	\$ 13,785,433
Property and Other Local Taxes	2,924,049	3,071,886	3,347,419	3,820,786	3,262,155	3,313,722	3,502,486	3,413,528	3,731,758	3,765,454
Intergovernmental	3,114,704	3,636,029	4,105,691	4,605,130	4,921,733	4,821,165	4,125,294	3,990,786	3,746,018	4,628,339
Charges for Services	283,473	309,218	359,546	379,439	465,399	510,914	546,521	653,144	1,247,253	1,494,868
Special Assessments	1,244,411	1,363,488	1,196,634	1,177,676	1,050,957	999,391	940,926	823,953	749,889	804,264
Fines and Forfeitures	1,235,771	1,490,389	1,394,239	1,411,399	1,743,858	1,792,593	1,960,853	1,919,942	2,206,786	2,093,376
Licenses & Permits	266,464	342,769	352,760	313,868	278,782	256,144	267,526	295,391	256,505	295,003
Interest Income	652,758	481,815	958,359	1,247,685	1,524,249	1,169,800	751,380	383,453	342,562	613,964
Miscellaneous	646,031	797,467	1,019,766	658,128	705,807	339,659	356,275	122,524	31,540	41,099
Total Revenues	21,274,209	22,855,936	25,390,324	26,294,674	28,763,704	26,557,794	25,443,926	24,271,090	24,709,467	27,521,800
EXPENDITURES:										
General Government	5,918,472	6,220,007	5,958,354	6,196,063	7,777,078	5,136,145	5,638,762	5,732,459	5,797,111	6,266,850
Security of Persons and Property	6,534,718	6,908,466	6,959,434	8,018,149	8,573,790	10,028,770	10,553,571	10,901,632	11,364,567	11,823,182
Public Health and Welfare	205,281	233,268	248,499	261,344	282,611	317,099	343,020	358,299	360,094	365,795
Community Environment	545,954	653,254	624,382	707,381	636,717	776,451	842,798	789,561	842,565	864,530
Leisure Time Activities	930,669	1,064,425	1,093,118	1,165,211	1,301,193	1,614,383	1,596,663	1,702,114	1,630,472	1,753,660
Transportation	1,151,561	1,200,164	984,836	1,239,257	1,366,847	1,485,855	1,633,448	1,706,108	1,521,732	1,671,763
Basic Utility Services	742,993	803,152	860,534	784,543	858,730	856,023	1,198,484	1,019,488	1,225,040	1,044,993
Capital Outlay	3,834,239	3,316,632	2,891,394	4,662,325	9,129,477	4,015,432	2,877,147	7,317,537	3,357,513	5,468,114
Debt Service:										
Principal	2,397,194	860,795	866,794	1,086,795	998,667	945,723	965,723	892,786	792,787	1,052,787
Interest	750,448	741,088	670,577	815,847	830,648	764,140	700,328	712,433	921,710	939,959
Total Expenditures	23,011,529	22,001,251	21,157,922	24,936,915	31,755,758	25,940,021	26,349,944	31,132,417	27,813,591	31,251,633
Excess of Revenues Over (Under) Expenditures	(1,737,320)	854,685	4,232,402	1,357,759	(2,992,054)	617,773	(906,018)	(6,861,327)	(3,104,124)	(3,729,833)
OTHER FINANCING SOURCES (USES)										
Transfers In	2,115,225	5,504,214	3,594,383	5,530,931	3,893,196	3,594,283	2,332,691	2,408,457	2,282,225	3,187,377
Transfers Out	(2,115,225)	(5,504,214)	(3,594,283)	(5,530,931)	(3,893,196)	(3,594,283)	(2,332,691)	(2,408,457)	(2,284,480)	(3,187,377)
Debt Issued	4,880,131	0	0	6,322,460	9,003	15,675	0	6,350,000	0	0
Sale of Capital Assets	40,821	12,784	34,020	41,896	26,825	48,771	16,949	198,438	195,544	30,798
Total Other Financing Sources (Uses)	4,920,952	12,784	34,120	6,364,356	35,828	64,446	16,949	6,548,438	193,289	30,798
Net Change in Fund Balances	\$ 3,183,632	\$ 867,469	\$ 4,266,522	\$ 7,722,115	\$ (2,956,226)	\$ 682,219	\$ (889,069)	\$ (312,889)	\$ (2,910,835)	\$ (3,699,035)
Debt Service as a Percentage of Noncapital Expenditures	16.41%	8.57%	8.42%	9.38%	8.08%	7.80%	7.10%	6.74%	7.01%	7.73%



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

<u>Year</u>	<u>Municipal Income Taxes</u>	<u>Property & Other Local Taxes</u>	<u>Total</u>
1996	\$10,906,548	\$2,924,049	\$13,830,597
1997	\$11,362,875	\$3,071,886	\$14,434,761
1998	\$12,655,910	\$3,347,419	\$16,003,329
1999	\$12,680,563	\$3,820,786	\$16,501,349
2000	\$14,810,764	\$3,262,155	\$18,072,919
2001	\$13,354,406	\$3,313,722	\$16,668,128
2002	\$12,992,665	\$3,502,486	\$16,495,151
2003	\$12,668,369	\$3,413,528	\$16,081,897
2004	\$12,397,156	\$3,731,758	\$16,128,914
2005	\$13,785,433	\$3,765,454	\$17,550,887

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

Tax Year	Total Tax Collected	Tax from Withholding	Tax from Net Profit	Tax from Individuals	Tax -Other	Tax Rate
2005	\$14,329,971	\$11,169,549	\$1,687,379	\$1,290,238	\$182,806	2.00%
2004	\$13,557,840	\$10,887,838	\$1,283,889	\$1,269,308	\$116,805	2.00%
2003	\$13,858,306	\$10,857,572	\$1,558,334	\$1,323,022	\$119,378	2.00%
2002	\$14,112,110	\$10,790,467	\$1,611,113	\$1,577,493	\$133,037	2.00%
2001	\$14,575,935	\$11,320,953	\$1,755,208	\$1,350,731	\$149,043	2.00%
2000	\$14,152,448	\$11,045,217	\$1,703,834	\$1,268,210	\$135,187	2.00%
1999	\$13,692,750	\$10,379,302	\$1,897,503	\$1,255,733	\$160,212	2.00%
1998	\$13,249,264	\$10,152,750	\$1,870,384	\$1,118,396	\$107,733	2.00%
1997	\$12,253,050	\$9,374,737	\$1,627,455	\$1,104,256	\$146,602	2.00%
1996	\$11,768,869	\$8,903,811	\$1,727,431	\$1,067,322	\$70,304	2.00%

Source: Central Collection Agency

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 Central Collection Agency.

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

2005		1996		
Rank	Name	2005 Rank	Rank	Name
1	Lake Hospital System	1	1	Lake Hospital System
2	Willoughby-Eastlake City Schools	2	2	Willoughby-Eastlake City Schools
3	General Electric Co.	3	3	General Electric Co.
4	City of Willoughby		4	Nupro Company
5	Swagelok Semiconductor Serv. Co.	4	5	City of Willoughby
6	Ohio Presbyterian -Breckenridge	9	6	Metal Seal & Products
7	Fluid Line Products Inc		7	Universal Screw
8	Bescast		8	Colpetzer-Thomas Inc.
9	Metal Seal & Products	7	9	Fluid Line Products Inc
10	Marous Brothers Construction Inc.		10	Ohio Permanente Medical

Source: Central Collection Agency

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				
1995/1996	\$232,593,290	\$145,241,020	\$64,686,327	\$41,423,260	\$401,097,377	6.55	\$1,070,167,652	37.48%
1996/1997	\$247,384,770	\$149,773,760	\$75,274,034	\$51,652,380	\$420,780,184	6.55	\$1,122,662,960	37.48%
1997/1998	\$284,661,380	\$148,235,870	\$80,742,082	\$51,665,420	\$461,973,912	6.29	\$1,240,176,208	37.25%
1998/1999	\$297,258,990	\$156,943,480	\$89,622,109	\$60,640,810	\$483,183,769	7.19	\$1,297,607,708	37.24%
1999/2000	\$305,560,840	\$162,392,700	\$88,382,847	\$65,567,120	\$490,769,267	7.19	\$1,320,039,284	37.18%
2000/2001	\$339,572,650	\$180,290,940	\$94,429,869	\$67,543,970	\$546,749,489	6.91	\$1,481,861,856	36.90%
2001/2002	\$349,405,640	\$181,886,770	\$100,628,958	\$70,953,600	\$560,967,768	6.91	\$1,523,217,763	36.83%
2002/2003	\$363,187,500	\$185,031,020	\$108,073,950	\$80,851,260	\$575,441,210	6.89	\$1,563,122,369	36.81%
2003/2004	\$416,371,940	\$204,180,670	\$85,187,771	\$71,339,550	\$634,400,831	6.79	\$1,879,188,798	33.76%
2004/2005	\$421,052,440	\$214,045,810	\$89,138,482	\$70,535,520	\$653,701,212	6.68	\$1,939,600,267	33.70%

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

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

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

Tax Year/ Collection Year	City of Willoughby Direct Rates						Overlapping Rates		Total Direct & Overlapping Rates
	General Fund	Debt Service Fund	Police Pension Fund	Fire Pension Fund	Recreation Fund	Total City Millage	Lake County	Willoughby/ Eastlake, Kirtland School Districts	
1995/1996	3.40	2.05	0.30	0.30	0.50	6.55	14.00	47.71 (1)	68.26
1996/1997	3.40	2.05	0.30	0.30	0.50	6.55	14.00	47.92 (1)	68.47
1997/1998	3.00	2.19	0.30	0.30	0.50	6.29	14.10	47.01 (1)	67.40
1998/1999	3.00	3.09	0.30	0.30	0.50	7.19	15.60	47.01 (1)	69.80
1999/2000	3.00	3.09	0.30	0.30	0.50	7.19	15.70	47.73 (2)	70.62
2000/2001	3.16	2.65	0.30	0.30	0.50	6.91	15.70	47.14 (2)	69.75
2001/2002	3.16	2.65	0.30	0.30	0.50	6.91	15.70	47.07 (2)	69.68
2002/2003	3.16	2.63	0.30	0.30	0.50	6.89	15.70	46.89 (2)	69.48
2003/2004	3.50	2.19	0.30	0.30	0.50	6.79	15.70	48.69 (2)	71.18
2004/2005	3.50	2.08	0.30	0.30	0.50	6.68	15.70	51.07 (2)	73.45

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

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

Source: Lake County Auditor's Office

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

Tax Year/ Collection Year	Net Tax Levy	Current Collections	Percentage of Current Collection to Net Levy	Delinquent Collections	Total Collections	Percentage of Total Collections to Net Levy
1995/1996	\$1,412,445	\$1,366,894	96.8%	\$28,059	\$1,394,953	98.8%
1996/1997	\$1,439,406	\$1,404,326	97.6%	\$36,972	\$1,441,298	100.1%
1997/1998	\$1,485,266	\$1,454,448	97.9%	\$19,102	\$1,473,550	99.2%
1998/1999	\$1,833,757	\$1,796,616	98.0%	\$36,811	\$1,833,427	100.0%
1999/2000	\$1,836,700	\$1,822,467	99.2%	\$33,461	\$1,855,928	101.0%
2000/2001	\$1,949,795	\$1,884,905	96.7%	\$34,991	\$1,919,896	98.5%
2001/2002	\$2,042,246	\$1,940,284	95.0%	\$61,636	\$2,103,882	103.0%
2002/2003	\$2,004,503	\$1,941,218	96.8%	\$44,057	\$1,985,275	99.0%
2003/2004	\$2,240,564	\$2,184,322	97.5%	\$50,360	\$2,234,682	99.7%
2004/2005	\$2,255,994	\$2,184,310	96.8%	\$58,281	\$2,242,591	99.4%

Source: Lake County Auditor's Office

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

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

<u>Year</u>	<u>GOVERNMENTAL ACTIVITIES</u>				<u>BUSINESS-TYPE ACTIVITIES</u>		<u>Total Primary Government</u>	<u>Percentage of Personal Income (1)</u>	<u>Per Capita (1)</u>
	<u>General Obligation Bonds</u>	<u>Special Assessment Bonds</u>	<u>OWDA & OPWC</u>	<u>Bond Antic & Notes Payable</u>	<u>Enterprise Bonds w/G.O. Commitment</u>	<u>OWDA & OPWC</u>			
1996	7,695,214	3,106,540	92,365	3,050,000	4,578,045	5,371,608	23,893,772	6.90%	1,123
1997	7,226,590	2,740,760	65,975	0	4,333,248	5,071,382	19,437,955	5.49%	894
1998	6,752,965	2,373,980	39,585	0	4,078,453	4,731,399	17,976,382	5.08%	827
1999	12,259,340	2,007,200	13,195	0	3,857,580	4,771,705	22,909,020	6.55%	1,066
2000	11,635,716	1,645,352	9,003	225,000	3,598,930	5,046,849	22,160,850	4.14%	980
2001	11,027,846	1,307,949	24,228	175,000	3,284,203	5,624,460	21,443,686	4.01%	948
2002	10,399,976	970,547	23,778	4,220,000	4,754,476	6,129,760	26,498,537	4.95%	1,171
2003	16,107,107	721,863	22,544	4,525,000	4,486,029	6,967,723	32,830,266	6.14%	1,451
2004	15,457,842	579,575	21,310	4,650,000	4,187,581	5,997,457	30,893,765	5.77%	1,366
2005	14,548,577	437,287	20,076	4,950,000	4,241,386	5,196,758	29,394,084	5.49%	1,299

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 118 for personal income and population data.

CITY OF WILLOUGHBY, OHIO
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN YEARS

<u>Year</u>	<u>General Obligation Bonds(1)</u>	<u>Less: Amounts Available in Debt Service Fund</u>	<u>Total</u>	<u>Percent of Estimated Actual Taxable Value of Property (2)</u>	<u>Per Capita (3)</u>
1996	\$9,157,579	\$4,240,465	\$4,917,114	0.46%	\$231
1997	\$8,592,565	\$1,370,108	\$7,222,457	0.64%	\$332
1998	\$8,022,550	\$87,105	\$7,935,445	0.64%	\$365
1999	\$13,471,458	\$97,729	\$13,373,729	1.03%	\$622
2000	\$12,775,716	\$137,838	\$12,637,878	0.96%	\$559
2001	\$12,057,845	\$149,263	\$11,908,582	0.80%	\$526
2002	\$11,319,976	\$312,866	\$11,007,110	0.72%	\$487
2003	\$16,912,107	\$424,206	\$16,487,901	1.05%	\$729
2004	\$16,142,842	\$264,877	\$15,877,965	0.84%	\$702
2005	\$15,108,577	\$113,013	\$14,995,564	0.77%	\$663

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

- (1) All bonded debt of the City of Willoughby is backed by the full faith and credit of the city. However, those issues that have been in the past and are currently supported by business-type activities or issued by outside agencies are not included in G O Bonds.
- (2) See the schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 110 for property value data.
- (3) Population data can be found in the schedule of Demographic and Economic Statistics on page 118.

CITY OF WILLOUGHBY, OHIO
DIRECT AND OVERLAPPING DEBT
DECEMBER 31, 2005
(UNAUDITED)

	<u>Assessed Valuation (1)</u>	<u>Net General Tax Supported Debt (2)</u>	<u>Percent Overlapping</u>	<u>Amount Applicable to City of Willoughby</u>
Direct:				
City of Willoughby	\$ 653,701,212	<u>\$ 15,108,577</u>	100.00%	<u>\$ 15,108,577</u>
Overlapping:				
Willoughby-Eastlake City Schools	\$ 1,757,440,250	\$ 1,710,000	36.42%	\$ 622,782
Kirtland Local School District	\$ 305,860,090	\$ 842,513	4.47%	\$ 37,660
Auburn Joint Vocational S.D.	\$ 2,320,738,099	\$ 0	0.59%	\$ 0
Lake County	\$ 6,346,048,449	<u>\$ 27,050,000</u>	10.30%	<u>\$ 2,786,398</u>
Total Overlapping		<u>\$ 29,602,513</u>		<u>\$ 3,446,840</u>
Total Direct and Overlapping Debt		<u><u>\$ 44,711,090</u></u>		<u><u>\$ 18,555,417</u></u>

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

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

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

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Overall Debt Limitation - 10.5% of Assessed Valuation	\$ 42,115,225	\$ 44,181,919	\$ 48,507,261	\$ 50,734,296	\$ 51,323,131	\$ 57,408,696	\$ 58,901,616	\$ 60,421,327	\$ 66,612,087	\$ 68,638,627
Net Debt Within 10.5% Limitations	9,157,579	8,592,565	8,022,550	13,471,458	12,775,716	12,057,846	11,319,976	16,912,107	16,142,842	15,108,577
Legal Debt Margin Within 10.5% Limitation*	<u>\$ 32,957,646</u>	<u>\$ 35,589,354</u>	<u>\$ 40,484,711</u>	<u>\$ 37,262,838</u>	<u>\$ 38,547,415</u>	<u>\$ 45,350,850</u>	<u>\$ 47,581,640</u>	<u>\$ 43,509,220</u>	<u>\$ 50,469,245</u>	<u>\$ 53,530,050</u>
Total Net Debt Applicable to the 10.5% Limit as a Percentage of the Debt Limit	21.74%	19.45%	16.54%	26.55%	24.89%	21.00%	19.22%	27.99%	24.23%	22.01%
Unvoted Debt Limitation - 5.5% of Assessed Valuation	\$ 22,060,356	\$ 23,142,910	\$ 25,408,565	\$ 26,575,107	\$ 26,883,545	\$ 30,071,222	\$ 30,853,227	\$ 31,649,267	\$ 34,892,046	\$ 35,953,567
Debt Within 5.5% Limitations	<u>8,157,194</u>	<u>7,714,325</u>	<u>7,266,455</u>	<u>6,852,508</u>	<u>6,400,716</u>	<u>5,897,846</u>	<u>5,379,976</u>	<u>11,197,107</u>	<u>10,662,842</u>	<u>9,868,577</u>
Legal Debt Margin Within 5.5% Limitation*	<u>\$ 13,903,162</u>	<u>\$ 15,428,585</u>	<u>\$ 18,142,110</u>	<u>\$ 19,722,599</u>	<u>\$ 20,482,829</u>	<u>\$ 24,173,376</u>	<u>\$ 25,473,251</u>	<u>\$ 20,452,160</u>	<u>\$ 24,229,204</u>	<u>\$ 26,084,990</u>
Total Debt Applicable to the 5.5% Limit as a Percentage of the Debt Limit	36.98%	33.33%	28.60%	25.79%	23.81%	19.61%	17.44%	35.38%	30.56%	27.45%

LEGAL DEBT MARGIN CALCULATION FOR 2005

Assessed Valuation	\$ 653,701,212
Overall Debt Limitation -(10.5% of Assessed Valuation)	\$ 68,638,627
Gross Indebtedness	29,394,084
Less :	
OWDA/OPWC	(5,216,834)
Special Assessment Bonds & Note	(5,387,287)
Sewer Debt	(841,386)
Recreation- Golf Debt	<u>(2,840,000)</u>
Net Debt Within 10.5% Limitations-General Obligation Bonds	15,108,577
Legal Debt Margin Within 10.5% Limitation	<u>\$ 53,530,050</u>
Unvoted Debt Limitation -(5.5% of Assessed Valuation)	\$ 35,953,567
Gross Indebtedness Authorized by Council	15,108,577
Less Debt Outside Limitations- Voted	<u>(5,240,000)</u>
Debt Within 5.5% Limitations	9,868,577
Legal Debt Margin Within 5.5% Limitation	<u>\$ 26,084,990</u>

* Calculated without regard to balance in Debt Service funds.

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

SPECIAL ASSESSMENT BONDS

<u>YEAR</u>	<u>SPECIAL ASSESSMENT</u>		<u>DEBT SERVICE</u>		<u>COVERAGE</u>
	<u>COLLECTIONS</u>		<u>PRINCIPAL</u>	<u>INTEREST</u>	
1996	\$ 645,855	\$	351,780	\$ 274,761	1.03
1997	\$ 808,657	\$	365,580	\$ 265,455	1.28
1998	\$ 660,448	\$	366,580	\$ 231,809	1.10
1999	\$ 556,570	\$	366,780	\$ 198,145	0.99
2000	\$ 532,839	\$	361,848	\$ 164,411	1.01
2001	\$ 488,793	\$	337,403	\$ 131,265	1.04
2002	\$ 426,697	\$	337,403	\$ 99,901	0.98
2003	\$ 320,762	\$	248,683	\$ 68,530	1.01
2004	\$ 204,149	\$	142,288	\$ 48,261	1.07
2005	\$ 191,240	\$	142,288	\$ 37,946	1.06

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

<u>Year</u>	<u>Total Population (1)</u>	<u>Total Personal Income (2)</u>	<u>Per Capita Personal Income (1)</u>	<u>Median Household Income (1)</u>	<u>Median Age (1)</u>	<u>Education Attainment: Bachelor's Degree or Higher (1)</u>	<u>School Enrollment (4)</u>	<u>Unemployment Rate (3)</u>	<u>Population in Group Quarters (1)</u>	<u>Total Dwelling Units</u>	<u>Occupied Dwelling Units Households</u>	<u>Persons Per/Owner Households</u>	<u>Owner Occupied Housing Units (%)</u>	<u>Occupied County Population</u>
1996	21,271	\$346,228,067	\$16,277	\$37,980	35.7	19.4%	3,285	4.0%	264	8,969	8,732	2.58	61.4	215,499
1997	21,734	353,764,318	\$16,277	\$37,980	35.7	19.4%	3,406	4.0%	264	8,969	8,732	2.58	61.4	215,499
1998	21,734	353,764,318	\$16,277	\$37,980	35.7	19.4%	3,439	3.6%	264	8,969	8,732	2.58	61.4	215,499
1999	21,494	349,857,838	\$16,277	\$37,980	35.7	19.4%	3,486	4.0%	264	8,969	8,732	2.58	61.4	215,499
2000	22,621	\$535,054,513	\$23,653	\$43,387	39.1	23.8%	3,412	3.6%	351	10,700	10,265	2.40	59.8	227,511
2001	22,621	\$535,054,513	\$23,653	\$43,387	39.1	23.8%	3,383	4.2%	351	10,700	10,265	2.40	59.8	227,511
2002	22,621	\$535,054,513	\$23,653	\$43,387	39.1	23.8%	3,367	6.1%	351	10,700	10,265	2.40	59.8	227,511
2003	22,621	\$535,054,513	\$23,653	\$43,387	39.1	23.8%	3,416	5.6%	351	10,700	10,265	2.40	59.8	227,511
2004	22,621	\$535,054,513	\$23,653	\$43,387	39.1	23.8%	3,471	5.4%	351	10,700	10,265	2.40	59.8	227,511
2005	22,621	\$535,054,513	\$23,653	\$43,387	39.1	23.8%	3,563	5.1%	351	10,700	10,265	2.40	59.8	227,511

(1) Source: U.S. Bureau of the Census 1990, 2000, & Interim Population Estimates from Lake County Planning Commission

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

(3) Source: Ohio Bureau of Employment Statistics

(4) Source: Willoughby-Eastlake School District

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

Employer	2005			1996		
	Employees(2)	Rank	Percentage of Total City Employment(3)	Employees(1)	Rank	Percentage of Total City Employment
Lake Hospital System (Lake West)	669	1	4.05%	890	1	NA
Willoughby-Eastlake City Schools	458	2	2.77%	390	2	NA
Ohio Presbyterian -Breckenridge	415	3	2.51%	330	4	NA
General Electric Co/Quartz Division	300	4	1.81%	250	5	NA
City of Willoughby	240	5	1.45%	235	7	NA
Marous Brothers Construction Inc.	230	6	1.39%			
Bescast	200	7	1.21%			
Deepwood Sheltered Industries	200	7	1.21%	200	10	NA
Lake Business Products	180	9	1.09%	104	15	NA
Metal Seal & Products	150	10	0.91%	250	5	NA
Lincoln Electric Company				332	3	NA
Nupro Company				220	8	NA
CT Consultants, Inc.				212	9	NA
Accurate Metal Machining Inc				200	10	NA
Total	<u>3042</u>			<u>3613</u>		
Citywide (3)			<u>16532</u>			NA

Source: (1) Harris Industrial Directory in cooperation with Ohio Department of Development
(2) Based on City records, individual company reporting, and Crain's Cleveland Business
(3) TeamNEO.org website (Northeast Ohio Regional Economic Development Consortium) 16,532 for 2005

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

Full-time Employees as of December 31

<u>FUNCTION/PROGRAM</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Governmental										
General Government										
Council	8	9	9	8	8	8	8	8	8	8
Mayor	2	2	2	2	2	2	2	2	2	2
Law	3	3	3	3	3	3	3	3	3	3
Personnel	2	2	2	1	1	1	1	1	1	1
Court	26	26	24	25	24	25	26	25	26	26
Building & Grounds	6	8	8	6	8	6	8	8	8	8
Finance	10	10	10	10	11	10	9	9	9	9
Service	7	7	6	6	6	6	6	6	6	6
Vehicle Maintenance	6	6	6	6	6	5	5	5	5	5
Security of Persons and Property										
Police	49	51	53	57	59	60	60	60	60	60
Fire	38	39	44	44	44	43	44	44	42	41
Public Health and Welfare										
Cemetery	3	3	3	3	3	3	3	3	2	2
Community Environment										
Building	7	8	8	8	8	8	8	8	8	8
Community Development	3	2	2	2	2	2	2	2	2	2
Leisure Time Activities										
Parks	5	5	4	5	5	4	5	5	5	5
Recreation	6	6	7	7	7	7	7	7	7	7
Transportation										
Street	15	14	16	16	16	16	15	15	13	12
Traffic	3	3	3	3	3	3	3	3	2	2
Total Governmental	<u>199</u>	<u>204</u>	<u>210</u>	<u>212</u>	<u>216</u>	<u>212</u>	<u>215</u>	<u>214</u>	<u>209</u>	<u>207</u>
Business-Type										
Sewer										
Sewer	7	7	7	7	7	7	7	7	7	7
WPCC	22	23	23	23	23	23	23	23	23	22
Airport	4	1	1	1	1	1	1	1	1	1
Golf Course	3	4	3	4	4	4	4	4	3	3
Total Business-Type	<u>36</u>	<u>35</u>	<u>34</u>	<u>35</u>	<u>35</u>	<u>35</u>	<u>35</u>	<u>35</u>	<u>34</u>	<u>33</u>
Totals	<u>235</u>	<u>239</u>	<u>244</u>	<u>247</u>	<u>251</u>	<u>247</u>	<u>250</u>	<u>249</u>	<u>243</u>	<u>240</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>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Governmental										
General Government										
Council - Ordinances & Resolutions	239	256	221	212	214	215	221	169	159	190
Personnel - Civil Service Exams (taken)	171	196	56	201	110	133	178	71	139	156
Court - Number of cases	17936	18209	18664	18094	18537	17367	20096	20059	21089	18984
Finance										
Number of A/P checks processed	N/A	8600	8395	8362	8814	9691	8308	8301	7739	7244
Number of purchase orders issued	N/A	1075	1053	1100	1116	1126	1046	1058	856	837
Security of Persons and Property										
Police										
Total Arrests	4373	4695	4775	5436	5405	7048	7391	6296	6632	5886
Parking Citations	946	1598	1895	1857	1707	NA	1745	1543	1696	1552
Fire										
Total Number of Calls	4055	3672	3764	4012	4112	3999	4213	4467	4375	4526
Public Health and Welfare										
Cemetery (plots sold)	50	56	68	57	43	59	68	72	90	60
Community Environment										
Building										
Building Permits Issued	959	1133	1095	1074	1039	961	1065	1100	1010	978
Inspections - Residential	3336	4485	4251	4022	4373	4057	4218	4696	3490	3438
Industrial	1465	2026	2998	2473	1983	1544	1652	1572	994	1260
Leisure Time Activities										
Parks - Bus Rides	6288	9414	7962	6332	6188	6244	4048	5236	5378	5616
Program Participants	1058	384	420	433	488	511	432	368	488	312
Pools - Bus Rides	2012	1962	3142	3007	1776	1887	1165	1448	discontinued	
Attendance	71414	56288	61374	56994	62094	75260	74414	60705	53860	71466
Seniors Center - Membership	1003	1373	1412	1773	1517	1285	1426	1219	1133	1095
- Attendance	16498	17728	21533	20409	20620	21134	22786	23316	22481	24948
Business-Type										
Sewer										
Sewer - Point of Sale Inspections	263	292	301	309	360	298	325	295	330	319
WPCC										
Flow Data MG (millions of gallons)	2814	2318	2241	23.5	2556	2369	2446	28.33	2558	2624
Golf Course										
Rounds of golf	NA	NA	NA	58458	50673	51009	44610	41856	41842	44930

Source: Various Willoughby Departments

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

FUNCTION/PROGRAM	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Governmental Capital Assets										
General Government										
Other Departmental Vehicles	36	38	40	43	44	43	43	40	40	40
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
Security of Persons and Property										
Police										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Number of Vehicles	24	24	24	24	25	28	29	31	31	32
Square Footage of Building	28,924	28,924	28,924	28,924	28,924	28,924	28,924	28,924	28,924	28,924
Fire										
Number of Stations	2	2	2	2	2	2	2	2	2	2
Number of Vehicles	18	18	18	17	17	17	15	15	16	16
Square Footage of Buildings	27,886	27,886	27,886	27,886	27,886	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	4	5	5	5	5	5	5	5	5	5
Leisure Time Activities										
Number of Parks	12	12	12	12	12	12	12	13	14	14
Parks Acreage	150	150	150	153	153	153	153	186	186	186
Number of Swimming Pools	1 large / 1 sm	1 large / 1 sm	1 large / 1 sm	2 large / 1sm	2 large / 1sm	2 large / 1sm	2 large / 1sm	2 large / 1sm	2 large / 1sm	2 large / 1sm
Number of Ballfields	15	15	15	15	15	15	15	21	21	21
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	10	13	13	14	14	14	14	13	13	13
Transportation										
Miles of Streets	80	80	80	80	80	80	80	89	89	89
Number of Street Lights	2,875	2,875	2,875	2,875	2,875	2,875	2,920	2,920	2,920	2,920
Number of Traffic Lights	354	354	354	354	354	354	354	354	354	354
Business-Type Capital Assets										
Sewers										
Miles of Sanitary Sewers	93	93	93	93	93	93	93	93	93	93
Miles of Storm Sewers	92	92	92	92	92	92	92	92	92	92
Airport										
Number of Runways	2	2	2	2	2	2	2	2	2	2
Golf Course										
Number of Holes	18	18	18	18	18	18	18	18	18	18
Number of Acres	141	141	141	141	141	141	141	141	141	141
Number of Vehicles	1	1	1	1	1	1	1	1	1	1

Source: Various Willoughby Departments
Municipal Court completed 2005

THE CITY OF WILLOUGHBY, OHIO



History, Family, Fun, Progress



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**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

CITY OF WILLOUGHBY

LAKE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 6, 2006**