



2021

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the year ended December 31, 2021

CITY OF WILLOUGHBY, OHIO

2021

ANNUAL COMPREHENSIVE FINANCIAL REPORT

for the year ended December 31, 2021

The City of **Willoughby, Ohio**

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

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Debbie Schreibman
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The City of
Willoughby, Ohio
Annual Comprehensive Financial Report
For the Year Ended December 31, 2021

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City of Willoughby

1 Public Square

Willoughby, OH 44094

(440) 951-2800

willoughbyohio.com

June 28, 2022

To the Mayor, Members of Council and
Residents of the City of Willoughby, Ohio:

The Annual Comprehensive Financial Report of the City of Willoughby for the fiscal year ended December 31, 2021 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 Rea & Associates, Inc. a firm of licensed certified public accountants. The goal of the audit was to provide reasonable assurance that the financial statements of the City for the year ended December 31, 2021, are free of material misstatement. The audit involved testing evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and the significant estimates made by management; and evaluation of the overall financial statement presentation. Based upon the audit, the independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended December 31, 2021, are fairly presented in conformity with GAAP. The Independent Auditor's Report is presented at the front of the financial section of this report.

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

PROFILE OF THE GOVERNMENT

The Village of Willoughby was incorporated in 1853 under laws of the State of Ohio. On June 19, 1951, a voter-approved charter became effective establishing the City of Willoughby and a Mayor-Council form of government. The City is 9.9 square miles and serves a population of 23,959. 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 and was re-elected to serve an additional term in November 2021.

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

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

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

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

LOCAL ECONOMY

The City's economic base is highly diversified. Willoughby is home to the eighth largest number of manufacturing firms in the State of Ohio. The City is home to companies including Multistack Bac LLC, Cast Nylons Company and Bescast Inc.

In addition to our significant manufacturing base, the City is also home to Lake Health, which has recently joined University Hospitals Health Systems, Inc. and should lead to on-going investments at the hospital.

The City has approved various incentives to companies expanding and/or relocating to the City. Process Technology an industry leader in the manufacturing of fluoropolymer, titanium and stainless-steel electric heaters, heat exchangers, in-line heaters and temperature controls moved their headquarters to Willoughby. Rimeco Products Inc., a world-class supplier of CNC machined aerospace components tripled its building size moving and remodeling a 40,000 square foot building in the City. Weston, a nationally recognized commercial and industrial developer acquired land adjacent to the Lake County Executive Airport and constructed a 130,000 square foot spec industrial building. It is estimated that this \$7.5 million project will attract 60-100 new jobs to Willoughby. Marous Brothers, an award-winning construction firm, now occupies a 35,000 square foot office headquarters as part of over 100,000 square foot campus on 6-acres. This \$8 million project is changing the face of Willoughby's Vine Street corridor.

The City also offers a full complement of commercial areas and retail establishments as well as a vital historic downtown. Several developments have continued to add homes. The City also approved Brookwood Crossing and the Standard, two townhome developments and Chagrin Mills Farm a new housing subdivision underway in 2021.

MAJOR INITIATIVES

The City completed construction of two major projects the WPCC Capacity Enhancement Project and East 364th/East 365th/Harvard Storm Sewer Replacement. The Storm Outfall projects were complete and Meadowlands and Ward Creek storm projects are moving ahead. Plans are also underway for the Lakeshore East Island Equalization Basin project where substantial Federal funding has been secured and engineering has begun for Grove/Ben Hur Storm Sewer.

Two shared ODOT road projects were committed to with payments in 2020. The resurfacing projects, Route 84/Johnnycake Ridge Road and Lakeshore Boulevard were nearly complete in 2021. These also include updated handicap access. The local share of these projects were funded through a tax levy provided by the voters of the City. This road levy was renewed in November 2021.

RELEVANT FINANCIAL POLICIES

The City had joined a consortium for its health care coverage in Dec 2019 and took over as fiscal agent in January 2021. Three-year union contracts expiring March 2022 are currently being renegotiated. Changes to nonunion termination sick payouts have already been made. Other employment policies and benefits and future personnel needs are also being reviewed.

LONG TERM FINANCIAL PLANNING

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

The City has been updating existing long-term facility and 25 year capital equipment plans as well as determining funding sources including grants, debt and other payment options. The review of sewer rates was completed and an increase to rates was approved in early 2022.

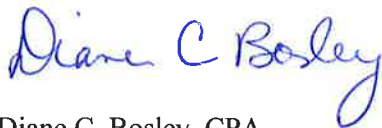
AWARDS & ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement of Excellence in Financial Reporting to the City of Willoughby for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2020. This was the 35th 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 Annual Comprehensive 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 Annual Comprehensive 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 Annual Comprehensive Financial Report 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.

Respectfully submitted,



Diane C. Bosley, CPA
Finance Director



Cherrilyn Hoffman
Deputy Finance Director

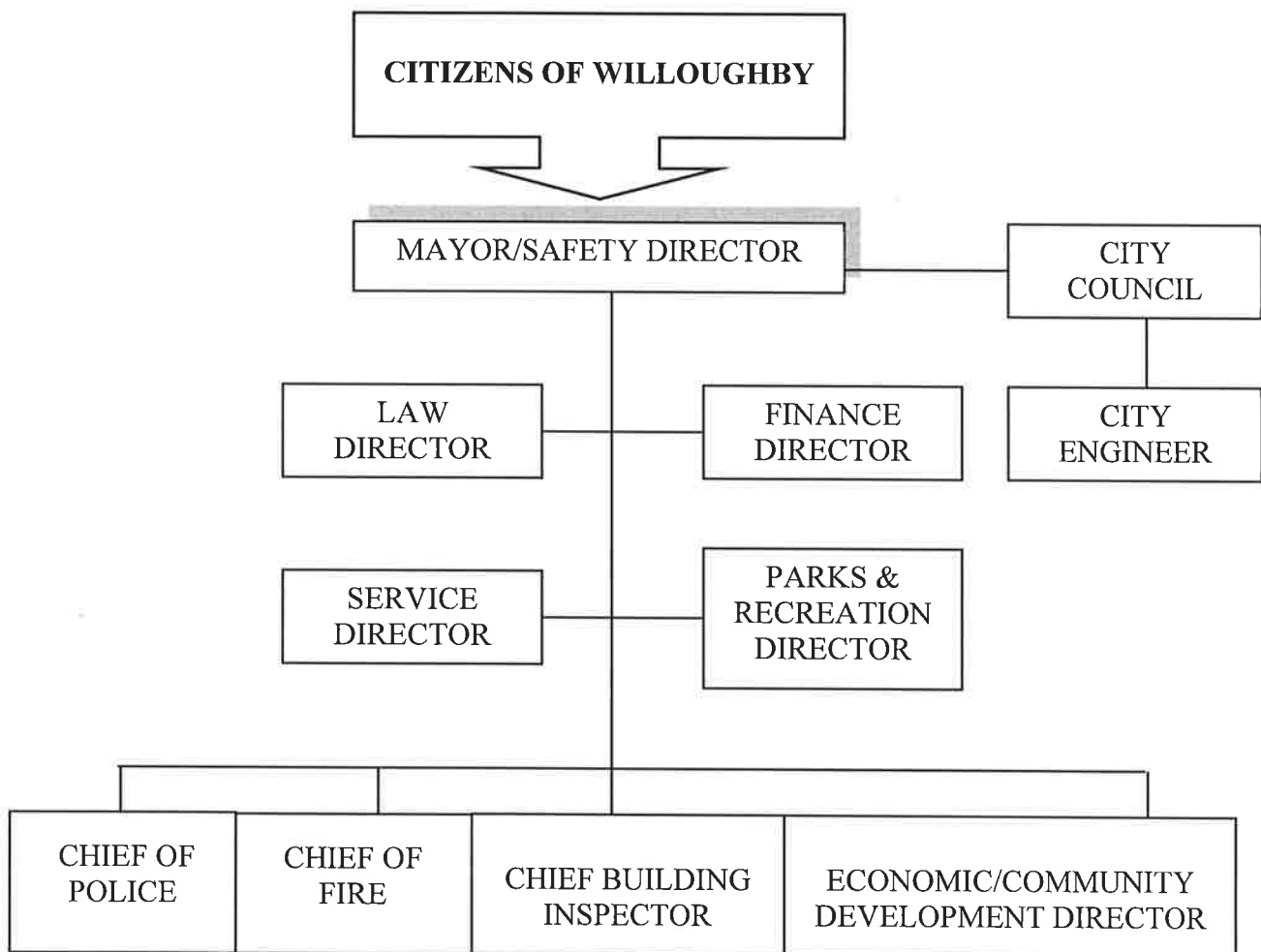


Enriched by its History . . .
Prepared for its Future



ORGANIZATIONAL CHART

The City of **Willoughby, Ohio**



ELECTED & APPOINTED OFFICIALS

The City of **Willoughby, Ohio**

Mayor
Robert A. Fiala

CITY COUNCIL

Ward 4
Robert E. Carr / President

Ward 1
Christopher W. Woodin

Ward 3
John Tomaselli

Ward 6
Daniel J. Garry

Ward 2
Ken J. Kary

Ward 5
Daniel J. Anderson

Council-At-Large
Katie McNeill

Director of Finance
Diane C. Bosley

Director of Public Service
Rich Palmisano

Director of Law
Michael C. Lucas

*Director of
Parks & Recreation*
Judean Banker



Government Finance Officers Association

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

Presented to

**City of Willoughby
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

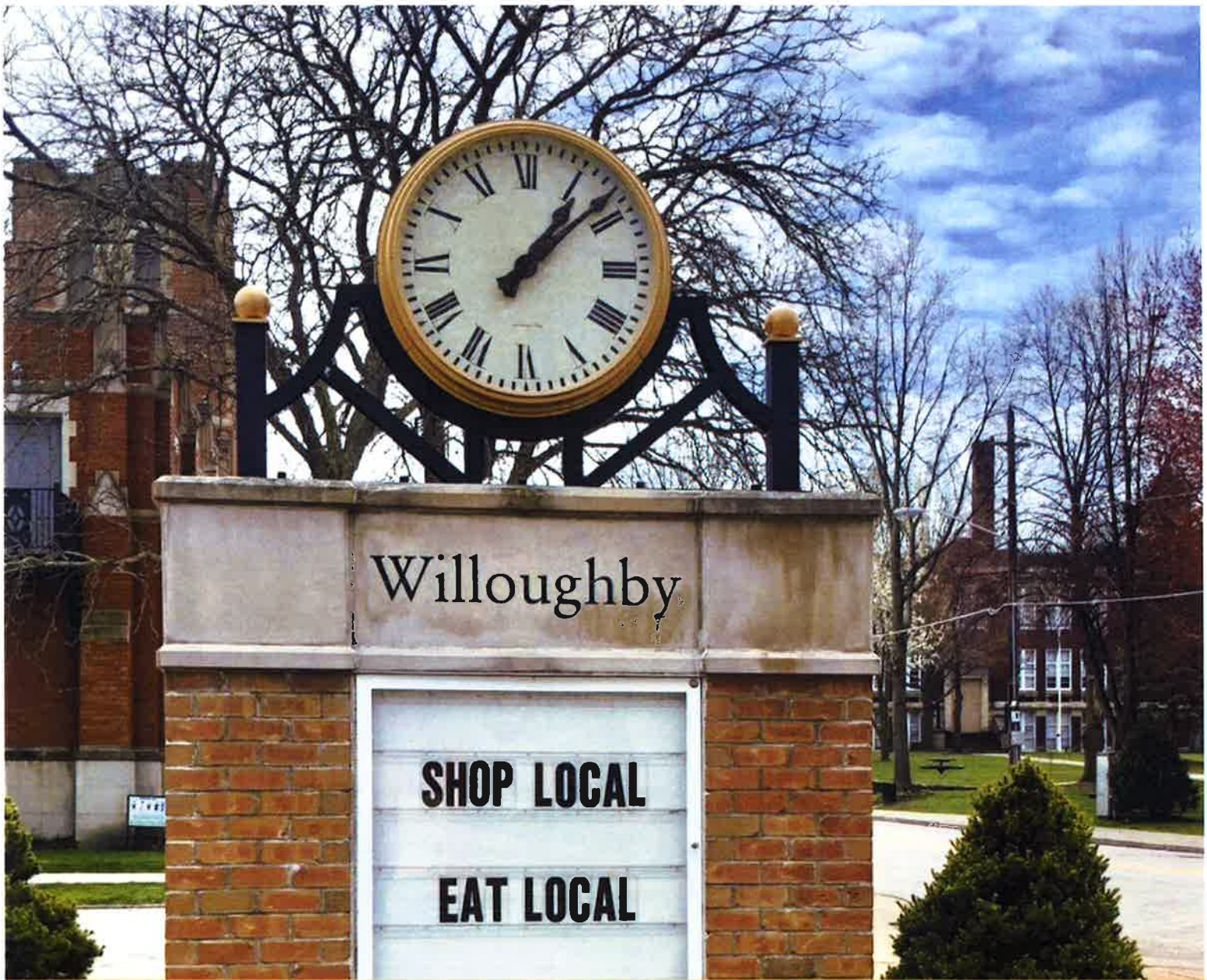
December 31, 2020

Christopher P. Morill

Executive Director/CEO



WILLOUGHBY



Financial Information



INDEPENDENT AUDITOR'S REPORT

To the Members of Council
City of Willoughby
Lake County, Ohio
One Public Square
Willoughby, OH 44094

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Willoughby, Lake County, Ohio (the City), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We have conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Audit Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financials statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

Rea & Associates, Inc.

Rea & Associates, Inc.
Medina, Ohio
June 28, 2022

CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
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, 2021. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers are encouraged to consider the information presented here in conjunction with the additional information contained in the transmittal letter, financial statements and the notes to those financial statements to enhance their understanding of the City's performance.

Financial Highlights

The assets and deferred outflows of resources of the City of Willoughby exceeded liabilities and deferred inflows by \$52,386,416. Assets and deferred outflows of resources in Governmental activities exceeded liabilities and deferred inflows of resources by \$26,142,008 and by \$26,244,408 in Business-Type activities. The total assets and deferred outflows of the City increased by \$501,812.

Total liabilities and deferred inflows of resources of the City of Willoughby decreased \$8,396,046 as compared to 2020. The total liabilities and deferred inflows of resources of governmental activities decreased by \$6,927,453 and the total liabilities and deferred inflows of business type-activities decreased by \$1,468,593.

As a result of the reporting requirements of GASB 68 and 75, the City is showing a deficit total net position unrestricted of \$24,371,312. The deficit decreased by \$5,905,287 in Governmental activities while Business-Type activities increased \$2,687,942 creating a surplus. More information regarding these reporting changes follows in this analysis.

The overall financial condition of the City reflects a growth of \$8,897,858 in comparing the net position of 2021 to 2020. Governmental Activities increased by \$6,818,594 while Business-Type activities increased by \$2,079,264.

Using This Annual Financial Report

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

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

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

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

CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
UNAUDITED

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

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

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

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

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

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

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

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

The City maintains 28 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and

CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
UNAUDITED

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

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

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/schedule (non-GAAP basis) has been provided for each governmental and proprietary fund to demonstrate budgetary compliance.

Proprietary Funds - The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Sewer fund and Golf Course fund. Internal Service Funds are an accounting device used to accumulate and allocate costs internally to the City's various functions. The City had one Internal Service Fund to account for workers' compensation coverage which was closed out in 2021.

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

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

Fiduciary Funds - are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources are not available to support the City's own programs. The City has only custodial funds to report within the fiduciary fund category. These funds use the accrual basis of accounting.

Notes to the Basic Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found starting on page 31 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, 2021
UNAUDITED

After the notes to the basic financial statements, this report presents required supplementary information concerning the City of Willoughby's proportionate share of net pension asset/liability and required pension contributions and net OPEB asset/liability and required OPEB contributions. Required supplementary information can be found starting on page 91.

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 98 of this report.

Government-wide Financial Analysis

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

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

The City of Willoughby as a Whole

By far, the largest portion of the City's net position, at 24.3% greater value, is its investment in capital assets (e.g. land, infrastructure, building, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses those capital assets to provide services to its citizens; consequently these assets are not available for future spending. Although the City's investment is reported net of related debt and any deferred outflows/inflows of resources, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities. The following table provides a summary of the City's net position for 2021 compared to 2020.

CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
UNAUDITED

	City of Willoughby's Net Position					
	Governmental Activities		Business-type Activities		Total Government	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 35,901,174	\$ 32,712,339	\$ 6,420,404	\$ 6,140,563	\$ 42,321,578	\$ 38,852,902
Capital assets	59,692,394	61,731,081	40,716,650	40,045,881	100,409,044	101,776,962
Total Assets	95,593,568	94,443,420	47,137,054	46,186,444	142,730,622	140,629,864
Total Deferred Outflows of Resources	6,923,849	8,182,856	405,246	745,185	7,329,095	8,928,041
Current and other liabilities	5,002,553	4,384,552	495,241	1,472,852	5,497,794	5,857,404
Long-term liabilities outstanding	57,150,122	67,503,990	19,008,278	20,365,788	76,158,400	87,869,778
Total Liabilities	62,152,675	71,888,542	19,503,519	21,838,640	81,656,194	93,727,182
Total Deferred Inflows of Resources	14,222,734	11,414,320	1,794,373	927,845	16,017,107	12,342,165
Net Position:						
Net Investment in						
Capital Assets	40,861,457	41,802,936	24,248,491	25,121,734	65,109,948	66,924,670
Restricted	10,503,038	8,648,252	1,144,742	880,177	11,647,780	9,528,429
Unrestricted (deficit)	(25,222,487)	(31,127,774)	851,175	(1,836,767)	(24,371,312)	(32,964,541)
Total Net Position	\$ 26,142,008	\$ 19,323,414	\$ 26,244,408	\$ 24,165,144	\$ 52,386,416	\$ 43,488,558

An additional portion of the City's net position, \$11,647,780 represents resources that have been restricted on how they may be used. The remaining balance of net position unrestricted may be used to meet the City's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the City reported a deficit for net position unrestricted of \$24,371,312.

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

CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
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City of Willoughby's Change in Net Position						
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program Revenues						
Charges for Services	\$ 5,486,333	\$ 4,478,347	\$ 6,843,441	\$ 6,097,572	\$ 12,329,774	\$ 10,575,919
Operating Grants & Contributions	1,913,966	4,147,605			1,913,966	4,147,605
Capital Grants & Contributions	561,571	2,163,520	225,660	229,491	787,231	2,393,011
General Revenues						
Municipal Income Taxes	19,734,824	17,810,021			19,734,824	17,810,021
Property & Other Local Taxes	4,467,374	4,278,073			4,467,374	4,278,073
Grants & Entitlements	2,009,678	1,672,414			2,009,678	1,672,414
Insurance - BWC Dividend	0	1,425,430			0	1,425,430
Investment Earnings	16,056	490,954	1,299	75,093	17,355	566,047
Miscellaneous	159,188	51,677	760	7,244	159,948	58,921
Total Revenues	34,348,990	36,518,041	7,071,160	6,409,400	41,420,150	42,927,441
Expenses						
General Government	4,881,043	7,873,378			4,881,043	7,873,378
Security of Persons & Property	16,102,868	17,907,356			16,102,868	17,907,356
Public Health & Welfare	421,409	540,277			421,409	540,277
Community Environment	659,318	1,326,173			659,318	1,326,173
Leisure Time Activities	1,410,709	1,851,880			1,410,709	1,851,880
Transportation	2,974,287	4,921,963			2,974,287	4,921,963
Basic Utility Services	524,508	674,193			524,508	674,193
Interest & Fiscal Charges	556,254	524,154			556,254	524,154
Golf Course			669,186	860,314	669,186	860,314
Sewer			4,322,710	5,788,260	4,322,710	5,788,260
Total Expenses	27,530,396	35,619,374	4,991,896	6,648,574	32,522,292	42,267,948
Transfers	0	(118,580)	0	118,580	0	0
Change in Net Position	6,818,594	780,087	2,079,264	(120,594)	8,897,858	659,493
Net Position Beginning of Year	19,323,414	18,543,327	24,165,144	24,285,738	43,488,558	42,829,065
Net Position End of Year	\$ 26,142,008	\$ 19,323,414	\$ 26,244,408	\$ 24,165,144	\$ 52,386,416	\$ 43,488,558

Governmental Activities

Income tax collections in governmental activities were up 10.81%. Grants and Entitlements increased over 20%. Investment earnings decreased by nearly 97% in 2021 as interest rates remained low throughout 2021. Capital Grants and Contributions decreased 74% in 2021 compared with 2020 as project activity slowed down in response to shortages in labor and rising costs of materials. Overall revenues decreased by 5.9% with a significant increase of 22.5% in Charges for Services and the absence of the large BWC Dividend received in 2020 of \$1,425,430.

Expenses in governmental activities decreased overall by 22.71%. In 2021, expenses continue to be reduced for changes in pension liability related to post-employment benefits for retirees in OPERS. All functions were impacted by these changes. The least effected was security of persons since the majority of those employees are Police & Fire Pension. The largest reduction of nearly 40% was in transportation primarily for the reduction in depreciation expense.

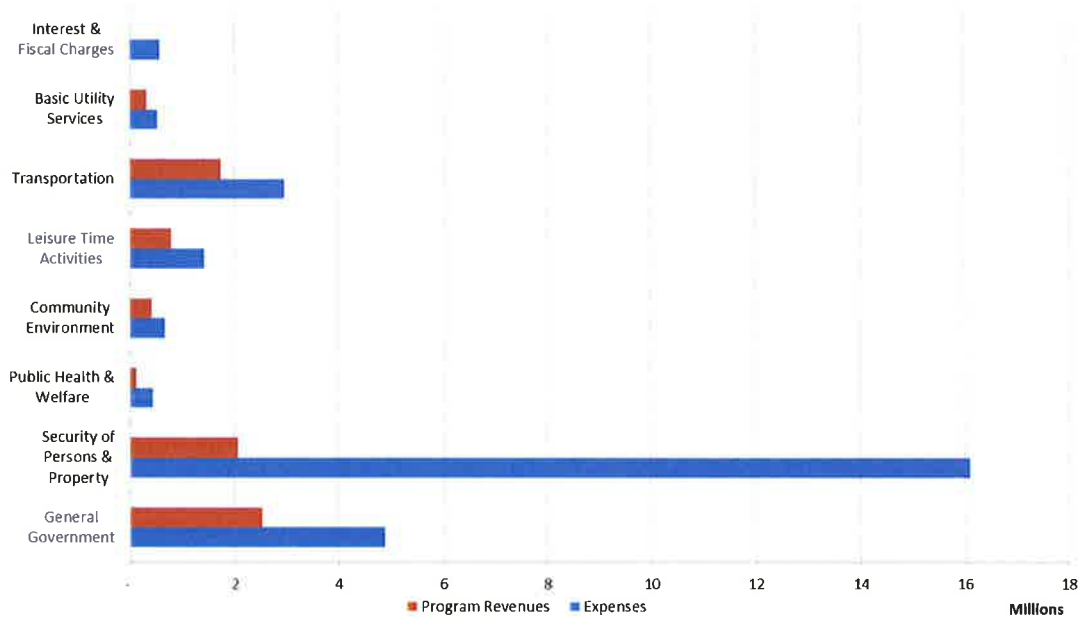
CITY OF WILLOUGHBY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS

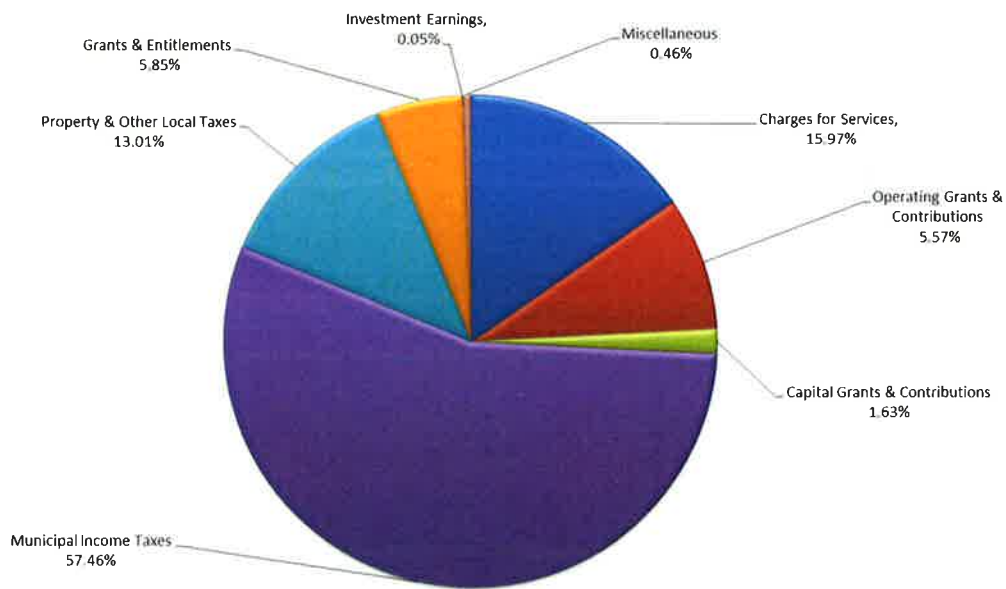
FOR THE YEAR ENDED DECEMBER 31, 2021

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Expenses & Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities

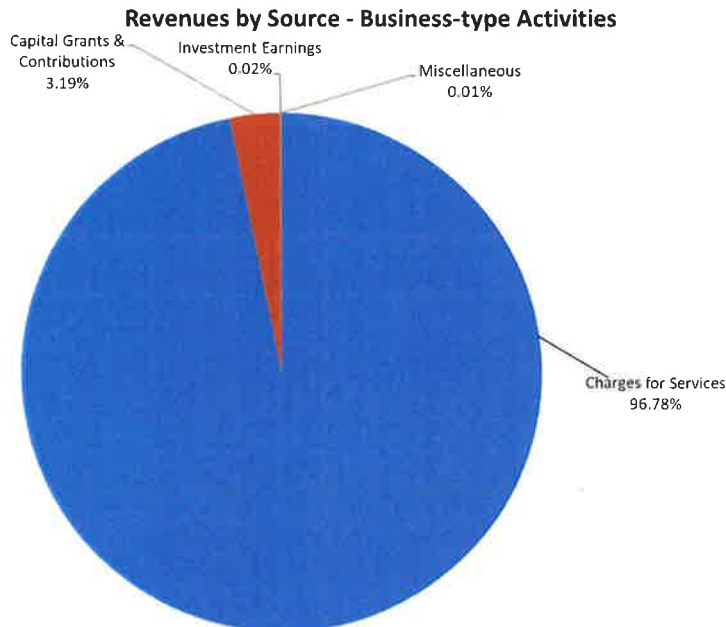
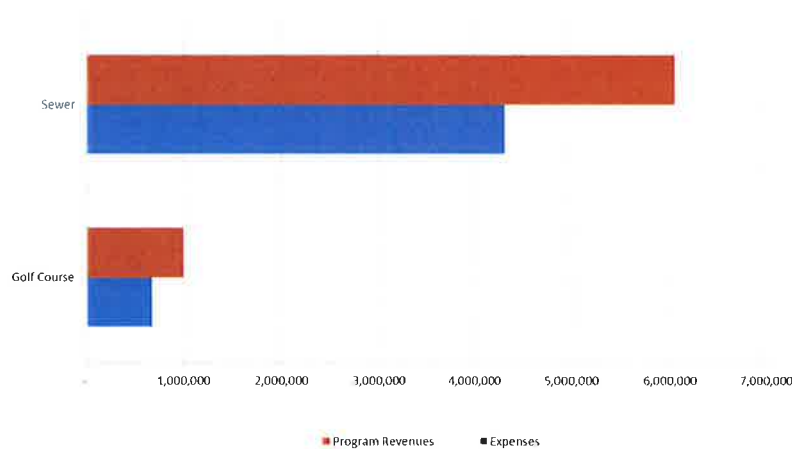


CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
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Business-Type Activities

Business-type activities account for just over 50% of the City of Willoughby's total net position. The Golf Course and Sewer funds saw significant increases in revenues in 2021. Capital Grants and Contributions decreased minimally in 2021 with less improvements and project funding. Business-type expenses decreased 24.9% overall in 2021 compared to 2020. Golf Course and Sewer expenses decreased 22.2% and 25.3% respectively.

Expenses and Program Revenues - Business-type Activities



CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
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Financial Analysis of the City of Willoughby's Funds

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

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

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

At the end of the current fiscal year, the City of Willoughby's governmental funds report combined ending fund balances of \$21,269,389. This is \$1,819,860 more than in 2020. General fund revenue was higher by nearly \$2.4 million in income tax collections and charge for services and expenditures were higher by \$2,566,169, with the majority of that in the areas of general government and security of persons. That in addition to transfers increasing by \$1.5 million contributed to fund balance slightly increasing by \$127,263 over 2020. The Capital Projects fund balance increased by \$1,252,654 with net transfers of \$1,756,000. The General Bond Retirement fund balance increased minimally. Nonspendable fund balance of \$820,069 includes interfund loans, prepaids, inventory, and cemetery investments. Fund balances in the amount of \$5,658,264 are restricted primarily for debt service, roads and infrastructure, municipal court purposes, and drug and alcohol enforcement. The committed fund balance of \$4,013,243 consists of funds for capital improvements and future severance payments and is a significant increase over 2020. This is mainly due to more funds committed to capital projects and future retirements. Assigned fund balance of \$638,961 is for encumbered other operating amounts for all of the program functions of government in the General fund. Unassigned fund balance of \$10,138,852 in the General fund is a slight decrease of \$530,222 over 2020.

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

Unrestricted net position of the Golf Course fund reflects a deficit of (\$1,576,924) compared to (\$1,900,417) in 2020. The Golf Course received no transfers in 2021 and saw an increase in revenue of nearly 25%. Unrestricted net position of the Sewer fund increased from \$63,650 in 2020 to \$2,428,099 in 2021.

CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
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General Fund Budgetary Highlights –The year saw revenues above the amount forecasted by \$909,584 and expenditures \$1,725,309 under the amounts requested. Most significant were lower personnel costs for the Court and the City. The City Administration and Council continue to closely monitor and tighten expenditures by the General fund departments. The City generally chooses to operate within its original budget framework even though some forecasts may be exceeded on the revenue side and expenditures will be contained.

Capital Assets and Debt Administration

Capital Assets - The City's investment in capital assets for governmental and business-type activities as of December 31, 2021, was \$100,409,044 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, 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 decrease of 5.75% over the prior year for governmental activities and increased 3% for business-type activities. These changes are calculated before depreciation.

	City of Willoughby's Capital Assets					
	Governmental		Business-type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Land	\$8,055,203	\$8,055,203	\$2,673,107	\$2,673,107	\$10,728,310	\$10,728,310
Construction in Progress	7,313,585	7,123,640	184,445	4,594,354	7,498,030	11,717,994
Buildings	30,799,873	30,748,935	26,793,252	26,793,252	57,593,125	57,542,187
Improvements	18,969,107	18,733,992	50,472,759	43,608,725	69,441,866	62,342,717
Machinery & Equipment	14,711,592	14,613,666	5,744,163	5,694,566	20,455,755	20,308,232
Infrastructure	44,083,956	52,221,282			44,083,956	52,221,282
Total Capital Assets	123,933,316	131,496,718	85,867,726	83,364,004	209,801,042	214,860,722
Accumulated Depreciation	(64,240,922)	(69,765,637)	(45,151,076)	(43,318,123)	(109,391,998)	(113,083,760)
Capital Assets (Net)	\$59,692,394	\$61,731,081	\$40,716,650	\$40,045,881	\$100,409,044	\$101,776,962

Major capital asset events during 2021 were as follows:

The City continues road repaving and rehabilitation projects utilizing road and bridge levy funds.

Through the utilization of a NOPEC grant, the City is in the process of street light conversion to LED.

The challenges from the Covid-19 pandemic were many and the need for technology upgrades, the ability to work remotely and access for Zoom meetings became a necessity. In 2021, the City continued to update servers, networks and security to remain efficient and secure.

The City continues to make improvements for Storm Water. The Storm Outfall project was completed in 2021 and plans for future projects including Grove-Ben Hur Storm Sewer, Meadowlands Basin, and Ward Creek Improvements have been made. Completion of the Two Town Ditch and Lakeshore Culvert Storm will occur in 2022.

CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
UNAUDITED

The WPCC Capacity Enhancement Project was completed in 2021 and plans for the Lakeshore East Island Equalization Basin have begun.

Two joint projects with ODOT were committed and paid for in 2020 and began in 2021: the resurfacing of Rt. 84/Johnnycake Ridge Rd and the resurfacing of Lakeshore Blvd.

Additional information regarding capital assets can be found starting on page 53 of the notes to the basic financial statements.

Outstanding Debt - The City's total outstanding debt increased minimally by \$429,729. The City continued to pay down outstanding bonds and loans in relation to Governmental Activities and Business-type Activities.

City of Willoughby's Outstanding Debt at December 31						
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
General Obligation Bonds	16,657,178	\$12,061,760			\$16,657,178	\$12,061,760
Enterprise Bonds w/ G.O. Commitment			1,985,000	2,140,000	1,985,000	2,140,000
OWDA & OPWC	2,183,056	2,274,978	14,487,300	12,792,432	16,670,356	15,067,410
Capital Notes Payable		5,610,000				5,610,000
Police Pension Liability	75,473	79,558			75,473	79,558
TOTAL	\$18,915,707	\$20,026,296	\$16,472,300	\$14,932,432	\$35,388,007	\$34,958,728

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 \$660,322,210 at the end of 2021. The City has borrowed 51.04% 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.).

In 2021, the City sold General Obligation Bonds for Riverside Commons in the amount of \$5,610,000 which reduced Capital Notes Payable. Additional information regarding the City's debt can be found starting on page 80 of the notes to the financial statements.

CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
UNAUDITED

Economic Factors and Next Year's Budget

The City of Willoughby has remained strong despite many challenges over the last decade. State and national economic conditions, health care costs and loss of intergovernmental revenues always impact and influence decision making on financial matters. The year 2022 continues to be challenging with lingering effects remaining from the Covid-19 pandemic and a nationwide crisis of labor shortages and lack of materials. Fortunately Income tax revenues are continuing to rebound in the first few months. In the budgeting process we maintained our conservative practices and budgeted for a minimal increase in income tax from what we budgeted in 2021. Most positions are anticipated to be filled as employees retire. With the Covid-19 pandemic, we made immediate reductions in part-time positions and put several full-time open positions on hold. As we continue 2022, we are filling open full time positions, and many part time employees are returning as well as seasonal employees. The impact on the City's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated. The Mayor and Council will consider many factors when setting and if necessary, adjusting the budget and preserving our commitment to providing services to our citizens. The priorities include: public safety, investment in infrastructure, efforts to promote economic development and employment growth, and retaining adequate fund balances to ensure both financial flexibility and long term stability. The City keeps these in mind as it monitors revenues and expenditures on a continual basis. The City has adopted and continues to look for measures of cost containment as well as pursuing grants and low cost loans to fund operations and specific capital projects. The City has completed necessary capital improvements and continues to maintain the roads with the help provided by the road and bridge levy. The City will continue to monitor the local, regional and national economies and make business decisions that best provide for the needs of our citizens.

In conclusion, the implementation of GASB Statement No. 68 and 75 requires the reader to perform additional calculations to determine the City's Total Net Position at December 31, 2021 without the implementation of GASB Statement No. 68 and 75. This is an important exercise, as the State Pension Systems (OPERS & OP&F) collect, hold and distributes pensions and OPEB to our employees, not the City of Willoughby. Overall with the exclusion of GASB 68 and 75, the net position increased just under 1% in 2021 from 2020. These calculations are as follows:

CITY OF WILLOUGHBY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
UNAUDITED

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Total Net Position at Dec. 31, 2021 (with GASB 68 & 75)	\$ 26,142,008	\$ 26,244,408	\$ 52,386,416
GASB 68 Calculations			
Add: Deferred Inflows related to Pension	6,360,156	1,000,092	7,360,248
Net Pension Liability	28,932,527	1,952,278	30,884,805
Less: Deferred Outflows related to Pension	(4,338,945)	(284,844)	(4,623,789)
Net Pension Asset	<u>(77,343)</u>	<u>(22,289)</u>	<u>(99,632)</u>
	57,018,403	28,889,645	85,908,048
GASB 75 Calculations			
Add: Deferred Inflows related to OPEB	4,171,015	794,281	4,965,296
Net OPEB Liability	3,443,851	0	3,443,851
Less: Deferred Outflows related to OPEB	(2,575,607)	(116,261)	(2,691,868)
Net OPEB Asset	<u>(798,725)</u>	<u>(230,209)</u>	<u>(1,028,934)</u>
Total Net Position at Dec. 31, 2021 (without GASB 68 & 75)	<u>\$ 61,258,937</u>	<u>\$ 29,337,456</u>	<u>\$ 90,596,393</u>

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.

CITY OF WILLOUGHBY, OHIO
STATEMENT OF NET POSITION
DECEMBER 31, 2021

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Equity in City Treasury Cash and Investments	\$20,186,099	\$4,692,642	\$ 24,878,741
Inventory	297,119	69,055	366,174
Accrued Interest Receivable	24,452	10,847	35,299
Accounts Receivable	246,899	197,978	444,877
Prepaid Items	2,478	0	2,478
Intergovernmental Receivable	2,169,569	291,803	2,461,372
Taxes Receivable	10,184,283	0	10,184,283
Loan Receivable	110,000	0	110,000
Internal Balances	1,058,903	(1,058,903)	0
Restricted Assets - Cash Investments	0	1,964,484	1,964,484
Net Pension Asset	77,343	22,289	99,632
Net OPEB Asset	798,725	230,209	1,028,934
Special Assessments Receivable	745,304	0	745,304
Nondepreciable Capital Assets	15,368,788	2,857,552	18,226,340
Depreciable Capital Assets, Net	44,323,606	37,859,098	82,182,704
TOTAL ASSETS	95,593,568	47,137,054	142,730,622
DEFERRED OUTFLOWS OF RESOURCES			
Pension	4,338,945	284,844	4,623,789
OPEB	2,575,607	116,261	2,691,868
Deferred Charge on Refunding	9,297	4,141	13,438
TOTAL DEFERRED OUTFLOWS OF RESOURCES	6,923,849	405,246	7,329,095
LIABILITIES			
Accounts Payable	\$634,115	57,751	691,866
Matured Compensated Absences Payable	26,371	0	26,371
Salaries, Wages and Benefits Payable	2,005,751	251,867	2,257,618
Accrued Interest Payable	38,307	100,859	139,166
Deposits Held Payable	1,086,536	0	1,086,536
Intergovernmental Payable	5,706	84,764	90,470
Unearned Revenue	1,203,433	0	1,203,433
Matured Bonds and Interest Payable	2,334	0	2,334
Long-Term Liabilities:			
Due Within One Year	3,345,858	1,325,720	4,671,578
Due In More Than One Year			
Net Pension Liability	28,932,527	1,952,278	30,884,805
Net OPEB Liability	3,443,851	0	3,443,851
Other Amounts Due in More Than One Year	21,427,886	15,730,280	37,158,166
TOTAL LIABILITIES	62,152,675	19,503,519	81,656,194
DEFERRED INFLOWS OF RESOURCES			
Pension	6,360,156	1,000,092	7,360,248
OPEB	4,171,015	794,281	4,965,296
Property Taxes	3,691,563	0	3,691,563
TOTAL DEFERRED INFLOWS OF RESOURCES	14,222,734	1,794,373	16,017,107
NET POSITION			
Net Investment in Capital Assets	40,861,457	24,248,491	65,109,948
Restricted for:			
Capital Projects	3,177,055	0	3,177,055
Debt Service	1,158,761	0	1,158,761
Equipment Replacement	0	1,144,742	1,144,742
Street Construction Maintenance and Repair	3,417,464	0	3,417,464
Security of Persons	1,287,720	0	1,287,720
Municipal Court	775,354	0	775,354
Other Purposes	301,212	0	301,212
Permanent Fund Purpose:			
Cemetery Fund	385,472	0	385,472
Unrestricted	(25,222,487)	851,175	(24,371,312)
TOTAL NET POSITION	\$ 26,142,008	\$ 26,244,408	\$ 52,386,416

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES							
General Government	\$ 4,881,043	\$ 2,318,891	\$ 122,233	\$ 95,379	\$ (2,344,540)		\$ (2,344,540)
Security of Persons and Property	16,102,868	1,999,174	69,355	6,403	(14,027,936)		(14,027,936)
Public Health and Welfare	421,409	108,898	0	0	(312,511)		(312,511)
Community Environment	659,318	409,597	0	0	(249,721)		(249,721)
Leisure Time Activities	1,410,709	648,952	118,902	6,356	(636,499)		(636,499)
Transportation	2,974,287	805	1,603,476	138,096	(1,231,910)		(1,231,910)
Basic Utility Services	524,508	16	0	315,337	(209,155)		(209,155)
Interest and Fiscal Charges	556,254	0	0	0	(556,254)		(556,254)
TOTAL GOVERNMENTAL ACTIVITIES	27,530,396	5,486,333	1,913,966	561,571	(19,568,526)		(19,568,526)
BUSINESS-TYPE ACTIVITIES							
Golf Course	669,186	1,003,650	0	0		\$ 334,464	334,464
Sewer	4,322,710	5,839,791	0	225,660		1,742,741	1,742,741
TOTAL BUSINESS-TYPE ACTIVITIES	4,991,896	6,843,441	0	225,660		2,077,205	2,077,205
TOTAL	\$32,522,292	\$12,329,774	\$1,913,966	\$787,231	(19,568,526)	2,077,205	(17,491,321)
GENERAL REVENUES							
Property Taxes Levied for:							
General Purposes					1,125,382		1,125,382
Special Revenue					1,513,908		1,513,908
Debt Service					1,091,600		1,091,600
Income Taxes Levied for:							
General Purposes					19,734,824		19,734,824
Other Taxes							
Permissive Motor Vehicle Taxes					191,889		191,889
Admission Taxes					181,585		181,585
Transient Taxes					182,875		182,875
Franchise Taxes					180,135		180,135
Grants and Entitlements not Restricted to Specific Programs					2,009,678		2,009,678
Investment Earnings					16,056	1,299	17,355
Miscellaneous					159,188	760	159,948
TOTAL GENERAL REVENUES					26,387,120	2,059	26,389,179
CHANGE IN NET POSITION					6,818,594	2,079,264	8,897,858
NET POSITION BEGINNING OF YEAR					19,323,414	24,165,144	43,488,558
NET POSITION END OF YEAR					\$ 26,142,008	\$ 26,244,408	\$ 52,386,416

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2021

	<u>GENERAL</u>	<u>CAPITAL PROJECTS</u>	<u>GENERAL BOND RETIREMENT</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Assets:					
Equity in City Treasury Cash and Investments	\$10,615,985	\$3,318,758	\$46,185	\$6,205,171	\$20,186,099
Inventory - Supplies	107,940	0	0	189,179	297,119
Accrued Interest Receivable	19,083	5,369	0	0	24,452
Accounts Receivable	244,788	0	0	2,111	246,899
Prepaid Items	2,478	0	0	0	2,478
Intergovernmental Receivable	983,657	123,104	56,000	1,006,808	2,169,569
Taxes Receivable	7,405,863	0	1,187,236	1,591,184	10,184,283
Loan Receivable	0	0	110,000	0	110,000
Due from Other Funds	135,000	5,000	918,903	0	1,058,903
Special Assessments Receivable	0	0	0	745,304	745,304
TOTAL ASSETS	<u>19,514,794</u>	<u>3,452,231</u>	<u>2,318,324</u>	<u>9,739,757</u>	<u>35,025,106</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
	<u>\$19,514,794</u>	<u>\$3,452,231</u>	<u>\$2,318,324</u>	<u>\$9,739,757</u>	<u>\$35,025,106</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$105,382	\$275,176	\$0	\$253,557	\$634,115
Matured Compensated Absences Payable	26,371	0	0	0	26,371
Salaries, Wages, and Benefits Payable	1,878,774	0	0	126,977	2,005,751
Deposits Held Payable	1,086,536	0	0	0	1,086,536
Intergovernmental Payable	1,673	0	4,033	0	5,706
Unearned Revenue	0	0	0	1,203,433	1,203,433
Matured Bonds & Interest Payable	0	0	2,334	0	2,334
TOTAL LIABILITIES	<u>3,098,736</u>	<u>275,176</u>	<u>6,367</u>	<u>1,583,967</u>	<u>4,964,246</u>
Deferred Inflows of Resources:					
Property Taxes	1,081,676	0	1,115,289	1,494,598	3,691,563
Unavailable Revenue - Income Tax	2,724,334	0	0	0	2,724,334
Unavailable Revenue - Grants and Entitlements	576,549	0	56,000	655,108	1,287,657
Unavailable Revenue - Special Assessments	0	0	0	745,304	745,304
Unavailable Revenue - Delinquent Property Taxes	69,038	0	71,947	96,586	237,571
Unavailable Revenue - Other	105,042	0	0	0	105,042
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>4,556,639</u>	<u>0</u>	<u>1,243,236</u>	<u>2,991,596</u>	<u>8,791,471</u>
Fund Balances:					
Nonspendable	245,418	0	0	574,651	820,069
Restricted	0	0	1,068,721	4,589,543	5,658,264
Committed	836,188	3,177,055	0	0	4,013,243
Assigned	638,961	0	0	0	638,961
Unassigned	10,138,852	0	0	0	10,138,852
TOTAL FUND BALANCES	<u>11,859,419</u>	<u>3,177,055</u>	<u>1,068,721</u>	<u>5,164,194</u>	<u>21,269,389</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
	<u>\$19,514,794</u>	<u>\$3,452,231</u>	<u>\$2,318,324</u>	<u>\$9,739,757</u>	<u>\$35,025,106</u>

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
AS OF DECEMBER 31, 2021

TOTAL GOVERNMENTAL FUND BALANCES **\$21,269,389**

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 59,692,394

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

Municipal Income Taxes	2,724,334
Delinquent Property Taxes	237,571
Grants and Entitlements	1,287,657
Charges for Services	37,887
Special Assessments	745,304
Fines and Forfeitures	67,155
	67,155

Total 5,099,908

Charges on Refunding are being amortized over the life of the bonds in the Statement of Net Position. 9,297

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

Net Asset - Pension & OPEB	876,068
Deferred Outflows-Pension & OPEB	6,914,552
Deferred Inflows-Pension & OPEB	(10,531,171)
Net Pension & OPEB Liability	(32,376,378)
Total	(35,116,929)

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	(16,657,178)
OPWC Loans	(139,144)
OWDA Loans	(2,043,912)
Police Pension Liability	(75,473)
Landfill Post Closure Care Liability	(212,962)
Compensated Absences	(5,645,075)
Accrued Interest Payable	(38,307)

Total (24,812,051)

NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 26,142,008**

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	<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	\$19,902,595	\$0	\$0	\$0	\$19,902,595
Property and Other Local Taxes	1,669,966	127,926	1,092,503	1,582,293	4,472,688
Intergovernmental	1,583,782	328,096	234,028	2,075,699	4,221,605
Charges for Services	1,590,131	0	0	440,631	2,030,762
Special Assessments	0	0	0	787,849	787,849
Fines and Forfeitures	1,777,033	0	0	619,536	2,396,569
Licenses & Permits	281,638	0	0	0	281,638
Interest	13,896	2,160	0	0	16,056
Miscellaneous	<u>132,861</u>	<u>114,445</u>	<u>0</u>	<u>7,261</u>	<u>254,567</u>
TOTAL REVENUES	<u>26,951,902</u>	<u>572,627</u>	<u>1,326,531</u>	<u>5,513,269</u>	<u>34,364,329</u>
EXPENDITURES:					
Current:					
General Government	6,825,823	0	25,220	533,281	7,384,324
Security of Persons and Property	14,147,223	40,775	0	2,470,875	16,658,873
Public Health and Welfare	518,265	0	0	0	518,265
Community Environment	1,106,631	10,000	0	83,821	1,200,452
Leisure Time Activities	837,588	1,958	0	1,086,851	1,926,397
Transportation	0	0	0	1,549,747	1,549,747
Basic Utility Services	59,697	0	0	5,544	65,241
Capital Outlay	75,997	1,023,240	0	910,843	2,010,080
Debt Service:					
Principal	0	0	1,276,922	0	1,276,922
Interest	0	0	464,023	0	464,023
Bond Issuance Costs	<u>0</u>	<u>0</u>	<u>182,894</u>	<u>0</u>	<u>182,894</u>
TOTAL EXPENDITURES	<u>23,571,224</u>	<u>1,075,973</u>	<u>1,949,059</u>	<u>6,640,962</u>	<u>33,237,218</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,380,678	(503,346)	(622,528)	(1,127,693)	1,127,111
OTHER FINANCING SOURCES (USES):					
Transfers In	418,173	1,900,000	444,000	1,625,000	4,387,173
Transfers Out	(3,675,000)	(144,000)	0	(197,233)	(4,016,233)
Repayment of Bond Anticipation Note	0	0	(5,610,000)	0	(5,610,000)
General Obligation Bonds Issued	0	0	5,610,000	0	5,610,000
Premium on General Obligation Bonds Issued	<u>0</u>	<u>0</u>	<u>208,164</u>	<u>0</u>	<u>208,164</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(3,256,827)</u>	<u>1,756,000</u>	<u>652,164</u>	<u>1,427,767</u>	<u>579,104</u>
NET CHANGE IN FUND BALANCES	123,851	1,252,654	29,636	300,074	1,706,215
FUND BALANCES BEGINNING OF YEAR	11,732,256	1,924,401	1,039,085	4,753,787	19,449,529
CHANGE IN INVENTORY	<u>3,312</u>	<u>0</u>	<u>0</u>	<u>110,333</u>	<u>113,645</u>
FUND BALANCES END OF YEAR	<u>\$11,859,419</u>	<u>\$3,177,055</u>	<u>\$1,068,721</u>	<u>\$5,164,194</u>	<u>\$21,269,389</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, 2021

NET CHANGES IN FUND BALANCES-TOTAL GOVERNMENTAL FUNDS		\$ 1,706,215
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	2,010,080	
Current Year Depreciation	<u>(4,023,054)</u>	
Total		(2,012,974)
Government funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		(25,713)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Municipal Income Taxes	(167,771)	
Delinquent Property Taxes	(5,314)	
Grants and Entitlements	168,231	
Charges for Services	(30,529)	
Special Assessments	(14,110)	
Fines and Forfeitures	<u>34,152</u>	
Total		(15,341)
The repayment of note and bond principal, police pension, and landfill closure costs are expenditures in the governmental funds but the repayment reduces long-term liabilities in the statement of net position.		6,950,811
Long-term note and debt issuance are reported as other financing sources in the governmental funds but increase long-term liabilities on the statement of net position.		(5,818,164)
Some expenses reported in the statement of activities, including compensated absences and accrued interest, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated Absences	(30,852)	
Accrued Interest	62,213	
Amortization of Premium	37,746	
Amortization of Deferral on Refunding	(9,296)	
Change in Inventory	<u>113,645</u>	
Total		173,456
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows pension and OPEB		(2,774,356)
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability are reported as pension/OPEB expense in the statement of activities.		9,005,600
Internal service funds are used by management to account for a retrospective rating workers' compensation program. The fund was closed.		<u>(370,940)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		<u>\$ 6,818,594</u>

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>FINAL BUDGET</u>
REVENUES:				
Municipal Income Taxes	\$18,252,900	\$19,252,900	\$19,560,239	\$307,339
Property and Other Local Taxes	1,601,500	1,601,500	1,700,067	98,567
Intergovernmental	1,280,000	1,280,000	1,564,712	284,712
Charges for Services	1,401,500	1,401,500	1,589,760	188,260
Fines and Forfeitures	1,709,000	1,709,000	1,706,291	(2,709)
Licenses and Permits	235,200	235,200	266,937	31,737
Interest Income	200,000	200,000	198,018	(1,982)
Other	<u>126,500</u>	<u>126,500</u>	<u>130,160</u>	<u>3,660</u>
Total Revenues	<u>24,806,600</u>	<u>25,806,600</u>	<u>26,716,184</u>	<u>909,584</u>
EXPENDITURES:				
Legislative- Council	164,818	164,818	156,215	8,603
Judicial- Municipal Court	2,097,981	2,097,981	1,748,977	349,004
Executive-Mayor	<u>23,998,390</u>	<u>23,998,390</u>	<u>22,630,686</u>	<u>1,367,704</u>
Total Expenditures	<u>26,261,189</u>	<u>26,261,189</u>	<u>24,535,878</u>	<u>1,725,311</u>
Excess of Revenues Over (Under) Expenditures	(1,454,589)	(454,589)	2,180,306	2,634,895
OTHER FINANCING SOURCES (USES):				
Transfers Out	(2,350,000)	(3,750,000)	(3,675,000)	75,000
Transfers In	370,940	418,173	418,173	0
Other	<u>309,160</u>	<u>309,160</u>	<u>464,561</u>	<u>155,401</u>
Total Other Financing Sources (Uses)	<u>(1,669,900)</u>	<u>(3,022,667)</u>	<u>(2,792,266)</u>	<u>230,401</u>
NET CHANGE IN FUND BALANCE	(3,124,489)	(3,477,256)	(611,960)	2,865,296
FUND BALANCE BEGINNING OF YEAR	7,809,311	7,809,311	7,809,311	0
Prior Year Encumbrances Appropriated	<u>9,498</u>	<u>9,498</u>	<u>9,498</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$4,694,320</u>	<u>\$4,341,553</u>	<u>\$7,206,849</u>	<u>\$2,865,296</u>

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AS OF DECEMBER 31, 2021

	BUSINESS-TYPE		GOVERNMENTAL	
	ACTIVITIES		ACTIVITIES	
	GOLF		INTERNAL	
	COURSE	SEWER	TOTAL	SERVICE FUND
ASSETS				
CURRENT ASSETS				
Equity in City Treasury Cash and Investments	\$109,856	\$4,582,786	\$4,692,642	\$0
Inventory	3,206	65,849	69,055	0
Accrued Interest Receivable	0	10,847	10,847	0
Accounts Receivable	0	197,978	197,978	0
Intergovernmental Receivable	0	<u>291,803</u>	<u>291,803</u>	0
TOTAL CURRENT ASSETS	<u>113,062</u>	<u>5,149,263</u>	<u>5,262,325</u>	0
NONCURRENT ASSETS				
Restricted Assets:				
Cash Investments	0	1,964,484	1,964,484	0
Net Pension Asset	3,663	18,626	22,289	0
Net OPEB Asset	37,853	192,356	230,209	0
Land and Construction in Progress	2,273,366	584,186	2,857,552	0
Depreciable Capital Assets, Net	<u>1,317,268</u>	<u>36,541,830</u>	<u>37,859,098</u>	0
TOTAL NONCURRENT ASSETS	<u>3,632,150</u>	<u>39,301,482</u>	<u>42,933,632</u>	0
TOTAL ASSETS	<u>3,745,212</u>	<u>44,450,745</u>	<u>48,195,957</u>	0
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Charge on Refunding	4,141	0	4,141	0
Pension	46,812	238,032	284,844	0
OPEB	<u>19,117</u>	<u>97,144</u>	<u>116,261</u>	0
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>70,070</u>	<u>335,176</u>	<u>405,246</u>	0
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable	2,142	55,609	57,751	0
Salaries, Wages & Benefits Payable	37,253	399,854	437,107	0
Accrued Interest Payable	1,916	98,943	100,859	0
Due to Other Funds	1,058,903	0	1,058,903	0
Intergovernmental Payable	0	84,764	84,764	0
Bonds Payable	<u>85,000</u>	<u>1,055,480</u>	<u>1,140,480</u>	0
TOTAL CURRENT LIABILITIES	<u>1,185,214</u>	<u>1,694,650</u>	<u>2,879,864</u>	0
NONCURRENT LIABILITIES				
Salaries, Wages & Benefits Payable	81,416	317,044	398,460	0
Bonds Payable	940,000	14,391,820	15,331,820	0
Net Pension Liability	<u>320,840</u>	<u>1,631,438</u>	<u>1,952,278</u>	0
TOTAL NONCURRENT LIABILITIES	<u>1,342,256</u>	<u>16,340,302</u>	<u>17,682,558</u>	0
TOTAL LIABILITIES	<u>2,527,470</u>	<u>18,034,952</u>	<u>20,562,422</u>	0
DEFERRED INFLOWS OF RESOURCES				
Pension	164,357	835,735	1,000,092	0
OPEB	<u>130,604</u>	<u>663,677</u>	<u>794,281</u>	0
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>294,961</u>	<u>1,499,412</u>	<u>1,794,373</u>	0
NET POSITION				
Net Investment in Capital Assets	2,569,775	21,678,716	24,248,491	0
Restricted for:				
Equipment Replacement	0	1,144,742	1,144,742	0
Unrestricted (Deficit)	<u>(1,576,924)</u>	<u>2,428,099</u>	<u>851,175</u>	0
TOTAL NET POSITION	<u>\$992,851</u>	<u>\$25,251,557</u>	<u>\$26,244,408</u>	\$0

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>BUSINESS-TYPE ACTIVITIES</u>			<u>GOVERNMENTAL ACTIVITIES</u>
	<u>GOLF COURSE</u>	<u>SEWER</u>	<u>TOTAL</u>	<u>INTERNAL SERVICE FUND</u>
OPERATING REVENUES:				
Charges for Services	<u>\$1,003,650</u>	<u>\$5,839,791</u>	<u>\$6,843,441</u>	\$0
Total Operating Revenues	<u>1,003,650</u>	<u>5,839,791</u>	<u>6,843,441</u>	0
OPERATING EXPENSES:				
Personal Services	163,535	888,720	1,052,255	0
Contractual Services	111,167	911,557	1,022,724	0
Materials & Supplies	212,385	202,976	415,361	0
Heat, Light & Power	30,649	261,661	292,310	0
Other Expenses	11,881	25,878	37,759	0
Depreciation	<u>111,265</u>	<u>1,807,387</u>	<u>1,918,652</u>	0
Total Operating Expenses	<u>640,882</u>	<u>4,098,179</u>	<u>4,739,061</u>	0
Operating Income (Loss)	<u>362,768</u>	<u>1,741,612</u>	<u>2,104,380</u>	0
NON-OPERATING REVENUES (EXPENSES):				
Interest - Income	0	1,299	1,299	0
Interest - Expense	(28,304)	(222,931)	(251,235)	0
Other - Income	760	0	760	0
Other - Expense	0	(1,600)	(1,600)	0
Total Non-Operating Revenues (Expenses)	<u>(27,544)</u>	<u>(223,232)</u>	<u>(250,776)</u>	0
Income (Loss) Before Contributions and Transfers	335,224	1,518,380	1,853,604	0
Capital Contributions	0	225,660	225,660	0
Transfer Out	0	0	0	370,940
CHANGE IN NET POSITION	335,224	1,744,040	2,079,264	(370,940)
NET POSITION BEGINNING OF YEAR	<u>657,627</u>	<u>23,507,517</u>	<u>24,165,144</u>	<u>370,940</u>
NET POSITION END OF YEAR	<u>\$992,851</u>	<u>\$25,251,557</u>	<u>\$26,244,408</u>	<u>\$0</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, 2021

(continued on following page)

	<u>Business-Type Activities</u>			<u>Governmental Activities</u>
	<u>Golf Course</u>	<u>Sewer</u>	<u>Total</u>	<u>Internal Service Fund</u>
Cash flows from operating activities:				
Receipts from customers and users	\$1,020,290	\$6,529,418	\$7,549,708	\$0
Payments to suppliers	(684,031)	(4,065,328)	(4,749,359)	0
Payments to employees	<u>(168,747)</u>	<u>(925,472)</u>	<u>(1,094,219)</u>	0
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>167,512</u>	<u>1,538,618</u>	<u>1,706,130</u>	<u>0</u>
Cash flows from noncapital financing activities:				
Operating transfers to other funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>(370,940)</u>
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	<u>0</u>	<u>0</u>	<u>0</u>	<u>(370,940)</u>
Cash flows from capital and related financing activities:				
Proceeds from loans	0	2,498,411	2,498,411	0
Acquisition and construction of capital assets	(47,140)	(2,543,881)	(2,591,021)	0
Principal reduction on long-term debt	(80,000)	(878,543)	(958,543)	0
Interest paid on long-term debt	(28,437)	(232,423)	(260,860)	0
Contributions from customers	0	225,660	225,660	0
Proceeds from the sale of capital assets	<u>760</u>	<u>0</u>	<u>760</u>	<u>0</u>
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(154,817)</u>	<u>(930,776)</u>	<u>(1,085,593)</u>	<u>0</u>
Cash flows from investing activities:				
Interest on investments	<u>0</u>	<u>826</u>	<u>826</u>	<u>0</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>0</u>	<u>826</u>	<u>826</u>	<u>0</u>
NET INCREASE (DECREASE) IN CASH AND CASH INVESTMENTS	<u>12,695</u>	<u>608,668</u>	<u>621,363</u>	<u>(370,940)</u>
CASH AND CASH INVESTMENTS AT BEGINNING OF YEAR	<u>97,161</u>	<u>5,938,602</u>	<u>6,035,763</u>	<u>370,940</u>
CASH AND CASH INVESTMENTS AT END OF YEAR	<u>\$109,856</u>	<u>\$6,547,270</u>	<u>\$6,657,126</u>	<u>\$0</u>

The Sewer Fund includes \$1,964,484 of cash and cash investments 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, 2021

(continued)

	<u>Business-Type Activities</u>			<u>Governmental Activities</u>
	<u>Golf Course</u>	<u>Sewer</u>	<u>Total</u>	<u>Internal Service Fund</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:				
Operating income (loss)	\$362,768	\$1,741,612	\$2,104,380	\$0
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation	111,265	1,807,387	1,918,652	0
Change in assets and liabilities:				
(Increase) decrease in inventory of supplies	(675)	(27,802)	(28,477)	0
(Increase) decrease in accounts receivable	0	(22,257)	(22,257)	0
(Increase) decrease in due from other govts	0	627,497	627,497	0
(Increase) decrease in net OPEB asset	(37,853)	(192,356)	(230,209)	0
(Increase) decrease in net pension asset	(748)	(3,811)	(4,559)	0
(Increase) decrease in deferred charges	4,144	0	4,144	0
(Increase) decrease in deferred outflows - pension	23,501	119,266	142,767	0
(Increase) decrease in deferred outflows - OPEB	31,740	161,288	193,028	0
Increase (decrease) in accounts payable	(8,165)	(974,672)	(982,837)	0
Increase (decrease) in accrued salaries, wages, and benefits	(5,212)	(36,752)	(41,964)	0
Increase (decrease) in net pension liability	(140,231)	(711,532)	(851,763)	0
Increase (decrease) in net OPEB liability	(315,420)	(1,602,836)	(1,918,256)	0
Increase (decrease) in deferred inflows - pension	60,393	307,409	367,802	0
Increase (decrease) in deferred inflows - OPEB	82,005	416,721	498,726	0
Increase (decrease) in due to other governments	0	(70,544)	(70,544)	0
TOTAL ADJUSTMENTS	<u>(195,256)</u>	<u>(202,994)</u>	<u>(398,250)</u>	<u>0</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>\$167,512</u>	<u>\$1,538,618</u>	<u>\$1,706,130</u>	<u>\$0</u>

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
AS OF DECEMBER 31, 2021

CUSTODIAL FUNDS

ASSETS

Equity in City Treasury Cash and Investments	\$1,315,882
Cash and Cash Equivalents in Segregated Accounts	<u>2,945,726</u>
TOTAL ASSETS	<u>4,261,608</u>

LIABILITIES

Due to External Parties	<u>2,205,247</u>
TOTAL LIABILITIES	<u>2,205,247</u>

NET POSITION

Restricted for:	
Individuals, Organizations and Other Governments	<u>2,056,361</u>
TOTAL NET POSITION	<u>\$2,056,361</u>

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	CUSTODIAL FUNDS
	<hr/>
ADDITIONS	
Municipal Court Receipts	\$ 4,698,351
Payments Collected for Other Governments	21,946,640
Moneys Held for Others	<u>1,033,972</u>
TOTAL ADDITIONS	<u>27,678,963</u>
DEDUCTIONS	
Municipal Court Disbursements	4,698,351
Payments for Other Governments	67,812
Medical and Dental for Cobra and Other Plans	21,306,596
Distributions to Individuals and Organizations	<u>4,030</u>
TOTAL DEDUCTIONS	<u>26,076,789</u>
NET DECREASE IN FIDUCIARY NET POSITION	1,602,174
NET POSITION - BEGINNING OF YEAR	<u>454,187</u>
NET POSITION - END OF YEAR	<u>\$ 2,056,361</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, 2021

NOTE 1: REPORTING ENTITY

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

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

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

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

The City is associated with one jointly governed organization, the Northeast Ohio Public Energy Council. Information about the organization is presented in Note 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 more significant of the City's accounting policies are described below.

A. Basis of Presentation

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

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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

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

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

B. Fund Accounting

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

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

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

The following are the City's major governmental funds:

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

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

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

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

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

Fiduciary Funds – Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The City's fiduciary funds are custodial. Custodial funds are used to account for utility bills, Hazmat team equipment maintenance, and building code fees due to other governments, COBRA insurance payments, fines and fees collected by the Willoughby Municipal Court (excluding those due the City of Willoughby) and additional payments due and held for others. In addition, the custodial funds are used to account for assets held by the City as fiscal agent for the Ohio Government Benefit Cooperative.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

C. Measurement Focus

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

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

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

D. Basis of Accounting

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

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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

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

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

Deferred Outflows/Inflows of Resources – In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding, pension and OPEB. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 10 and 11.

In addition to liabilities, the statements of net position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the City, deferred inflows of resources include property taxes, pension, OPEB and unavailable revenues. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2021, but which were levied to finance year 2022 operations. These amounts have been recorded as deferred inflows on both the

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, income taxes, franchise taxes, intergovernmental grants, special assessments, fines and forfeitures and charges for services. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 10 and 11)

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

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

E. Pensions/Other Post-Employment Benefits (OPEB)

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

F. Pooled Cash and Cash Equivalents

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

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

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

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

During 2021, The City's investments included the State Treasury Asset Reserve of Ohio (STAR Ohio), non-negotiable and negotiable certificates of deposits, United States Treasury Notes, United States Agency debt securities, commercial paper and money market mutual funds. The City's investment in State Treasury Asset Reserve of Ohio (STAR Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company and is recognized as an external investment pool by the City. The City measures their investment in STAR Ohio as the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

For 2021, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

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 2021 amounted to \$13,896 which includes \$7,396 assigned from other City funds.

G. Receivables

Receivables at December 31, 2021 consist of taxes, amounts due from other governments, accounts (billings for user charged services), loan, special assessments, and accrued interest on investments. All are deemed collectible in full.

H. Materials and Supplies Inventory

Inventory consists of expendable supplies held for consumption. 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.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2021, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

J. Capital Assets

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

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

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

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

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

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

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

K. Interfund Balances

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

L. Compensated Absences

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

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

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

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

M. Accrued Liabilities and Long-term Obligations

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

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

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits. Bonds and long-term loans are recognized as a liability on the governmental fund financial statements when due.

N. Fund Balance

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

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

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

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

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

the general fund, assigned amounts represent intended uses established by policies of City Council and the Mayor or a Director delegated that authority by City Charter or ordinance, or by state statute. State statute authorizes the Finance Director to assign fund balance for purchase orders; provided such amounts have been lawfully appropriated.

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

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

O. Net Position

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

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

P. Grants and Intergovernmental Revenues

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

Q. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for sewer and golf course services. Operating expenses are necessary costs that have been incurred to

CITY OF WILLOUGHBY, OHIO
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provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as non-operating.

R. Contributions of Capital

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

S. Interfund Activity

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

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

T. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither of these occurred in 2021.

U. Estimates

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

V. Budgetary Data

All funds, except custodial 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

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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by Council. The primary level of budgetary control for those funds paying wages is at the branch level (legislative, judicial, executive) and within each branch at the account classification level of personal services and benefits as required by Ohio law. For other account classifications including services and supplies, capital and transfers the level of control selected by Council is at the fund level. Budgetary modifications may only be made by resolution of the City Council at the legal level of control. The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during 2021.

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

Change in Accounting Principles and Recently Issued Accounting Pronouncements

During the year, the City implemented the following Governmental Accounting Standards Board (GASB) Statements:

GASB Statement No. 89 establishes that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The implementation of GASB Statement No. 89 did not have an effect on the financial statements of the City.

GASB Statement No. 98 establishes the term annual comprehensive financial report and its acronym ACFR. The implementation of GASB Statement No. 98 affected terminology used in this financial report.

CITY OF WILLOUGHBY, OHIO
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NOTE 4: FUND BALANCE

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

FUND BALANCE	General Fund	Capital Projects	General Bond Retirement	Nonmajor Governmental Funds	Total
<u>Nonspendable</u>					
Interfund loans	\$ 135,000	\$ 0	\$ 0	\$ 0	\$ 135,000
Inventory	107,940	0	0	189,179	297,119
Prepays	2,478	0	0	0	2,478
Cemetery	<u>0</u>	<u>0</u>	<u>0</u>	<u>385,472</u>	<u>385,472</u>
Total Nonspendable	245,418	0	0	574,651	820,069
<u>Restricted for</u>					
Road and infrastructure	0	0	0	2,769,543	2,769,543
Recreation	0	0	0	226,153	226,153
Municipal Court	0	0	0	637,196	637,196
Police and Fire departments	0	0	0	73,642	73,642
Law Enforcement	0	0	0	95,035	95,035
Drug and Alcohol enforcement	0	0	0	175,096	175,096
Community Environment	0	0	0	2,500	2,500
Sidewalks and Trees	0	0	0	216,926	216,926
Street Lighting	0	0	0	393,452	393,452
Debt Service	<u>0</u>	<u>0</u>	<u>1,068,721</u>	<u>0</u>	<u>1,068,721</u>
Total Restricted	0	0	1,068,721	4,589,543	5,658,264
<u>Committed to</u>					
Compensated Absences	836,188	0	0	0	836,188
Capital improvements	<u>0</u>	<u>3,177,055</u>	<u>0</u>	<u>0</u>	<u>3,177,055</u>
Total Committed	836,188	3,177,055	0	0	4,013,243
<u>Assigned to</u>					
General Government	311,257	0	0	0	311,257
Security of Persons	207,460	0	0	0	207,460
Public Health & Welfare	3,915	0	0	0	3,915
Community Environment	77,455	0	0	0	77,455
Leisure Activities	31,054	0	0	0	31,054
Basic Utilities	<u>7,820</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,820</u>
Total Assigned	638,961	0	0	0	638,961
Unassigned	<u>10,138,852</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,138,852</u>
Total Fund Balances	\$ 11,859,419	\$ 3,177,055	\$ 1,068,721	\$ 5,164,194	\$ 21,269,389

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 5: DEPOSITS AND INVESTMENTS

A. Deposits

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

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

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

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

B. Investments

The Finance Director is permitted to invest in any security authorized by the Ohio Revised Code, Section 135.14, or other relevant sections as amended. All investment procedures are conducted as specified in the Ohio Revised Code including, but not limited to, the collateralization of deposits and repurchase agreements. The maximum final maturity of any investment will be five years from the date of purchase. The City's investment practices have consistently protected the portfolio from unnecessary credit risk (safety) and market risks (liquidity) while providing a competitive yield. Currently some eligible investments in the portfolio were purchased with remaining terms of up to five years. Generally, the majority of purchases are still being made in investments with remaining terms of two years or less. Average days to maturity for the City's investments at December 31, 2021 was 629.

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

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Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

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

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

Cash on Hand

On December 31, 2021, the City had \$6,495 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 bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured. The City has no deposit policy for custodial credit risk beyond the requirements of State statute.

On December 31, 2021, the carrying amount of the City's deposits, including certificates of deposit with various financial institutions was \$7,290,304 including restricted cash of \$1,964,484 and the bank balance was \$8,070,623. \$1,252,929 of the City's bank balance was covered by Federal Depository Insurance. \$6,668,956 was collateralized through participation in the Ohio Pooled Collateral System (OPCS). \$148,738 was uninsured and collateralized with securities held by the pledging financial institutions trust department or agent but not in the City's name.

CITY OF WILLOUGHBY, OHIO
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Although the securities were held by the pledging institution's trust department and all statutory requirements for the investments of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

Investments

The City has a formal investment policy and utilizes a pooled investment concept for all its funds to maximize its investment program. STAR Ohio is measured at net asset value per share while all other investments are measured at fair value. Fair value is determined by quoted market prices and acceptable other pricing methodologies. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The following table identifies the City's recurring fair value measurement as of December 31, 2021. As previously discussed, STAR Ohio is reported at its net asset value. All other investments of the City are valued using observable pricing methods (Level 2 inputs). As of December 31, 2021, fair value was \$37,674 above the City's net cost for investments.

Investment Type/ Valuation	Moody's Rating	S&P Rating	Investment Maturities			
			Measurement Amount	Less than 1 Year	1 to 2 Years	Greater than 2 Years
Net Asset Value (NAV):						
STAR Ohio	Aaa	AAAm	\$ 3,295,181	\$ 3,295,181	\$ 0	\$ 0
GIDP	Aaa	AAAm	2,001,796	2,001,796	0	0
First Am Govt Obligations Fund	Aaa	AAAm	22,168	22,168	0	0
Fair Value:						
FFCB	Aaa	AA+	4,461,291	378,847	107,234	3,975,210
FNMA	Aaa	AA+	880,811	0	0	880,811
FHLB	Aaa	AA+	1,277,598	0	0	1,277,598
FHLMC	Aaa	AA+	890,060	0	0	890,060
US Treasury Note	Aaa	AAA	2,831,930	0	748,693	2,083,237
Muni Investment			100,348	100,348	0	0
Negotiable Certificates of Deposit	N/A	N/A	6,363,312	2,121,840	2,310,464	1,931,008
Commercial Paper	P-1	A-1	1,683,539	1,683,539	0	0
			<u>\$ 23,808,034</u>	<u>\$ 9,603,719</u>	<u>\$ 3,166,391</u>	<u>\$ 11,037,924</u>

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

Credit Risk: The credit risk of the City's investments is in the table above. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. On December 31, 2021, the weighted average maturity of investments with STAR Ohio was 51 days. The City has no investments policy that would further limit its investment choices.

CITY OF WILLOUGHBY, OHIO
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Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The U.S. Agency notes are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the City's name.

The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Finance Director or qualified trustee.

Concentration of Credit Risk: The City Investment Policy places no limit on the amount it may invest in any one issuer. In 2021, the City's total investments are 3.74% in FHLMC, 18.74% in FFCB, 5.37 in FHLB, 3.7% in FNMA and 11.89% in U.S. Treasury Note. Other investments not specifically guaranteed by the U.S. Government total 56.56%.

NOTE 6: INTERFUND TRANSFERS AND BALANCES

As of December 31, 2021, interfund transfers were as follows:

<u>Transfer To</u>	<u>Transfer From</u>				<u>Total</u>
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Internal Service Fund</u>	<u>Nonmajor Governmental Funds</u>	
General Fund	\$ 0	\$ 0	\$ 370,940	\$ 47,233	\$ 418,173
Capital Projects Fund	\$ 1,900,000	\$ 0	\$ 0	\$ 0	\$ 1,900,000
General Bond Retirement Fund	\$ 150,000	\$ 144,000	\$ 0	\$ 150,000	\$ 444,000
Nonmajor Governmental Funds	1,625,000	0	0	0	1,625,000
Total	<u>\$ 3,675,000</u>	<u>\$ 144,000</u>	<u>\$ 370,940</u>	<u>\$ 197,233</u>	<u>\$ 4,387,173</u>

The General fund transfers to the Nonmajor Governmental funds were made to provide additional resources for current operations. The General fund transfers to the Capital Projects fund were for projects and equipment. The transfers from the General fund, Capital Projects and Nonmajor Governmental funds to the General Bond Retirement fund were for debt payments. Transfers from Nonmajor Governmental and Internal Service fund to the General fund were to close out balances.

As of December 31, 2021, interfund balances were as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
<u>Major Funds</u>		
General	\$ 135,000	\$0
Capital Projects	5,000	0
General Bond Retirement	918,903	0
Golf Course	0	1,058,903
	<u>\$ 1,058,903</u>	<u>\$ 1,058,903</u>

CITY OF WILLOUGHBY, OHIO
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The City has internal balances of \$1,058,903. This includes advances from the General fund for Golf Course operations. The General Bond Retirement fund balances were for Golf Course debt payments and the Capital Projects fund balances are for an equipment purchase of the Golf Enterprise fund. The Golf Course advances of \$1,058,903 are not expected to be repaid within one year.

NOTE 7: BUDGETARY BASIS OF ACCOUNTING

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

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

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

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

Net Change in Fund Balance	
GAAP Basis	\$ 123,851
Net Adjustment for Revenue Accruals	(164,251)
Fair Value Adjustment for Investments	(20,516)
Net Adjustment for Expenditure Accruals	(457,773)
Encumbrances	(535,958)
Current Expenditures Against Prior Year Encumbrances	442,687
Budget Basis	<u>\$ (611,960)</u>

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 8: RECEIVABLES

Receivables at December 31, 2021 consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements and shared revenues, special assessments, accrued interest on investments, and accounts (billings for user charged services).

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

A. Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2021 for real and public property taxes represents collections of 2020 taxes.

2021 real property taxes are levied after October 1, 2021, on the assessed value as of January 1, 2021, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2021 real property taxes are collected in and intended to finance 2022 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. 2021 public utility property taxes which became a lien December 31, 2020, are levied after October 1, 2021, and are collected in 2022 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2021, was \$8.40 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2021 property tax receipts were based are as follows:

Real Property	\$640,388,660
Public Utility Tangible	\$19,933,550
Total	\$660,322,210

Real property taxes are payable annually or semiannually. The due date for the 2021 levy was February 16, 2022, for all or one half of the taxes due. The second half due date is July 20, 2022.

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

Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2021, and for which there is an enforceable legal claim. In General, Police Pension, Fire Pension,

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Recreation, Road and Bridge, and General Bond Retirement funds, the entire receivable has been offset by deferred inflows since the current taxes were not levied to finance 2021 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is a deferred inflow.

B. Municipal Income Taxes

The City levies a municipal income tax of 2 percent on all salaries, wages, commissions, and other compensation, and net profits earned within the City, as well as resident incomes earned outside the City. In the latter case, the City allows a credit of 100 percent of the tax paid to another municipality not to exceed the amount owed. The Regional Income Tax Agency (R.I.T.A) provides services to collect taxes, acting as an agent of the City. Each member municipality appoints its own delegate to the Regional Council of Governments which oversees R.I.T.A. Since 2018, net profit taxpayers in Ohio may opt in for collection by the State of Ohio Department of Taxation.

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

C. Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

Governmental Activities:	
Property & Other Local Taxes	\$ 13,821
Gasoline & Motor Vehicle Tax	693,048
Local Government	651,575
Charges for Service	149,418
Homestead and Rollback	180,500
Grants	210,818
Fines	270,389
Total Governmental	<u>2,169,569</u>
Business-Type Activities:	
Charges for Service	291,803
Total Business-Type	<u>291,803</u>
Total Intergovernmental Receivables	\$ <u>2,461,372</u>

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

The City is reporting a long-term loan receivable related to the Airport Improvement bonds (See Note 16). During 2014, the City entered into an agreement with the Lake County Port and Economic Development Authority for the transfer of ownership of the Willoughby Lost Nation Municipal Airport. As part of this agreement the Lake County Port and Economic Development Authority is obligated to make annual debt payments to reimburse the City for the Airport Improvement bonds. On December 31, 2021, the remaining balance being reported in the City's financial statements is \$110,000.

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 9: CAPITAL ASSETS

A summary of changes in capital assets during 2021 follows:

	Balance 01/01/21	Additions	Deletions	Balance 12/31/21
Governmental Activities				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$8,055,203	\$0	\$0	\$8,055,203
Construction in Progress	7,123,640	271,156	(81,211)	7,313,585
<i>Total Capital Assets Not Being Depreciated</i>	<u>15,178,843</u>	<u>271,156</u>	<u>(81,211)</u>	<u>15,368,788</u>
<i>Capital Assets Being Depreciated</i>				
Buildings	30,748,935	50,938	0	30,799,873
Improvements	18,733,992	585,113	(349,998)	18,969,107
Machinery and Equipment	14,613,666	632,353	(534,427)	14,711,592
Infrastructure:				
Roads	36,027,280	544,197	(8,689,056)	27,882,421
Sidewalks	1,163,026	0	0	1,163,026
Curbs & Gutters	985,795	0	0	985,795
Storm Sewers	11,642,640	0	0	11,642,640
Street Lights	54,380	0	0	54,380
Traffic Signals	1,814,950	7,533	0	1,822,483
Bridges	533,211	0	0	533,211
<i>Total Capital Assets Being Depreciated</i>	<u>116,317,875</u>	<u>1,820,134</u>	<u>(9,573,481)</u>	<u>108,564,528</u>
<i>Less Accumulated Depreciation</i>				
Buildings	(12,452,184)	(697,327)	0	(13,149,511)
Improvements	(11,929,125)	(284,622)	349,998	(11,863,749)
Machinery and Equipment	(9,844,082)	(824,759)	508,715	(10,160,126)
Infrastructure:				
Roads	(25,539,291)	(1,830,895)	8,689,056	(18,681,130)
Sidewalks	(1,027,020)	(40,058)	0	(1,067,078)
Curbs & Gutters	(899,320)	(34,589)	0	(933,909)
Storm Sewers	(6,271,004)	(278,234)	0	(6,549,238)
Street Lights	(39,852)	0	0	(39,852)
Traffic Signals	(1,548,337)	(22,606)	0	(1,570,943)
Bridges	(215,422)	(9,964)	0	(225,386)
<i>Total Accumulated Depreciation</i>	<u>(69,765,637)</u>	<u>(4,023,054)</u>	<u>9,547,769</u>	<u>(64,240,922)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>46,552,238</u>	<u>(2,202,920)</u>	<u>(25,712)</u>	<u>44,323,606</u>
Total Government Activities Capital Assets, Net	<u><u>\$61,731,081</u></u>	<u><u>(\$1,931,764)</u></u>	<u><u>(\$106,923)</u></u>	<u><u>\$59,692,394</u></u>

CITY OF WILLOUGHBY, OHIO
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FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 9: CAPITAL ASSETS (CONTINUED)

	Balance 01/01/21	Additions	Deletions	Balance 12/31/21
Business-Type Activities				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$2,673,107	\$0	\$0	\$2,673,107
Construction in Progress	4,594,354	123,199	(4,533,108)	184,445
<i>Total Capital Assets Not Being Depreciated</i>	<u>7,267,461</u>	<u>123,199</u>	<u>(4,533,108)</u>	<u>2,857,552</u>
<i>Capital Assets Being Depreciated</i>				
Buildings	26,793,252	0	0	26,793,252
Improvements	43,608,725	6,864,034	0	50,472,759
Machinery and Equipment	5,694,566	139,807	(90,210)	5,744,163
<i>Total Capital Assets Being Depreciated</i>	<u>76,096,543</u>	<u>7,003,841</u>	<u>(90,210)</u>	<u>83,010,174</u>
<i>Less Accumulated Depreciation</i>				
Buildings	(15,971,217)	(709,480)	0	(16,680,697)
Improvements	(23,090,902)	(1,012,331)	0	(24,103,233)
Machinery and Equipment	(4,256,004)	(196,841)	85,699	(4,367,146)
<i>Total Accumulated Depreciation</i>	<u>(43,318,123)</u>	<u>(1,918,652)</u>	<u>85,699</u>	<u>(45,151,076)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>32,778,420</u>	<u>5,085,189</u>	<u>(4,511)</u>	<u>37,859,098</u>
Total Business-Type Capital Assets, Net	<u><u>\$40,045,881</u></u>	<u><u>\$5,208,388</u></u>	<u><u>(\$4,537,619)</u></u>	<u><u>\$40,716,650</u></u>
Depreciation expense was charged to governmental functions as follows:				
General Government				\$361,920
Security of Persons and Property				709,103
Public Health and Welfare				8,908
Community Environment				5,013
Leisure Time Activities				313,310
Transportation				2,165,533
Basic Utility Service				459,267
Total				<u><u>\$4,023,054</u></u>
Depreciation expense was charged to business-type activities as follows:				
Golf				\$111,265
Sewer				1,807,387
Total				<u><u>\$1,918,652</u></u>

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NOTE 10: DEFINED BENEFIT PENSION PLANS

Net Pension Liability/Asset

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

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three

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separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

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

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

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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The base amount of a member's pension benefit is locked in upon receipt of the initial benefit payment for calculation of the annual cost-of-living adjustment.

When a traditional plan benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base

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retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

A death benefit of \$500 - \$2,500, determined by the number of years of service credit of the retiree, is paid to the beneficiary of a deceased retiree or disability benefit recipient under the Traditional and Combined Plans.

The OPERS Board of Trustees approved a proposal at its October 2019 meeting to create a new tier of membership in the OPERS traditional pension plan. OPERS currently splits its non-retired membership into Groups A, B or C depending on age and service criteria. Retirement Group D would consist of OPERS contributing members hired in 2022 and beyond. Group D will have its own eligibility standards, benefit structure and unique member features designed to meet the changing needs of Ohio Public Workers. It will also help OPERS address expected investment market volatility and adjust for the lack of available funding for health care. The date of implementation will be determined when finalized changes are approved.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Members of both the member-directed plan and the combined plan who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the members' contributions plus or minus the investment gains or losses resulting from the members' investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the purchase of a monthly defined benefit annuity from OPERS (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of the entire account balance, net of taxes withheld, or a combination of these options.

Beginning in 2022, the combined plan will be consolidated under the traditional pension plan (defined benefit plan) and the combined plan will no longer be available for new hires.

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

STATE & LOCAL	
2021 Statutory Maximum Contribution Rates	
EMPLOYER	14%
EMPLOYEE*	10%
2021 Actual Contribution Rates	
EMPLOYER:	
Pension**	14%
Post-employment Health Care Benefits**	0%
TOTAL EMPLOYER	14%
EMPLOYEE	10%
* Member contributions within combined plan are not used to fund the defined benefit retirement allowance.	
** These pension and employer health care rates are for the traditional & combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.	

The portion of employer contributions used to fund pension benefits is net of postemployment health care benefits. The portion of the employer's contribution allocated to health care was 0% for 2021 for the Traditional and Combined Plans. The portion of the employer's contribution allocated to health care was 4% for the Member-Directed Plan for 2021. Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contributions were \$1,249,972 for 2021. Of this amount, \$48,794 is reported as salaries, wages and benefits payable.

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

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

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service

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retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

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

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

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

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will receive a COLA equal to a percentage of the member's base pension benefit where the percentage is the lesser of three percent or the percentage increase in the consumer price index, if any, over the 12 month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one-percent.

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

	POLICE	FIRE
2021 Statutory Maximum Contribution Rates		
EMPLOYER:	19.50 %	24.00 %
EMPLOYEE:	12.25 %	12.25 %
2021 Actual Contribution Rates		
EMPLOYER:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	19.50 %	24.00 %
Total Employee	12.25 %	12.25 %

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Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$1,752,137 for 2021. Of this amount, \$71,068 is reported as salaries, wages and benefits payable.

In addition to current contributions, the City pays installments on a specific liability incurred when the State of Ohio established the statewide pension system Police and Fire in 1967. As of December 31, 2021, the specific liability of the City was \$75,473 payable in semi-annual payments through the year 2035.

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

The net pension liability/asset for OPERS was measured as of December 31, 2020, and the total pension liability/asset used to calculate the net pension liability/asset was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2020, and was determined by rolling forward the total pension liability as of January 1, 2020, to December 31, 2020. The City's proportion of the net pension liability/asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS Traditional Pension Plan	OPERS Combined Pension Plan	OP&F Police	OP&F Fire	Total
Proportion of the Net					
Pension Liability/(Asset):					
Current Measurement Date	0.058932%	0.034515%	0.1535526%	0.1714873%	
Prior Measurement Date	<u>0.063407%</u>	<u>0.038003%</u>	<u>0.1560714%</u>	<u>0.1702546%</u>	
Change in Proportionate Share	<u>-0.004475%</u>	<u>-0.003488%</u>	<u>-0.0025188%</u>	<u>0.0012327%</u>	
Proportionate Share of the Net					
Pension Liability/(Asset)	\$8,726,546	(\$99,632)	\$10,467,817	\$ 11,690,442	\$30,785,173
Pension Expense	\$ (298,142)	\$ 3,718	\$ 690,647	\$ 786,703	\$ 1,182,926

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On December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS	OP&F Police	OP&F Fire	Total
<u>Deferred Outflows of Resources</u>				
Differences between expected and actual experience	\$0	\$437,585	\$488,703	926,288
Changes of assumptions	6,222	175,550	196,056	377,828
Changes in proportion and differences between City contributions and proportionate share of contributions	17,039	121,292	179,233	317,564
City contributions subsequent to the measurement date	<u>1,249,972</u>	<u>835,434</u>	<u>916,703</u>	<u>3,002,109</u>
Total Deferred Outflows of Resources	<u>\$1,273,233</u>	<u>\$1,569,861</u>	<u>\$1,780,695</u>	<u>\$4,623,789</u>
<u>Deferred Inflows of Resources</u>				
Net difference between projected and actual earnings on pension plan investments	\$3,416,169	\$507,757	\$567,066	\$4,490,992
Differences between expected and actual experience	383,836	407,797	455,422	1,247,055
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>670,335</u>	<u>540,985</u>	<u>410,881</u>	<u>1,622,201</u>
Total Deferred Inflows of Resources	<u>\$4,470,340</u>	<u>\$1,456,539</u>	<u>\$1,433,369</u>	<u>\$7,360,248</u>

\$3,002,109 was reported as deferred outflows of resources related to pension resulting from City's contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ending December 31, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS	OP&F Police	OP&F Fire	Total
Year Ending December 31:				
2022	(\$1,899,351)	(\$164,813)	(\$152,921)	(\$2,217,085)
2023	(691,489)	126,595	172,631	(392,263)
2024	(1,393,086)	(570,737)	(556,339)	(2,520,162)
2025	(465,824)	(116,729)	(41,922)	(624,475)
2026	704	3,572	9,174	13,450
Thereafter	<u>1,967</u>	<u>0</u>	<u>0</u>	<u>1,967</u>
Total	<u>(\$4,447,079)</u>	<u>(\$722,112)</u>	<u>(\$569,377)</u>	<u>(\$5,738,568)</u>

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Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the last actuarial evaluation, reflecting experience study results, are presented below:

Wage Inflation	3.25%
Future Salary Increases, including inflation COLA or Ad Hoc COLA	3.25% -10.75% including wage inflation Pre 1/7/2013 retirees; 3%, simple Post 1/7/2013 retirees; 0.5%, simple through 2021, then 2.15% simple
Investment Rate of Return	7.2%
Actuarial Cost Method	Individual Entry Age

The total pension asset in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.25%
Future Salary Increases, including inflation COLA or Ad Hoc COLA	3.25% -8.25% including wage inflation Pre 1/7/2013 retirees; 3%, simple Post 1/7/2013 retirees; 0.5%, simple through 2021, then 2.15% simple
Investment Rate of Return	7.2%
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010,

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respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the previously described tables.

The most recent experience study was completed for the five-year period ended December 31, 2015.

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

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the 401(h) Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money weighted rate of return expressing investment performance, net of investments expense and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 11.7 percent for 2020.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2020 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	25.00 %	1.32 %
Domestic Equities	21.00	5.64
Real Estate	10.00	5.39
Private Equity	12.00	10.42
International Equities	23.00	7.36
Other investments	9.00	4.75
Total	100.00 %	5.43 %

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Discount Rate The discount rate used to measure the total pension liability was 7.2 percent, post- experience study results. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.2 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

City's proportionate share of the net pension liability/(asset)	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Traditional Pension Plan	\$16,645,933	\$8,726,546	\$2,141,589
Combined Plan	(\$69,375)	(\$99,632)	(\$122,183)

Changes Between Measurement Date and Report Date

Cost of living adjustments for OPERS members will be 3 percent for all those eligible to receive the annual benefit increase. During 2021, OPERS Board lowered the investment rate of return from 7.2% to 6.9% along with certain other changes to assumptions for the actuarial valuation as of December 31, 2021. The effects of these changes are unknown.

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2020 is based on the results of an actuarial valuation date of January 1, 2020, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements, and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

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Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2020, are presented below:

Valuation Date	January 1, 2020 with actuarial liabilities rolled forward to December 31, 2020
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.00%
Projected Salary Increases	3.75% - 10.5%
Payroll Growth	Inflation rate of 2.75% plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	3.00 percent simple, 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

Age	Police	Fire
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

Age	Police	Fire
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

The most recent experience study was completed December 31, 2016.

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

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rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2020 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return**
Domestic Equity	21.00 %	5.40 %
International Equity	14.00	5.80
Core Fixed Income *	23.00	2.70
U.S. Inflation Linked Bonds *	17.00	2.50
High Yield Fixed Income	7.00	4.70
Private Real Estate	12.00	6.40
Private Markets	8.00	8.00
Midstream Energy Infrastructure	5.00	6.60
Private Credit	5.00	5.50
Real Assets	8.00	7.40
Gold	5.00	1.90
Total	125.00 %	
Note: Assumptions are geometric		
* levered 2.5x		
** numbers are net of expected inflation		

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

Discount Rate The total pension liability was calculated using the discount rate of 8.00 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00 percent), or one percentage point higher (9.00 percent) than the current rate.

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	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$ 30,847,136	\$ 22,158,259	\$ 14,886,548

NOTE 11: DEFINED OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLANS

Net OPEB Liability/Asset

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

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

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

GASB 75 assumes that any liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan's unfunded and funded benefits are presented as a long-term *net OPEB liability or net OPEB asset* on the accrual basis of accounting. Any liability for the contractually required OPEB contribution outstanding at the end of the

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year is included in salaries, wages & benefits payable on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

The Ohio Revised Code permits but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care was no longer being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1

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percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. As recommended by OPERS' actuary, beginning January 1, 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2021 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$13,396 for 2021.

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

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined post-employment healthcare plan that provides various levels of health care to retired, disabled and beneficiaries as well as their dependents. On January 1, 2019, OP&F changed the way it supports retiree health care. A stipend-based health care model has replaced the self-insured group health care plan that had been in place. A stipend funded by OP&F is available to those members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses. As a result of this change, it is expected that the solvency of the Health Care Stabilization Fund (HCSF) will be extended allowing OP&F to provide stipends to eligible participants.

OP&F provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 75.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is 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 visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. There is one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. An Internal Revenue Code 401(h) account is maintained for Medicare Part B reimbursements.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2021, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contractually required contribution to OP&F was \$41,489 for 2021.

OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB asset and total OPEB asset for OPERS were determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2020 and was determined by rolling forward the total OPEB liability as of January 1, 2020 to December 31, 2020. The City's proportion of the net OPEB liability/asset was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

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	OPERS	OP&F	
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.057754%	0.3250399%	
Proportion of the Net OPEB Liability:			
Prior Measurement Date	0.062072%	0.3263260%	
Change in Proportionate Share	-0.004318%	-0.0012861%	
			Total
Proportionate Share of the Net OPEB Liability/(Asset)	(\$1,028,934)	\$3,443,851	\$2,414,917
OPEB Expense	(\$6,305,113)	\$337,829	(\$5,967,284)

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$0	\$0	\$0
Changes of assumptions	505,836	1,902,540	2,408,376
Changes in proportion and differences between City contributions and proportionate share of contributions	406	228,201	228,607
City contributions subsequent to the measurement date	13,396	41,489	54,885
Total Deferred Outflows of Resources	\$519,638	\$2,172,230	\$2,691,868
Deferred Inflows of Resources			
Differences between expected and actual experience	\$928,607	\$568,049	\$1,496,656
Changes of assumptions	1,667,181	549,014	2,216,195
Net difference between projected and actual earnings on OPEB plan investments	548,024	127,979	676,003
Changes in proportion and differences between City contributions and proportionate share of contributions	406,273	170,169	576,442
Total Deferred Inflows of Resources	\$3,550,085	\$1,415,211	\$4,965,296

\$54,885 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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Year Ending December 31:	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
2022	(\$1,641,110)	\$156,175	(\$1,484,935)
2023	(1,100,010)	186,482	(913,528)
2024	(238,148)	138,702	(99,446)
2025	(64,575)	146,952	82,377
2026	0	41,808	41,808
Thereafter	<u>0</u>	<u>45,411</u>	<u>45,411</u>
Total	<u>(\$3,043,843)</u>	<u>\$715,530</u>	<u>(\$2,328,313)</u>

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	6.00 percent
Prior Measurement date	3.16 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate:	
Current Measurement date	2.00 percent
Prior Measurement date	2.75 percent
Health Care Cost Trend Rate:	
Current Measurement date	8.5 percent, initial 3.50 percent, ultimate in 2035
Prior Measurement date	10.5 percent, initial 3.50 percent ultimate in 2030
Actuarial Cost Method	Individual Entry Age

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Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all the above-described tables.

The most recent experience study was completed for the five-year period ended December 31, 2015.

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

During 2020, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 10.5 percent for 2020.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit.

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The table below displays the Board-approved asset allocation policy for 2020 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	1.07 %
Domestic Equities	25.00	5.64
Real Estate Investment Trust	7.00	6.48
International Equities	25.00	7.36
Other investments	9.00	4.02
Total	<u>100.00 %</u>	4.43 %

Discount Rate A single discount rate of 6.00 percent was used to measure the OPEB asset on the measurement date of December 31, 2020. A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 2.00 percent and a municipal bond rate of 2.75 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2120. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2120, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 6.00 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.00 percent) or one-percentage-point higher (7.00 percent) than the current rate:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
City's proportionate share of the net OPEB asset	(\$255,850)	(\$1,028,934)	(\$1,664,470)

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Sensitivity of the City's Proportionate Share of the Net OPEB Asset to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB asset calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2021 is 8.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	<u>1% Decrease</u>	<u>Current Health Care Cost Trend Rate Assumption</u>	<u>1% Increase</u>
City's proportionate share of the net OPEB asset	(\$1,054,011)	(\$1,028,934)	(\$1,000,877)

Changes between Measurement Date and Report Date

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022 and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements but are expected to decrease the associated OPEB liability.

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020 and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Valuation Date	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Single discount rate:	
Current measurement date	2.96 percent
Prior measurement date	3.56 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

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<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

The most recent experience study was completed for the five-year period ended December 31, 2016.

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2020, are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Domestic Equity	21.00 %	5.40 %
Non-US Equity	14.00	5.80
Core Fixed Income *	23.00	2.70
U.S. Inflation Linked Bonds *	17.00	2.50
High Yield Fixed Income	7.00	4.70
Private Real Estate	12.00	6.40
Private Markets	8.00	8.00
Midstream Energy Infrastructure	5.00	6.60
Private Credit	5.00	5.50
Real Assets	8.00	7.40
Gold	5.00	1.90
Total	125.00 %	
Note: Assumptions are geometric		
* levered 2.5x		
** numbers are net of expected inflation		

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

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Discount Rate The total OPEB liability was calculated using the discount rate of 2.96 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.12 percent at December 31, 2020 and 2.75 percent at December 31, 2019, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 2.96 percent. The municipal bond rate was determined using the S&P Municipal Bond 20 Year High Grade Rate Index. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2037. The long-term expected rate of return on health care investments was applied to projected costs through 2037, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 2.96 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.96 percent), or one percentage point higher (3.96 percent) than the current rate.

	1% Decrease (1.96%)	Current Discount Rate (2.96%)	1% Increase (3.96%)
City's proportionate share of the net OPEB liability	\$4,294,285	\$3,443,851	\$2,742,342

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Net OPEB liability is sensitive to changes in the health care cost trend rate because it is based on a medical benefit that is a flat dollar amount.

NOTE 12: OTHER EMPLOYEE BENEFITS – COMPENSATED ABSENCES

A. Accumulated Unpaid Vacation

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

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B. Accumulated Unpaid Sick Leave

All full-time employees earn sick leave at a rate of 4.62 hours bi-weekly, with the exception of firefighters which earns 5.73 hours bi-weekly.

C. Accumulated Unpaid Compensatory Time

Firefighters may accrue compensatory time to a maximum of 120 hours and police officers may accrue to a maximum of 180 hours. Communications clerks and operators may accrue a maximum of 120 hours of compensatory time. Service workers may accrue a maximum of 64 hours of compensatory time.

NOTE 13: CONTRACTUAL COMMITMENTS

At December 31, 2021, the City's significant contractual commitments consisted of:

Project	Contract Amount	Amount Paid	Remaining on Contract
·City Vehicles	\$780,551	\$0	\$780,551
·2021 Road Program	\$758,475	\$451,371	\$307,104
·Two Town	\$454,579	\$0	\$454,579
Total	\$1,993,605	\$451,137	\$1,542,234

NOTE 14: CONTINGENCIES, CLAIMS AND JUDGMENTS

A. Litigation

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

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B. Enterprise Bonds

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

NOTE 15: OTHER COMMITMENTS

Water/Sewer Billing Agreement

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

NOTE 16: LONG-TERM OBLIGATIONS

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

	Original Issue Date	Maturity Date	Interest Rate	Original Issue Amount
<u>Governmental Activities:</u>				
<u>General Obligation Bonds Voted</u>				
Fire Station Refunding	2010	2024	2.0%-4.0%	\$ 4,160,000
<u>General Obligation Bonds Unvoted</u>				
Municipal Building Improvement Refunding	2012	2023	2.0%-4.0%	4,600,000
City Hall Improvement	2012	2032	1.0%-2.625%	3,200,000
Airport Improvement	2012	2032	1.0%-2.625%	155,000
Golf Course Improvement Refunding	2012	2022	1.0%-2.0%	1,165,000
Senior Center Building	2020	2044	1.25%-5.0%	6,665,000
Riverside Commons Improvements	2021	2035	1.0%-5.0%	5,610,000
<u>OPWC From Direct Borrowings</u>				
Brown Avenue Watermains	2001	2022	Interest Free	15,675
E 364,E365& Harvard Stormsewer Replacement	2020	2042	Interest Free	145,643
<u>OWDA From Direct Borrowings</u>				
Two Town Ditch Stormsewer Culvert	2018	2038	2.90%	272,767
E 364,E365& Harvard Stormsewer Replacement	2019	2041	1.22%	1,882,765
<u>Other General Long -Term Liabilities</u>				
Police Pension Liability	1968	2035	4.25%	148,460
Landfill Postclosure Care	1994	2024		1,227,640

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Long-Term Obligations (cont)

	Original Issue Date	Maturity Date	Interest Rate	Original Issue Amount
<u>Enterprise Fund G.O. Debt Sewer Bonds</u>				
Sewer 2012	2012	2032	1.0%-2.625%	\$ 1,600,000
<u>OPWC From Direct Borrowings</u>				
Vine Street Area Sanitary Sewer	2001	2022	Interest Free	223,351
Center-Wood Sanitary Sewer	2003	2024	Interest Free	78,505
Lakeshore Blvd	2007	2028	Interest Free	115,102
River Road Sanitary Sewer	2010	2030	Interest Free	57,574
Kirtland Road Sanitary Sewer	2011	2031	Interest Free	150,000
Madison Skiff Sanitary Sewer	2012	2033	Interest Free	126,128
Mooreland St Clair	2015	2036	Interest Free	150,000
WPCC Basin Rehab	2017	2038	Interest Free	150,000
WPCC Basin Control	2018	2038	Interest Free	50,000
<u>OWDA From Direct Borrowings</u>				
Highland-Maple-Wood Sanitary Sewer	2002	2022	3.99-3.53%-3.0%	1,734,234
Center-Wood Sanitary Sewer	2003	2023	3.65%-3.0%	974,020
Van Gorder Sewer Lining	2003	2023	4.78%-4.0%	88,505
Lakeshore Blvd	2007	2027	3.34%-3.0	544,207
River Road Sanitary Sewer	2008	2029	3.3%-3.0	1,945,317
Vine and Trunk Sanitary Sewer	2010	2030	3.25%-3.0%	327,067
Kirtland Road Sanitary Sewer	2011	2031	4.45%-4.0%	559,572
Madison Skiff Sanitary Sewer	2012	2033	3.35%	984,927
Mooreland St Clair	2015	2036	2.75%	1,127,323
WPCC Basin Rehab	2016	2037	1.47%	606,073
WPCC Quentin Basin	2016	2038	1.55%	4,523,951
WPCC Capacity Enhancement	2019	2041	1.17%	6,578,851
<u>Golf Bonds</u>				
Golf Course Improvement #2	2012	2032	1.0%-2.625%	1,710,000

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Long-Term Obligations (cont)

Changes in long-term obligations of the City during 2021 were as follows:

	Balance 1/1/2021	Increases	Decreases	Balance 12/31/2021	Amounts Due Within One Year
Governmental Activities:					
<u>General Obligation Bonds Voted</u>					
Fire Station Refunding	\$ 1,390,000	\$ 0	\$ 330,000	\$ 1,060,000	\$ 340,000
Unamortized Premium	11,676	0	2,919	8,757	0
<i>Subtotal - General Obligation Bonds Voted</i>	<u>1,401,676</u>	<u>0</u>	<u>332,919</u>	<u>1,068,757</u>	<u>340,000</u>
<u>General Obligation Bonds Unvoted</u>					
Municipal Building Improvement Refunding	1,235,000	0	455,000	780,000	470,000
Unamortized Premium	60,759	0	20,253	40,506	0
City Hall Improvement	2,045,000	0	160,000	1,885,000	150,000
Airport Improvement	115,000	0	5,000	110,000	10,000
Golf Course Improvement Refunding	470,000	0	230,000	240,000	240,000
Unamortized Premium	69,325	0	5,900	63,425	0
Senior Center Building	6,665,000	0	5,000	6,660,000	5,000
Riverside Commons Improvements	0	5,610,000	0	5,610,000	75,000
Unamortized Premium	0	208,164	8,674	199,490	0
<i>Subtotal - General Obligation Bonds Unvoted</i>	<u>10,660,084</u>	<u>5,818,164</u>	<u>889,827</u>	<u>15,588,421</u>	<u>950,000</u>
<u>OPWC From Direct Borrowings</u>					
Brown Avenue Watermains	1,566	0	784	782	782
E 364,E365& Harvard Stormsewer Replacement	145,643	0	7,281	138,362	7,282
<i>Subtotal - OPWC</i>	<u>147,209</u>	<u>0</u>	<u>8,065</u>	<u>139,144</u>	<u>8,064</u>
<u>OWDA From Direct Borrowings</u>					
Two Town Ditch Stormsewer Culvert	245,004	0	26,685	218,319	27,464
E 364,E365& Harvard Stormsewer Replacement	1,882,765	0	57,172	1,825,593	115,391
<i>Subtotal - OWDA</i>	<u>2,127,769</u>	<u>0</u>	<u>83,857</u>	<u>2,043,912</u>	<u>142,855</u>
<u>Bond Anticipation Notes</u>					
Riverside Commons Improvements	5,610,000	0	5,610,000	0	0
<i>Subtotal - Bond Anticipation Notes</i>	<u>5,610,000</u>	<u>0</u>	<u>5,610,000</u>	<u>0</u>	<u>0</u>
Total Governmental Activities					
General Obligation Bonds, Loans, Notes	<u>19,946,738</u>	<u>5,818,164</u>	<u>6,924,668</u>	<u>18,840,234</u>	<u>1,440,919</u>
<u>Other General Long Term Liabilities</u>					
Police Pension Liability	79,558	0	4,085	75,473	4,260
Landfill Postclosure Care	272,766	0	59,804	212,962	70,868
Compensated Absences	5,614,223	1,253,484	1,222,632	5,645,075	1,829,811
<i>Subtotal - Other General Long-Term Liabilities</i>	<u>5,966,547</u>	<u>1,253,484</u>	<u>1,286,521</u>	<u>5,933,510</u>	<u>1,904,939</u>
<u>Net Pension Liability</u>					
OPERS	9,728,783	181,095	3,135,610	6,774,268	0
OP&F	21,983,062	1,860,804	1,685,607	22,158,259	0
<i>Subtotal - Net Pension Liability</i>	<u>31,711,845</u>	<u>2,041,899</u>	<u>4,821,217</u>	<u>28,932,527</u>	<u>0</u>
<u>Net OPEB Liability</u>					
OPERS	6,655,500	0	6,655,500	0	0
OP&F	3,223,360	260,037	39,546	3,443,851	0
<i>Subtotal - Net OPEB Liability</i>	<u>9,878,860</u>	<u>260,037</u>	<u>6,695,046</u>	<u>3,443,851</u>	<u>0</u>
Subtotal Governmental Activities	<u>\$ 67,503,990</u>	<u>\$ 9,373,584</u>	<u>\$ 19,727,452</u>	<u>\$ 57,150,122</u>	<u>\$ 3,345,858</u>

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Long-Term Obligations (cont)

	Balance 1/1/2021	Increases	Decreases	Balance 12/31/2021	Amounts Due Within One Year
Business-Type Activities:					
Enterprise Fund General Obligation					
Debt - Sewer Bonds					
Sewer 2012	\$ 1,035,000	\$ 0	\$ 75,000	\$ 960,000	\$ 80,000
OPWC From Direct Borrowings					
Vine Street Area Sanitary Sewer	20,769	0	10,384	10,385	10,385
Center-Wood Sanitary Sewer	15,702	0	3,925	11,777	3,925
Lakeshore Blvd	46,040	0	5,755	40,285	5,755
River Road Sanitary Sewer	27,347	0	2,879	24,468	2,879
Kirtland Road Sanitary Sewer	86,250	0	7,500	78,750	7,500
Madison Skiff Sanitary Sewer	85,139	0	6,306	78,833	6,306
Mooreland St. Clair	112,500	0	7,500	105,000	7,500
WPCC Basin Rehab	127,500	0	7,500	120,000	7,500
WPCC Basin Control	43,750	0	2,500	41,250	2,500
OWDA From Direct Borrowings					
Highland-Maple-Wood Sanitary Sewer	241,218	0	118,237	122,981	122,981
Center-Wood Sanitary Sewer	194,522	0	62,510	132,012	64,812
Van Gorder Sewer Lining	19,132	0	6,078	13,054	6,373
Lakeshore Blvd	217,609	0	30,506	187,103	31,533
River Road Sanitary Sewer	1,033,298	0	100,363	932,935	103,704
Vine and Trunk Sanitary Sewer	189,668	0	16,335	173,333	16,871
Kirtland Road Sanitary Sewer	379,711	0	25,931	353,780	27,098
Madison Skiff Sanitary Sewer	726,896	0	45,458	681,438	46,993
Mooreland St. Clair	929,571	0	48,835	880,736	50,187
WPCC Basin Rehab	400,914	0	94,374	306,540	95,766
WPCC Quentin Basin	3,814,456	0	200,667	3,613,789	203,789
WPCC Capacity Enhancement	4,080,440	2,498,411	0	6,578,851	151,123
Subtotal - Sewer Bonds and Loans	13,827,432	2,498,411	878,543	15,447,300	1,055,480
Golf Bonds					
Golf Course Improvement #2	1,105,000	0	80,000	1,025,000	85,000
Subtotal - Golf Bonds	1,105,000	0	80,000	1,025,000	85,000
Total Bonds and Loans Payable	14,932,432	2,498,411	958,543	16,472,300	1,140,480
Other Liabilities					
Compensated Absences	711,059	136,187	263,546	583,700	185,240
Net Pension Liability- OPERS					
Sewer	2,342,970	43,613	755,145	1,631,438	0
Golf	461,071	8,583	148,814	320,840	0
Subtotal -Net Pension Liability-OPERS	2,804,041	52,196	903,959	1,952,278	0
Net OPEB Liability- OPERS					
Sewer	1,602,836	0	1,602,836	0	0
Golf	315,420	0	315,420	0	0
Subtotal -Net OPEB Liability-OPERS	1,918,256	0	1,918,256	0	0
Subtotal Business-Type Activities	20,365,788	2,686,794	4,044,304	19,008,278	1,325,720
Total Long-Term Liabilities	\$ 87,869,778	\$ 12,060,378	\$ 23,771,756	\$ 76,158,400	\$ 4,671,578

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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

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

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

Year Ending December 31	General Obligation Bonds			
	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	Principal	Interest	Principal	Interest
2022	\$ 1,290,000	\$ 347,711	\$ 165,000	\$ 44,507
2023	915,000	315,574	165,000	41,206
2024	870,000	290,449	165,000	37,907
2025	795,000	259,499	175,000	34,607
2026	840,000	224,749	175,000	31,107
2027-2031	4,840,000	861,574	940,000	93,182
2032-2036	3,895,000	475,573	200,000	5,250
2037-2041	1,750,000	221,600	0	0
2042-2044	1,150,000	46,300	0	0
Total	\$16,345,000	\$ 3,043,029	\$ 1,985,000	\$ 287,766

On May 6, 2021, the City sold \$5,610,000 Riverside Commons General Obligation Bonds. The proceeds were used to retire the bond anticipation notes of \$5,610,000 due on May 21, 2021 and for payment of interest and other issuance costs.

Other Long-Term Obligations – Compensated absences will be paid from the fund in which the employee's salary is paid. The General fund pays the most significant amounts. Enterprise funds pay for all their employee costs including retirements. Police Pension liability is paid from the Police Pension fund.

The OPWC and OWDA loans in business-type activities will be paid semi-annually from the sewer fund. In the event the Sewer fund would fail to pay the OPWC and OWDA loans, payment would be made by any general tax revenues collected in the General, or General bond retirement funds. The Governmental loans will be paid with assessments and other monies from the General Bond fund.

The City's outstanding OPWC loans from direct borrowings related to governmental activities of \$139,144 and related to business type activities of \$510,748 contain a provision that in an event of default (1) OPWC may apply late fees of 8 percent per year, (2) loans

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

more than 60 days late will be turned over to the Attorney General's office for collection, and as provided by law, OPWC may require that such payment be taken from the City's share of the county undivided local government fund, and (3) the outstanding amounts shall, at OPWC's option, become immediately due and payable.

The City's outstanding OWDA loans from direct borrowings of \$2,043,912 related to governmental activities and \$13,976,552 related to business-type activities contain a provision that in an event of default (1) the amount of such default shall bear interest at the default rate from the due date until the date of payment, (2) if any of the charges have not been paid within 30 days, in addition to the interest calculated at the default rate, a late charge of 1 percent on the amount of each default shall also be paid to the OWDA, and (3) for each additional 30 days during which the charges remain unpaid, the City shall continue to pay an additional late charge of 1 percent on the amount of the default until such charges are paid.

There is no repayment schedule for net pension/OPEB liabilities; however, employer pension contributions are made from the fund benefitting from the related employees' service. For additional information related to the net pension/OPEB liabilities see Notes 10 and 11. See Note 18 for further detail on landfill liability. The City's legal debt margin at December 31, 2021 was \$69,333,832.

Annual debt service requirements to maturity for other debt are as follows:

Year Ending December 31	Other Debt					
	Governmental Activities				Business-type Activities	
	Police Pension Liability		O.W.D.A. & O.P.W.C.		O.W.D.A. & O.P.W.C.	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 4,260	\$ 3,163	\$ 150,919	\$ 48,106	\$ 975,480	\$ 228,761
2023	4,443	2,980	152,352	46,891	1,012,432	248,091
2024	4,634	2,789	154,607	43,636	956,365	229,170
2025	4,833	2,590	156,904	41,340	885,602	191,007
2026	5,040	2,383	159,243	39,001	887,844	174,435
2027-2031	28,643	8,472	737,472	138,270	4,214,953	625,209
2032-2036	23,620	2,030	642,429	56,934	3,525,195	295,730
2037-2041	0	0	29,129	0	1,944,515	77,776
2042-2044	0	0	0	0	84,914	1,110
Total	\$ 75,473	\$ 24,407	\$ 2,183,056	\$ 414,178	\$ 14,487,300	\$ 2,071,289

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 17: CONDUIT DEBT

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

TYPE	ON BEHALF OF	ORIGINAL AMOUNT	OUTSTANDING BALANCE	YEAR OF ISSUE
Multi-Family Housing	Oakhill Village	\$5,955,000	\$5,955,000	2002A
Mortgage Revenue Bonds	Oakhill Village	\$3,395,000	\$720,000	2002B

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

NOTE 18: 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 \$212,962 reported as Landfill Postclosure Care at December 31, 2021 represents estimated cost of maintenance and monitoring through 2024. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

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

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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.

A. Commercial Insurance

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

Coverage	Company	Claim Limit	Deductible
General Liability	Travelers Insurance Company	1,000,000	\$ 0
Public Officials Liability	Travelers Insurance Company	1,000,000	10,000
Law Enforcement Liability	Travelers Insurance Company	1,000,000	10,000
Commercial Property	Travelers Insurance Company	92,988,745	10,000
Equipment Breakdown	Travelers Insurance Company	92,988,745	10,000
Automobile Liability	Travelers Insurance Company	1,000,000	0
Automobile Comprehensive	Travelers Insurance Company	Per Schedule	1,000
Automobile Collision	Travelers Insurance Company	Per Schedule	1,000
Excess General Liability (Umbrella)	Travelers Insurance Company	10,000,000	0
Fire Errors and Omissions	Travelers Insurance Company	1,000,000	0
Ambulance Malpractice	Travelers Insurance Company	1,000,000	0
Crime	Travelers Insurance Company	1,000,000	5,000
Bond-Finance Director	Liberty Mutual Insurance Company	40,000	0
Cyber Liability	Travelers Insurance Company	2,000,000	10,000

The City provides health care insurance through an insurance purchasing pool, the Ohio Government Benefit Cooperative (OGBC). 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 insurance coverage in any of the past three fiscal years.

B. Workers' Compensation Retrospective Rating Plan

The City established a formal self-insurance program for liabilities arising from the City's participation in the State's Workers' Compensation Retrospective Rating Plan for the plan year 2014. This exposure was accounted for in the Workers' Compensation Retro Rating fund. There is no further liability and remaining funds were transferred back to the General fund in 2021.

In 2015 and 2016, the City opted to be experience rated for workers' compensation. For 2017 through 2021, the City participated in the Group

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Retrospective Rating Program. The City reserves the right to go back to retrospective billing or other programs the Bureau may offer in the future.

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 over 240 communities who have been authorized by ballot to purchase energy on behalf of their citizens. The intent of NOPEC is to provide energy at the lowest possible rates while at the same time ensuring stability in prices by entering into long-term contracts with suppliers to provide energy to the citizens of its member communities.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the ten-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The City of Willoughby did not contribute to NOPEC during 2021. Financial information can be obtained by contacting NOPEC, 31320 Solon Road, Suite 33, Solon, Ohio 44139.

NOTE 21: WILLOUGHBY-EASTLAKE JOINT SEWER TREATMENT FACILITY

In 1955 the City entered into an agreement with the City of Eastlake for the purpose of financing and constructing a joint treatment facility. The agreement has been amended 14 times since. The joint sewer treatment facility includes a sewer plant, outfalls, and joint sewers. The sewer plant and improvements were constructed by the City of Willoughby. The outflows were constructed and financed by the City of Eastlake and conveyed to the City of Willoughby upon completion. The joint sewers were constructed by the City of Willoughby and financed jointly by both cities. The City of Willoughby holds legal title to the sewer plant and improvements made to the facility, outflows, and joint sewers. Each city is responsible for all sewer lines constructed within their corporate limits with connection to the joint sewer facility.

The City of Willoughby bills the City of Eastlake on a monthly basis for services provided, maintenance and construction improvements of the joint sewer facilities. The billing is based upon flow measured by meters and includes a contribution for future capital improvements to the joint sewer treatment facility. The agreement has been amended for each City to contribute an amount equal to fifty percent of all costs associated with the capital improvements projects. Although the joint sewer treatment facility is managed by the Willoughby-Eastlake Joint Sewer Advisory Committee appointed by the cities of Willoughby and Eastlake, ultimately the joint sewer treatment facility is part of the City of

CITY OF WILLOUGHBY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Willoughby's reporting entity. The City of Eastlake paid \$1,563,555 to the City of Willoughby for the joint sewer treatment facility in 2021 which was accounted for in the City's sewer enterprise fund.

NOTE 22: INSURANCE PURCHASING POOL

The City participates in the Ohio Government Benefit Cooperative, a claims servicing and group purchasing pool comprised of eleven members. The Ohio Government Benefit Cooperative (OGBC) is created and organized pursuant to and as authorized by Section 9.833 of the Ohio Revised Code. OGBC is governed by a four-member Board of Directors. The City of Willoughby serves as the fiscal agent for OGBC. OGBC is an unincorporated, non-profit association of its members which was created for the purpose of enabling members of the Plan to maximize benefits and/or reduce costs of medical, prescription drug, vision, dental, life and/or other group insurance coverage for their employees, and their eligible dependents and designated beneficiaries of such employees. Participants pay an initial \$500 membership fee to OGBC. OGBC offers two options to participants. Participants may enroll in the joint insurance purchasing program for medical, prescription drug, vision dental and/or life insurance. A second option is available for self-insured participants that provides for the purchase of stop loss insurance coverage through OGBC's third party administrator. Medical Mutual is the Administrator of the OGBC. The City participates in the joint insurance program for medical and prescription drug coverage.

NOTE 23: TAX ABATEMENT

Pursuant to Ohio Revised Code Chapter 718 and City ordinance, the City provides an incentive to eligible companies based upon their gross annual payroll, the amount of income tax generated annually, and the number of jobs created or retained by the business. The abatement is administered as a refundable credit against the municipal income tax liability based upon the company's payroll taxes. For the calendar year 2021, the City provided tax abatements through six economic development agreements. Net income tax value was reduced by \$127,274 through expenses.

NOTE 24: COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City. The City's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the City's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated. Additional funding will be available through the Consolidated Appropriations Act, 2021, passed by Congress on December 21, 2020 and/or the American Rescue Plan Act, passed by Congress on March 11, 2021.



WILLOUGHBY

Required Supplementary Information

CITY OF WILLOUGHBY, OHIO
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Last Eight Years (1)

Ohio Public Employees Retirement System

	Traditional Plan							
	2021	2020	2019	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.058932%	0.063407%	0.064405%	0.063703%	0.064463%	0.066764%	0.068419%	0.068419%
City's Proportionate Share of the Net Pension Liability	\$8,726,546	\$12,532,824	\$17,639,224	\$9,993,766	\$14,638,449	\$11,564,366	\$8,252,096	\$8,065,709
City's Covered Payroll	\$8,292,293	\$8,921,371	\$8,702,436	\$8,416,085	\$8,332,017	\$8,309,408	\$8,415,950	\$8,277,877
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	105.24%	140.48%	202.69%	118.75%	175.69%	139.17%	98.05%	97.44%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%

	Combined Plan							
	2021	2020	2019	2018	2017	2016	2014	2014
City's Proportion of the Net Pension (Asset)	0.034515%	0.038003%	0.047230%	0.548870%	0.052203%	0.046720%	0.025052%	0.025052%
City's Proportionate Share of the Net Pension (Asset)	(\$99,632)	(\$79,245)	(\$52,814)	(\$74,719)	(\$29,055)	(\$22,732)	(\$9,646)	(\$2,629)
City's Covered Payroll	\$152,100	\$169,171	\$202,000	\$224,785	\$203,200	\$170,033	\$92,267	\$66,838
City's Proportionate Share of the Net Pension (Asset) as a Percentage of its Covered Payroll	65.50%	46.84%	26.15%	33.24%	14.30%	13.37%	10.45%	3.93%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	157.67%	145.28%	126.64%	137.28%	116.55%	116.90%	114.83%	104.33%

Ohio Police & Fire Pension Fund

	Police							
	2021	2020	2019	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.1535526%	0.1560714%	0.1639130%	0.1632434%	0.158165%	0.1661573%	0.1662427%	0.1662427%
City's Proportionate Share of the Net Pension Liability	\$10,467,817	\$10,513,803	\$13,379,632	\$10,018,985	\$10,018,029	\$10,689,018	\$8,824,343	\$8,096,541
City's Covered Payroll	\$4,229,905	\$4,131,668	\$4,136,374	\$3,964,063	\$3,796,205	\$3,765,511	\$3,666,305	\$5,245,880
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	247.47%	254.47%	323.46%	252.75%	263.90%	283.87%	240.69%	154.34%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.65%	69.89%	63.07%	70.91%	68.36%	66.77%	71.71%	73.00%

	Fire							
	2021	2020	2019	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.1714873%	0.1702546%	0.175883%	0.179726%	0.174998%	0.1834738%	0.1859341%	0.1859341%
City's Proportionate Share of the Net Pension Liability	\$11,690,442	\$11,469,259	\$14,356,700	\$11,030,615	\$11,084,183	\$11,802,999	\$9,869,601	\$9,055,574
City's Covered Payroll	\$3,838,374	\$3,662,311	\$3,607,498	\$3,546,068	\$3,412,426	\$3,361,085	\$3,331,877	\$4,563,722
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	304.57%	313.17%	397.97%	311.07%	324.82%	351.17%	296.22%	198.43%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.65%	69.89%	63.07%	70.91%	68.36%	66.77%	71.71%	73.00%

(1) Information prior to 2014 is not available.

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

CITY OF WILLOUGHBY, OHIO
Required Supplementary Information
Schedule of City Contributions (Pension)
Ohio Public Employees Retirement System
Last Nine Years (1)

	2021	2020	2019	2018	2017	2016	2015	2014	2013
<u>Contractually Required Contributions</u>									
Traditional Plan	\$1,235,331	\$1,160,921	\$1,248,992	\$1,218,341	\$1,094,091	\$999,842	\$997,129	\$1,009,914	1,076,124
Combined Plan	\$14,641	\$21,294	\$23,684	\$28,280	\$29,222	\$24,384	\$20,404	\$11,072	8,689
Total Required Contributions	\$1,249,972	\$1,182,215	\$1,272,676	\$1,246,621	\$1,123,313	\$1,024,226	\$1,017,533	\$1,020,986	\$1,084,813
Contributions in Relation to the Contractually Required Contribution	(\$1,249,972)	(\$1,182,215)	(\$1,272,676)	(\$1,246,621)	(\$1,123,313)	(\$1,024,226)	(\$1,017,533)	(\$1,020,986)	(\$1,084,813)
Contribution Deficiency / (Excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

City's Covered Payroll

Traditional Plan	\$8,823,793	\$8,292,293	\$8,921,731	\$8,702,436	\$8,416,085	\$8,332,017	\$8,309,408	\$8,415,950	\$8,277,877
Combined Plan	\$104,579	\$152,100	\$169,171	\$202,000	\$224,785	\$203,200	\$170,033	\$92,267	\$66,838

Contributions as a Percentage of Covered Payroll

Traditional Plan	14.00%	14.00%	14.00%	14.00%	13.00%	12.00%	12.00%	12.00%	13.00%
Combined Plan	14.00%	14.00%	14.00%	14.00%	13.00%	12.00%	12.00%	12.00%	13.00%

[1] - Information prior to 2013 is not available

Ohio Police and Fire Pension Fund
Last Ten Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<u>Contractually Required Contributions</u>										
Police	\$835,434	\$803,682	\$785,017	\$785,911	\$753,172	\$721,279	\$715,447	\$696,598	\$825,177	\$685,085
Fire	\$916,703	\$902,018	\$860,643	\$847,762	\$833,326	\$801,920	\$789,855	\$782,991	\$923,241	\$753,553
Total Required Contributions	\$1,752,137	\$1,705,700	\$1,645,660	\$1,633,673	\$1,586,498	\$1,523,199	\$1,505,302	\$1,479,589	\$1,748,418	\$1,438,638
Contributions in Relation to the Contractually Required Contribution	(\$1,752,137)	(\$1,705,700)	(\$1,645,660)	(\$1,633,673)	(\$1,586,498)	(\$1,523,199)	(\$1,505,302)	(\$1,479,589)	(\$1,748,418)	(\$1,438,638)
Contribution Deficiency / (Excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

City's Covered Payroll

Police	\$4,397,021	\$4,229,905	\$4,131,668	\$4,136,374	\$3,964,063	\$3,796,205	\$3,765,511	\$3,666,305	\$5,245,880	\$5,373,216
Fire	\$3,900,864	\$3,838,374	\$3,662,311	\$3,607,498	\$3,546,068	\$3,412,426	\$3,361,085	\$3,331,877	\$4,563,722	\$4,368,423

Contributions as a Percentage of Covered Payroll

Police	19.00%	19.00%	19.00%	19.00%	19.00%	19.00%	19.00%	19.00%	[1]	12.75%
Fire	23.50%	23.50%	23.50%	23.50%	23.50%	23.50%	23.50%	23.50%	[1]	17.25%

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

CITY OF WILLOUGHBY, OHIO
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net OPEB Liability (Asset)
Last Five Years (1)

Ohio Public Employees Retirement System

	2021	2020	2019	2018	2017
City's Proportion of the Net OPEB Liability	0.057754%	0.062072%	0.063350%	0.062990%	0.063420%
City's Proportionate Share of the Net OPEB Liability (Asset)	\$ (1,028,934)	\$ 8,573,756	\$ 8,259,345	\$ 6,840,250	\$ 6,405,637
City's Covered Payroll	\$ 8,726,393	\$ 9,377,746	\$ 9,192,100	\$ 8,922,036	\$ 8,764,254
City's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-11.79%	91.43%	89.85%	76.67%	73.09%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	115.57%	47.80%	46.33%	54.14%	54.04%

Ohio Police and Fire Pension Fund

	2021	2020	2019	2018	2017
City's Proportion of the Net OPEB Liability	0.3250399%	0.3263260%	0.3397964%	0.3429700%	0.3331600%
City's Proportionate Share of the Net OPEB Liability	\$ 3,443,851	\$ 3,223,360	\$ 3,094,368	\$ 19,432,183	\$ 15,814,356
City's Covered Payroll	\$ 8,068,279	\$ 7,793,979	\$ 7,743,872	\$ 7,510,131	\$ 7,208,631
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	42.68%	41.36%	39.96%	258.75%	219.38%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	45.42%	47.08%	46.57%	14.13%	15.96%

(1) Information prior to 2017 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

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

See accompanying notes to the required supplementary information

CITY OF WILLOUGHBY, OHIO
Required Supplementary Information
Schedule of the City's Contributions - OPEB

Ohio Public Employees Retirement System
Last Seven Years (1)

	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 13,396	\$ 11,280	\$ 11,488	\$ 11,507	\$ 97,553	\$ 179,831	\$ 169,589
Contributions in Relation to the Contractually Required Contribution	(13,396)	(11,280)	(11,488)	(11,507)	(97,553)	(179,831)	(169,589)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
City Covered Payroll	\$ 9,263,273	\$ 8,726,393	\$ 9,377,746	\$ 9,192,100	\$ 8,922,036	\$ 8,764,254	\$ 8,668,748
Contributions as a Percentage of Covered Payroll	0.14%	0.13%	0.12%	0.13%	1.09%	2.05%	1.96%

(1) Information prior to 2015 is not available. Schedule is intended to show ten years of information, and additional years will be displayed as it becomes available.

See accompanying notes to the required supplementary information

Ohio Police & Fire Pension Fund
Last Ten Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually Required Contribution	\$ 41,489	\$ 40,342	\$ 38,970	\$ 38,719	\$ 37,551	\$ 36,277	\$ 35,902	\$ 35,244	\$ 241,720	\$ 448,441
Contributions in Relation to the Contractually Required Contribution	(41,489)	(40,342)	(38,970)	(38,719)	(37,551)	(36,277)	(35,902)	(35,244)	(241,720)	(448,441)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
City Covered Payroll	\$ 8,297,885	\$ 8,068,279	\$ 7,793,979	\$ 7,743,872	\$ 7,510,131	\$ 7,208,631	\$ 7,126,596	\$ 6,998,182	\$ 9,809,602	\$ 9,741,639
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	3.62%	6.75%

See accompanying notes to the required supplementary information

CITY OF WILLOUGHBY, OHIO
Required Supplementary Information
Changes in Assumptions
Notes to the Required Supplementary Information
For the Year Ended December 31, 2021

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Net Pension Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014-2021.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016 and 2018. For 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 8.00% to 7.50%, (b) the expected long-term average wage inflation rate was reduced from 3.75% to 3.25%, (c) the expected long-term average price inflation rate was reduced from 3.00% to 2.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality rates were updated to the RP-2014 Health Annuitant Mortality Table, adjusted for mortality improvement back to the observant period base year of 2006 and then established the base year as 2015 (f) mortality rates used in evaluating disability allowances were updated to the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and a base year of 2015 for males and 2010 for females (g) Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables. For 2019, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 7.50% to 7.20%. For 2020, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the cost-of-living adjustments for post-1/7/2013 retirees were reduced from 3.00% simple through 2018 to 1.40% simple through 2020, then 2.15% simple. For 2021, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the cost-of-living adjustments for post-1/7/2013 retirees were reduced from 1.40% simple through 2020 to 0.50% simple through 2021, then 2.15% simple.

Net OPEB Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2018-2021.

Changes in assumptions: For 2018, the single discount rate changed from 4.23% to 3.85%. For 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the expected investment return was reduced from 6.50% to 6.00% (b) In January 2019, the Board adopted changes to health care coverage for Medicare and pre-Medicare retirees. It will include discontinuing the PPO plan for pre-Medicare retirees and replacing it with a monthly allowance to help participants pay for a health care plan of their choosing. The base allowance for Medicare eligible retirees will be reduced. The specific effect of these changes on the net OPEB liability and OPEB expense are unknown at this time (c) the single discount rate changed from 3.85% to 3.96%. For 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 3.96% to 3.16%. For 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 3.16% to 6.00% (b) the municipal bond rate changed from 2.75% to 2.00% (c) the health care cost trend rate changed from 10.50% initial and 3.50% ultimate in 2030 to 8.50% initial and 3.50% ultimate in 2035.

CITY OF WILLOUGHBY, OHIO
Required Supplementary Information
Changes in Assumptions
Notes to the Required Supplementary Information
For the Year Ended December 31, 2021

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Net Pension Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014-2021.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2017. For 2018, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the investment rate of return was reduced from 8.25 percent to 8.00 percent (b) the projected salary increases was reduced from 4.25% to 3.75% (c) the payroll increases was reduced from 3.75% to 3.25% (d) the inflation assumptions was reduced from 3.25% to 2.75% (e) the cost of living adjustments was reduced from 2.60% to 2.20% (f) rates of withdrawal, disability and service retirement were updated to reflect recent experience (g) mortality rates were updated to the RP-2014 Total Employee and Health Annuitant Mortality Table, adjusted for mortality improvement back to the observant period base year of 2006 and then established the base year as 2016 (h) mortality rates used in evaluating disability allowances were updated to the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and a base year of 2016. For 2019-2021, there have been no OP&F pension plan amendments adopted or changes in assumptions between the measurement date and the report date that would have impacted the actuarial valuation of the pension plan as of the measurement date.

Net OPEB Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2018 and 2020-2021. For 2019, see below regarding changes to stipend-based model.

Changes in assumptions: For 2018, the single discount rate changed from 3.79 percent to 3.24 percent. For 2019, the changes of assumptions were: (a) beginning January 1, 2019 OP&F changed its retiree health care model and the current self-insured health care plan is no longer offered. In its place will be a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of changing from the current health care model to the stipend-based health care model, management expects that it will be able to provide stipends to eligible participants for the next 15 years (b) beginning in 2020 the Board approved a change to the Deferred Retirement Option Plan. The minimum interest rate accruing will be 2.5% (c) the single discount rate changed from 3.24 percent to 4.66 percent. For 2020, the single discount rate changed from 4.66 to 3.56. For 2021, the single discount rate changed from 3.56 to 2.96.

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

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	BUDGETED AMOUNTS			VARIANCE WITH
	ORIGINAL	FINAL	ACTUAL	FINAL BUDGET
REVENUES:				
Municipal Income Taxes	\$ 18,252,900	\$ 19,252,900	\$ 19,560,239	\$ 307,339
Property and Other Local Taxes	1,601,500	1,601,500	1,700,067	98,567
Intergovernmental	1,280,000	1,280,000	1,564,712	284,712
Charges for Services	1,401,500	1,401,500	1,589,760	188,260
Fines and Forfeitures	1,709,000	1,709,000	1,706,291	(2,709)
Licenses and Permits	235,200	235,200	266,937	31,737
Interest	200,000	200,000	198,018	(1,982)
Miscellaneous	126,500	126,500	130,160	3,660
Total Revenues	<u>24,806,600</u>	<u>25,806,600</u>	<u>26,716,184</u>	<u>909,584</u>
EXPENDITURES:				
Government:				
Legislative -Council				
Personal Services	135,118	135,118	133,951	1,167
Services and Supplies	29,700	29,700	22,264	7,436
Total Legislative -Council	<u>164,818</u>	<u>164,818</u>	<u>156,215</u>	<u>8,603</u>
Judicial -Municipal Court				
Personal Services	1,955,981	1,955,981	1,654,066	301,915
Services and Supplies	132,000	132,000	94,911	37,089
Other	10,000	10,000	0	10,000
Total Judicial-Municipal Court	<u>2,097,981</u>	<u>2,097,981</u>	<u>1,748,977</u>	<u>349,004</u>
Executive-Mayor				
Personal Services	18,918,690	18,918,690	18,228,540	690,150
Services and Supplies	4,979,700	4,979,700	4,338,457	641,243
Other	100,000	100,000	63,689	36,311
Total Executive-Mayor	<u>23,998,390</u>	<u>23,998,390</u>	<u>22,630,686</u>	<u>1,367,704</u>
Total Expenditures	<u>26,261,189</u>	<u>26,261,189</u>	<u>24,535,878</u>	<u>1,725,311</u>
Excess of Revenues Over (Under) Expenditures	(1,454,589)	(454,589)	2,180,306	2,634,895
OTHER FINANCING SOURCES (USES):				
Transfers Out	(2,350,000)	(3,750,000)	(3,675,000)	75,000
Transfers In	370,940	418,173	418,173	0
Other	309,160	309,160	464,561	155,401
Total Other Financing Sources (Uses)	<u>(1,669,900)</u>	<u>(3,022,667)</u>	<u>(2,792,266)</u>	<u>230,401</u>
NET CHANGE IN FUND BALANCE	(3,124,489)	(3,477,256)	(611,960)	2,865,296
FUND BALANCE BEGINNING OF YEAR	7,809,311	7,809,311	7,809,311	0
Prior Year Encumbrances Appropriated	<u>9,498</u>	<u>9,498</u>	<u>9,498</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$ 4,694,320</u>	<u>\$ 4,341,553</u>	<u>\$ 7,206,849</u>	<u>\$ 2,865,296</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, 2021

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>FINAL BUDGET</u>
REVENUES:				
Property and Other Local Taxes	\$112,000	\$112,000	\$126,896	\$14,896
Intergovernmental	1,596,354	1,796,354	256,665	(1,539,689)
Other	<u>155,682</u>	<u>155,682</u>	<u>122,746</u>	<u>(32,936)</u>
Total Revenues	<u>1,864,036</u>	<u>2,064,036</u>	<u>506,307</u>	<u>(1,557,729)</u>
EXPENDITURES:				
Executive-Mayor				
Capital Outlay	<u>5,109,408</u>	<u>5,271,308</u>	<u>1,273,674</u>	<u>3,997,634</u>
Total Expenditures	<u>5,109,408</u>	<u>5,271,308</u>	<u>1,273,674</u>	<u>3,997,634</u>
Excess of Revenues Over (Under) Expenditures	(3,245,372)	(3,207,272)	(767,367)	2,439,905
OTHER FINANCING SOURCES (USES):				
Debt Proceeds	2,823,429	2,823,429	26,884	(2,796,545)
Other	0	0	20,841	20,841
Transfers In	500,000	500,000	2,030,000	1,530,000
Transfers (Out)	<u>(100,000)</u>	<u>(150,000)</u>	<u>(144,000)</u>	<u>6,000</u>
Total Other Financing Sources (Uses)	<u>3,223,429</u>	<u>3,173,429</u>	<u>1,933,725</u>	<u>(1,239,704)</u>
NET CHANGE IN FUND BALANCE	(21,943)	(33,843)	1,166,358	1,200,201
FUND BALANCE BEGINNING OF YEAR	855,548	855,548	855,548	0
Prior Year Encumbrances Appropriated	<u>33,889</u>	<u>33,889</u>	<u>33,889</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$867,494</u>	<u>\$855,594</u>	<u>\$2,055,795</u>	<u>\$1,200,201</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, 2021

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>FINAL BUDGET</u>
REVENUES:				
Property and Other Local Taxes	\$1,052,700	\$1,052,700	\$1,092,503	\$39,803
Intergovernmental	221,566	241,566	234,028	(7,538)
Interest Income	20,000	20,000	25,270	5,270
Total Revenues	<u>1,294,266</u>	<u>1,314,266</u>	<u>1,351,801</u>	<u>37,535</u>
EXPENDITURES:				
Executive-Mayor				
Personal Services	13,000	13,000	13,000	0
Services and Supplies	12,000	12,220	12,220	0
Debt Service				
Principal Retirement	1,265,647	1,276,923	1,271,921	5,002
Interest	454,141	458,401	464,023	(5,622)
Bond Issuance Costs	<u>125,500</u>	<u>125,500</u>	<u>120,000</u>	<u>5,500</u>
Total Expenditures	<u>1,870,288</u>	<u>1,886,044</u>	<u>1,881,164</u>	<u>4,880</u>
Excess of Revenues Over				
(Under) Expenditures	(576,022)	(571,778)	(529,363)	42,415
OTHER FINANCING SOURCES (USES):				
Repayment of Notes	(5,610,000)	(5,610,000)	(5,610,000)	0
Sale of Bonds	5,740,000	5,740,000	5,730,000	(10,000)
Transfer In	<u>444,000</u>	<u>444,000</u>	<u>444,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>574,000</u>	<u>574,000</u>	<u>564,000</u>	<u>(10,000)</u>
NET CHANGE IN FUND BALANCE	(2,022)	2,222	34,637	32,415
FUND BALANCE BEGINNING OF YEAR	<u>5,182</u>	<u>5,182</u>	<u>5,182</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$3,160</u>	<u>\$7,404</u>	<u>\$39,819</u>	<u>\$32,415</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, 2021

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>FINAL BUDGET</u>
REVENUES:				
Charges for Services	\$870,500	\$980,500	\$1,004,121	\$23,621
Other	<u>0</u>	<u>0</u>	<u>789</u>	<u>789</u>
Total Revenues	<u>870,500</u>	<u>980,500</u>	<u>1,004,910</u>	<u>24,410</u>
EXPENSES:				
Executive-Mayor				
Leisure Time Activities				
Personal Services	469,397	469,397	467,596	1,801
Services and Supplies	344,100	419,100	368,765	50,335
Capital Outlay	20,000	26,000	25,100	900
Debt Service				
Principal Retirement	80,000	80,000	80,000	0
Interest	<u>24,588</u>	<u>24,588</u>	<u>24,293</u>	<u>295</u>
Total Expenses	<u>938,085</u>	<u>1,019,085</u>	<u>965,754</u>	<u>53,331</u>
Excess of Revenues Over				
(Under) Expenses	(67,585)	(38,585)	39,156	77,741
OTHER FINANCING SOURCES (USES):				
Transfer In	75,000	75,000	0	(75,000)
Other	<u>0</u>	<u>0</u>	<u>3,502</u>	<u>3,502</u>
Total Other Financing Sources (Uses)	<u>75,000</u>	<u>75,000</u>	<u>3,502</u>	<u>(71,498)</u>
NET CHANGE IN FUND EQUITY	<u>7,415</u>	<u>36,415</u>	<u>42,658</u>	<u>6,243</u>
FUND EQUITY BEGINNING OF YEAR	<u>49,597</u>	<u>49,597</u>	<u>49,597</u>	<u>0</u>
FUND EQUITY END OF YEAR	<u>\$57,012</u>	<u>\$86,012</u>	<u>\$92,255</u>	<u>\$6,243</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, 2021

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>FINAL BUDGET</u>
REVENUES:				
Charges for Services	\$5,780,500	\$5,780,500	\$5,956,298	\$175,798
Interest Income	0	0	2,310	2,310
Other	<u>450,000</u>	<u>450,000</u>	<u>476,012</u>	<u>26,012</u>
Total Revenues	<u>6,230,500</u>	<u>6,230,500</u>	<u>6,434,620</u>	<u>204,120</u>
EXPENSES:				
Executive-Mayor				
Basic Utility Service				
Personal Services	2,569,354	2,549,354	2,438,301	111,053
Services and Supplies	1,308,300	1,324,800	1,186,058	138,742
Other	450,000	450,000	450,000	0
Capital Outlay	3,468,020	3,471,520	1,338,454	2,133,066
Debt Service				
Principal Retirement	955,085	960,526	878,544	81,982
Interest	<u>252,966</u>	<u>247,626</u>	<u>232,423</u>	<u>15,203</u>
Total Expenses	<u>9,003,725</u>	<u>9,003,826</u>	<u>6,523,780</u>	<u>2,480,046</u>
Excess of Revenues Over				
(Under) Expenses	(2,773,225)	(2,773,326)	(89,160)	2,684,166
OTHER FINANCING SOURCES (USES):				
Sale of Debt	<u>4,518,398</u>	<u>4,518,398</u>	<u>3,157,248</u>	<u>(1,361,150)</u>
Total Other Financing Sources (Uses)	<u>4,518,398</u>	<u>4,518,398</u>	<u>3,157,248</u>	<u>(1,361,150)</u>
NET CHANGE IN FUND EQUITY	1,745,173	1,745,072	3,068,088	1,323,016
FUND EQUITY BEGINNING OF YEAR	2,754,537	2,754,537	2,754,537	0
Prior Year Encumbrances Appropriated	<u>23,886</u>	<u>23,886</u>	<u>23,886</u>	<u>0</u>
FUND EQUITY END OF YEAR	<u>\$4,523,596</u>	<u>\$4,523,495</u>	<u>\$5,846,511</u>	<u>\$1,323,016</u>

Combining Statements and Individual Fund Schedules

Combining Statements – Nonmajor Funds

NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Municipal Probation Services Fund - the Municipal Court has established this fund for use by the department of probation as outlined by the Ohio Revised Code. This fund contains all monies paid to the treasurer of the municipal corporation under section 2951.021 of the revised code.

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

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

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

Ohio Criminal Justice Services Grant Fund – to improve technology at the Court House through a Federal reimbursement grant.

Veterans Treatment Court Fund – to provide services to veterans through the Court using State mental health funding.

Street Lighting Fund – to account for the 1.0 mill rate the City assesses on all real property to provide city wide public streetlights. These funds are collected in the same manner as other assessments by the Lake County Treasurer.

Public Art Fund – to place public art throughout the community utilizing fees collected for new development projects.

American Rescue Plan Act Fund – American Rescue Plan Act of 2021 creates new Coronavirus State and Local Fiscal Recovery Fund to keep first responders and other providers of vital services safely on the job as states and local governments roll out vaccines and fight to rebuild

FEMA Fund – to account for Federal and State grants to reimburse the City for costs incurred managing Coronavirus vaccine clinics.

Local Coronavirus Relief Fund – to account for CARES Act funds provided to cover necessary expenditures incurred due to the public health emergency with respect to the Corona Virus Disease 2019. The U.S. Treasury made payments from the fund to states and eligible units of local governments.

PERMANENT FUND

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

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

CITY OF WILLOUGHBY, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2021

	NONMAJOR SPECIAL REVENUE FUNDS	CEMETERY CARE PERMANENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Assets:			
Equity in City Treasury Cash and Investments	\$5,820,179	\$384,992	\$6,205,171
Inventory - Supplies	189,179	0	189,179
Accounts Receivable	1,631	480	2,111
Intergovernmental Receivable	1,006,808	0	1,006,808
Taxes Receivable	1,591,184	0	1,591,184
Special Assessments Receivable	745,304	0	745,304
Total Assets	<u>9,354,285</u>	<u>385,472</u>	<u>9,739,757</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$9,354,285</u>	<u>\$385,472</u>	<u>\$9,739,757</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$253,557	\$0	\$253,557
Salaries, Wages & Benefits Payable	126,977	0	126,977
Unearned Revenue	1,203,433	0	1,203,433
Total Liabilities	<u>1,583,967</u>	<u>0</u>	<u>1,583,967</u>
Deferred Inflows of Resources:			
Property Taxes	1,494,598	0	1,494,598
Unavailable Revenue- Grants and Entitlements	655,108	0	655,108
Unavailable Revenue-Special Assessments	745,304	0	745,304
Unavailable Revenue- Delinquent Property Taxes	96,586	0	96,586
Total Deferred Inflows of Resources	<u>2,991,596</u>	<u>0</u>	<u>2,991,596</u>
Fund Balances:			
Nonspendable	189,179	385,472	574,651
Restricted	4,589,543	0	4,589,543
Total Fund Balances	<u>4,778,722</u>	<u>385,472</u>	<u>5,164,194</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$9,354,285</u>	<u>\$385,472</u>	<u>\$9,739,757</u>

CITY OF WILLOUGHBY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	NONMAJOR SPECIAL REVENUE FUNDS	CEMETERY CARE PERMANENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES:			
Property and Other Local Taxes	\$1,582,293	\$0	\$1,582,293
Intergovernmental	2,075,699	0	2,075,699
Charges for Services	422,791	17,840	440,631
Special Assessments	787,849	0	787,849
Fines and Forfeitures	619,536	0	619,536
Miscellaneous	<u>7,261</u>	<u>0</u>	<u>7,261</u>
Total Revenues	<u>5,495,429</u>	<u>17,840</u>	<u>5,513,269</u>
EXPENDITURES:			
Current:			
General Government	533,281	0	533,281
Security of Persons and Property	2,470,875	0	2,470,875
Community Environment	83,821	0	83,821
Leisure Time Activities	1,086,851	0	1,086,851
Transportation	1,549,747	0	1,549,747
Basic Utility Service	5,544	0	5,544
Capital Outlay	<u>910,843</u>	<u>0</u>	<u>910,843</u>
Total Expenditures	<u>6,640,962</u>	<u>0</u>	<u>6,640,962</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,145,533)	17,840	(1,127,693)
OTHER FINANCING SOURCES (USES):			
Transfers In	1,625,000	0	1,625,000
Transfers Out	(197,233)	0	(197,233)
Advance To	(18,800)	0	(18,800)
Advance From	<u>18,800</u>	<u>0</u>	<u>18,800</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,427,767</u>	<u>0</u>	<u>1,427,767</u>
NET CHANGE IN FUND BALANCES	282,234	17,840	300,074
FUND BALANCES BEGINNING OF YEAR	<u>4,386,155</u>	<u>367,632</u>	<u>4,753,787</u>
CHANGE IN INVENTORY	<u>110,333</u>	<u>0</u>	<u>110,333</u>
FUND BALANCES END OF YEAR	<u>\$4,778,722</u>	<u>\$385,472</u>	<u>\$5,164,194</u>

CITY OF WILLOUGHBY, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2021

	FIRE PENSION	POLICE PENSION	LAW ENFORCEMENT	RECREATION	STREET CONSTRUCTION MAINTENANCE AND REPAIR	STATE HIGHWAY	ROAD & BRIDGE	CORPORATE MAINTENANCE	ENFORCEMENT & EDUCATION	INDIGENT DRIVERS TREATMENT
ASSETS AND DEFERRED										
OUTFLOWS OF RESOURCES										
Assets:										
Equity in City Treasury Cash and Investments	\$56,182	\$56,472	\$95,035	\$196,369	\$623,597	\$109,218	\$1,953,173	\$171,657	\$36,938	\$156,374
Inventory - Supplies	0	0	0	0	189,179	0	0	0	0	0
Accounts Receivable	0	0	0	296	1,185	0	0	150	0	0
Intergovernmental Receivable	9,500	9,500	0	59,779	645,677	51,978	193,096	0	0	964
Taxes Receivable	203,727	203,727	0	76,860	0	0	1,106,870	0	0	0
Special Assessments Receivable	0	0	0	0	0	0	0	24,446	0	0
Total Assets	269,409	269,699	95,035	333,304	1,459,638	161,196	3,253,139	196,253	36,938	157,338
TOTAL ASSETS AND DEFERRED										
OUTFLOWS OF RESOURCES	269,409	269,699	95,035	333,304	1,459,638	161,196	3,253,139	196,253	36,938	157,338
LIABILITIES, DEFERRED INFLOWS OF										
RESOURCES AND FUND BALANCES										
Liabilities:										
Accounts Payable	\$0	\$0	\$0	\$5,828	\$8,189	\$0	\$134,314	\$8,249	\$0	\$19,180
Salaries, Wages & Benefits Payable	38,521	32,547	0	21,963	32,270	0	0	0	0	0
Unearned Revenue	0	0	0	0	0	0	0	0	0	0
Total Liabilities	38,521	32,547	0	27,791	40,459	0	134,314	8,249	0	19,180
Deferred Inflows of Resources:										
Property Taxes	191,393	191,393	0	72,327	0	0	1,039,485	0	0	0
Unavailable Revenue- Grants and Entitlements	9,500	9,500	0	2,500	535,213	43,395	55,000	0	0	0
Unavailable Revenue-Special Assessments	0	0	0	0	0	0	0	24,446	0	0
Unavailable Revenue- Delinquent Property Taxes	12,334	12,334	0	4,533	0	0	67,385	0	0	0
Total Deferred Inflows of Resources	213,227	213,227	0	79,360	535,213	43,395	1,161,870	24,446	0	0
Fund Balances:										
Nonspendable	0	0	0	0	189,179	0	0	0	0	0
Restricted	17,661	23,925	95,035	226,153	694,787	117,801	1,956,955	163,558	36,938	138,158
Total Fund Balances	17,661	23,925	95,035	226,153	883,966	117,801	1,956,955	163,558	36,938	138,158
TOTAL LIABILITIES, DEFERRED INFLOWS										
OF RESOURCES AND FUND BALANCES	269,409	269,699	95,035	333,304	1,459,638	161,196	3,253,139	196,253	36,938	157,338

COURT COMPUTER	GENERAL SPECIAL PROJECTS	SPECIAL PROJECTS DUI	MUNICIPAL PROBATION SERVICES	URBAN FOREST MANAGEMENT	VICTIMS ASSISTANCE	POLICE CONTINUING PROFESSIONAL TRAINING	OHIO CRIMINAL JUSTICE SERVICES GRANT	VETERANS TREATMENT COURT	STREET LIGHTING	PUBLIC ART	AMERICAN RESCUE PLAN ACT	FEMA	LOCAL CORONAVIRUS RELIEF	TOTAL 2021
\$157,967	\$159,679	\$22,869	\$197,898	\$64,691	\$5,222	\$18,817	\$1	\$75,000	\$441,029	\$2,500	\$1,203,433	\$0	\$16,058	\$5,820,179
0	0	0	0	0	0	0	0	0	0	0	0	0	0	189,179
0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,631
11,247	15,418	685	7,064	0	1,900	0	0	0	0	0	0	0	0	1,006,808
0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,591,184
0	0	0	0	0	0	0	0	0	720,858	0	0	0	0	745,304
169,214	175,097	23,554	204,962	64,691	7,122	18,817	1	75,000	1,161,887	2,500	1,203,433	0	16,058	9,354,285
<u>\$169,214</u>	<u>\$175,097</u>	<u>\$23,554</u>	<u>\$204,962</u>	<u>\$64,691</u>	<u>\$7,122</u>	<u>\$18,817</u>	<u>\$1</u>	<u>\$75,000</u>	<u>\$1,161,887</u>	<u>\$2,500</u>	<u>\$1,203,433</u>	<u>\$0</u>	<u>\$16,058</u>	<u>\$9,354,285</u>
\$9,668	\$55	\$0	\$909	\$11,323	\$0	\$0	\$0	\$0	\$47,577	\$0	\$0	\$0	\$8,265	\$253,557
0	0	0	0	0	1,676	0	0	0	0	0	0	0	0	126,977
0	0	0	0	0	0	0	0	0	0	0	1,203,433	0	0	1,203,433
9,668	55	0	909	11,323	1,676	0	0	0	47,577	0	1,203,433	0	8,265	1,583,967
0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,494,598
0	0	0	0	0	0	0	0	0	0	0	0	0	0	655,108
0	0	0	0	0	0	0	0	0	720,858	0	0	0	0	745,304
0	0	0	0	0	0	0	0	0	0	0	0	0	0	96,586
0	0	0	0	0	0	0	0	0	720,858	0	0	0	0	2,991,596
0	0	0	0	0	0	0	0	0	0	0	0	0	0	189,179
159,546	175,042	23,554	204,053	53,368	5,446	18,817	1	75,000	393,452	2,500	0	0	7,793	4,589,543
159,546	175,042	23,554	204,053	53,368	5,446	18,817	1	75,000	393,452	2,500	0	0	7,793	4,778,722
<u>\$169,214</u>	<u>\$175,097</u>	<u>\$23,554</u>	<u>\$204,962</u>	<u>\$64,691</u>	<u>\$7,122</u>	<u>\$18,817</u>	<u>\$1</u>	<u>\$75,000</u>	<u>\$1,161,887</u>	<u>\$2,500</u>	<u>\$1,203,433</u>	<u>\$0</u>	<u>\$16,058</u>	<u>\$9,354,285</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, 2021

	<u>FIRE PENSION</u>	<u>POLICE PENSION</u>	<u>LAW ENFORCEMENT</u>	<u>RECREATION</u>	<u>STREET CONSTRUCTION MAINTENANCE AND REPAIR</u>	<u>STATE HIGHWAY</u>	<u>ROAD & BRIDGE</u>	<u>CORPORATE MAINTENANCE</u>	<u>ENFORCEMENT & EDUCATION</u>	<u>INDIGENT DRIVERS TREATMENT</u>
REVENUES:										
Property and Other Local Taxes	\$179,099	\$179,099	\$0	\$74,884	\$63,963	\$0	\$1,085,248	\$0	\$0	\$0
Intergovernmental	19,013	19,013	0	123,901	1,393,336	112,973	251,604	0	0	0
Charges for Services	0	0	0	411,086	805	0	0	0	0	0
Special Assessments	0	0	0	0	0	0	0	69,435	0	0
Fines and Forfeitures	0	0	33,352	0	0	0	0	0	877	29,719
Miscellaneous	0	0	793	3,743	2,725	0	0	0	0	0
Total Revenues	<u>198,112</u>	<u>198,112</u>	<u>34,145</u>	<u>613,614</u>	<u>1,460,829</u>	<u>112,973</u>	<u>1,336,852</u>	<u>69,435</u>	<u>877</u>	<u>29,719</u>
EXPENDITURES:										
Current:										
General Government	2,003	2,003	0	0	0	0	12,121	583	0	239,734
Security of Persons and Property	933,555	861,407	0	0	0	0	0	0	0	0
Public Health	0	0	0	0	0	0	0	0	0	0
Community Environment	0	0	0	0	0	0	0	62,480	0	0
Leisure Time Activities	0	0	0	1,086,285	0	0	0	0	0	0
Transportation	0	0	0	0	1,451,723	92,764	0	0	0	0
Basic Utility Service	0	0	0	0	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0	554,595	0	0	0
Total Expenditures	<u>935,558</u>	<u>863,410</u>	<u>0</u>	<u>1,086,285</u>	<u>1,451,723</u>	<u>92,764</u>	<u>566,716</u>	<u>63,063</u>	<u>0</u>	<u>239,734</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(737,446)	(665,298)	34,145	(472,671)	9,106	20,209	770,136	6,372	877	(210,015)
OTHER FINANCING SOURCES (USES):										
Transfers In	530,000	635,000	0	320,000	120,000	0	0	0	0	0
Transfers Out	0	0	0	0	0	0	0	0	0	0
Sale of Assets	0	0	0	0	0	0	0	0	0	0
Advances to	0	0	0	0	0	0	0	0	0	0
Advances from	0	0	0	0	0	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	<u>530,000</u>	<u>635,000</u>	<u>0</u>	<u>320,000</u>	<u>120,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET CHANGE IN FUND BALANCES	(207,446)	(30,298)	34,145	(152,671)	129,106	20,209	770,136	6,372	877	(210,015)
FUND BALANCES BEGINNING OF YEAR	225,107	54,223	60,890	378,824	644,527	97,592	1,186,819	157,186	36,061	348,173
CHANGE IN INVENTORY	0	0	0	0	110,333	0	0	0	0	0
FUND BALANCES END OF YEAR	<u>\$17,661</u>	<u>\$23,925</u>	<u>\$95,035</u>	<u>\$226,153</u>	<u>\$883,966</u>	<u>\$117,801</u>	<u>\$1,956,955</u>	<u>\$163,558</u>	<u>\$36,938</u>	<u>\$138,158</u>

COURT COMPUTER	GENERAL SPECIAL PROJECTS	SPECIAL PROJECTS DUI	MUNICIPAL PROBATION SERVICES	URBAN FOREST MANAGEMENT	VICTIMS ASSISTANCE	POLICE CONTINUING PROFESSIONAL TRAINING	OHIO CRIMINAL JUSTICE SERVICES GRANT	VETERANS TREATMENT COURT	STREET LIGHTING	PUBLIC ART	AMERICAN RESCUE PLAN ACT	FEMA	LOCAL CORONAVIRUS RELIEF	TOTAL 2021
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,582,293
0	0	0	0	0	33,626	0	0	75,000	0	0	0	47,233	0	2,075,699
0	0	0	0	8,400	0	0	0	0	0	2,500	0	0	0	422,791
0	0	0	0	0	0	0	0	0	718,414	0	0	0	0	787,849
177,321	234,490	21,843	121,934	0	0	0	0	0	0	0	0	0	0	619,536
0	0	0	0	0	0	0	0	0	0	0	0	0	0	7,261
<u>177,321</u>	<u>234,490</u>	<u>21,843</u>	<u>121,934</u>	<u>8,400</u>	<u>33,626</u>	<u>0</u>	<u>0</u>	<u>75,000</u>	<u>718,414</u>	<u>2,500</u>	<u>0</u>	<u>47,233</u>	<u>0</u>	<u>5,495,429</u>
97,497	6,335	0	83,635	0	0	0	0	0	22,576	0	0	0	66,794	533,281
0	0	0	0	0	62,200	1,505	0	0	572,406	0	0	0	39,802	2,470,875
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	21,341	0	0	0	0	0	0	0	0	0	83,821
0	0	0	0	0	0	0	0	0	0	0	0	0	566	1,086,851
0	0	0	0	0	0	0	0	0	0	0	0	0	5,260	1,549,747
0	0	0	0	0	0	0	0	0	0	0	0	0	5,544	5,544
<u>161,157</u>	<u>36,149</u>	<u>0</u>	<u>5,365</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>18,799</u>	<u>0</u>	<u>23,368</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>111,410</u>	<u>910,843</u>
<u>258,654</u>	<u>42,484</u>	<u>0</u>	<u>89,000</u>	<u>21,341</u>	<u>62,200</u>	<u>1,505</u>	<u>18,799</u>	<u>0</u>	<u>618,350</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>229,376</u>	<u>6,640,962</u>
(81,333)	192,006	21,843	32,934	(12,941)	(28,574)	(1,505)	(18,799)	75,000	100,064	2,500	0	47,233	(229,376)	(1,145,533)
0	0	0	0	0	20,000	0	0	0	0	0	0	0	0	1,625,000
0	(150,000)	0	0	0	0	0	0	0	0	0	0	(47,233)	0	(197,233)
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	(18,800)	0	0	0	0	0	0	0	0	0	0	0	0	(18,800)
0	0	0	0	0	0	0	<u>18,800</u>	0	0	0	0	0	0	<u>18,800</u>
0	<u>(168,800)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>20,000</u>	<u>0</u>	<u>18,800</u>	0	0	0	0	(47,233)	0	1,427,767
(81,333)	23,206	21,843	32,934	(12,941)	(8,574)	(1,505)	1	75,000	100,064	2,500	0	0	(229,376)	282,234
240,879	151,836	1,711	171,119	66,309	14,020	20,322	0	0	293,388	0	0	0	237,169	4,386,155
0	0	0	0	0	0	0	0	0	0	0	0	0	0	110,333
<u>\$159,546</u>	<u>\$175,042</u>	<u>\$23,554</u>	<u>\$204,053</u>	<u>\$53,368</u>	<u>\$5,446</u>	<u>\$18,817</u>	<u>\$1</u>	<u>\$75,000</u>	<u>\$393,452</u>	<u>\$2,500</u>	<u>\$0</u>	<u>\$0</u>	<u>\$7,793</u>	<u>\$4,778,722</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, 2021

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>FINAL BUDGET</u>
REVENUES:				
Property and Other Local Taxes	\$170,100	\$170,100	\$179,099	\$8,999
Intergovernmental	<u>18,000</u>	<u>18,000</u>	<u>19,013</u>	<u>1,013</u>
Total Revenues	<u>188,100</u>	<u>188,100</u>	<u>198,112</u>	<u>10,012</u>
EXPENDITURES:				
Executive-Mayor				
Security of Persons and Property				
Personal Services	941,654	941,654	926,444	15,210
Services and Supplies	<u>3,000</u>	<u>3,000</u>	<u>2,003</u>	<u>997</u>
Total Expenditures	<u>944,654</u>	<u>944,654</u>	<u>928,447</u>	<u>16,207</u>
Excess of Revenues Over (Under) Expenditures	(756,554)	(756,554)	(730,335)	26,219
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>530,000</u>	<u>530,000</u>	<u>530,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>530,000</u>	<u>530,000</u>	<u>530,000</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	(226,554)	(226,554)	(200,335)	26,219
FUND BALANCE BEGINNING OF YEAR	<u>256,517</u>	<u>256,517</u>	<u>256,517</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$29,963</u>	<u>\$29,963</u>	<u>\$56,182</u>	<u>\$26,219</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, 2021

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>FINAL BUDGET</u>
REVENUES:				
Property and Other Local Taxes	\$170,100	\$170,100	\$179,099	\$8,999
Intergovernmental	<u>18,000</u>	<u>18,000</u>	<u>19,013</u>	<u>1,013</u>
Total Revenues	<u>188,100</u>	<u>188,100</u>	<u>198,112</u>	<u>10,012</u>
EXPENDITURES:				
Executive-Mayor				
Security of Persons and Property				
Personal Services	879,383	879,383	857,064	22,319
Services and Supplies	<u>3,000</u>	<u>3,000</u>	<u>2,003</u>	<u>997</u>
Total Expenditures	<u>882,383</u>	<u>882,383</u>	<u>859,067</u>	<u>23,316</u>
Excess of Revenues Over (Under) Expenditures	(694,283)	(694,283)	(660,955)	33,328
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>635,000</u>	<u>635,000</u>	<u>635,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>635,000</u>	<u>635,000</u>	<u>635,000</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	(59,283)	(59,283)	(25,955)	33,328
FUND BALANCE BEGINNING OF YEAR	<u>82,427</u>	<u>82,427</u>	<u>82,427</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$23,144</u>	<u>\$23,144</u>	<u>\$56,472</u>	<u>\$33,328</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, 2021

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>FINAL BUDGET</u>
REVENUES:				
Fines and Forfeitures	\$0	\$0	\$33,352	\$33,352
Other	<u>0</u>	<u>0</u>	<u>793</u>	<u>793</u>
Total Revenues	<u>0</u>	<u>0</u>	<u>34,145</u>	<u>34,145</u>
EXPENDITURES:				
Executive-Mayor				
Security of Persons and Property				
Services and Supplies	<u>50,000</u>	<u>50,000</u>	<u>0</u>	<u>50,000</u>
Total Expenditures	<u>50,000</u>	<u>50,000</u>	<u>0</u>	<u>50,000</u>
NET CHANGE IN FUND BALANCE	(50,000)	(50,000)	34,145	84,145
FUND BALANCE BEGINNING OF YEAR	<u>60,890</u>	<u>60,890</u>	<u>60,890</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$10,890</u>	<u>\$10,890</u>	<u>\$95,035</u>	<u>\$84,145</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, 2021

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>FINAL BUDGET</u>
REVENUES:				
Property and Other Local Taxes	\$71,050	\$71,050	\$74,884	\$3,834
Intergovernmental	135,000	135,000	137,682	2,682
Charges for Services	392,500	392,500	433,529	41,029
Other	<u>0</u>	<u>0</u>	<u>3,743</u>	<u>3,743</u>
Total Revenues	<u>598,550</u>	<u>598,550</u>	<u>649,838</u>	<u>51,288</u>
EXPENDITURES:				
Executive-Mayor				
Leisure Time Activities				
Personal Services	841,403	841,403	767,816	73,587
Services and Supplies	<u>358,910</u>	<u>358,910</u>	<u>348,815</u>	<u>10,095</u>
Total Expenditures	<u>1,200,313</u>	<u>1,200,313</u>	<u>1,116,631</u>	<u>83,682</u>
Excess of Revenues Over (Under) Expenditures	(601,763)	(601,763)	(466,793)	134,970
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>320,000</u>	<u>320,000</u>	<u>320,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>320,000</u>	<u>320,000</u>	<u>320,000</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	(281,763)	(281,763)	(146,793)	134,970
FUND BALANCE BEGINNING OF YEAR	290,358	290,358	290,358	0
Prior Year Encumbrances Appropriated	<u>213</u>	<u>213</u>	<u>213</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$8,808</u>	<u>\$8,808</u>	<u>\$143,778</u>	<u>\$134,970</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, 2021

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>FINAL BUDGET</u>
REVENUES:				
Property and Other Local Taxes	\$58,000	\$58,000	\$63,448	\$5,448
Intergovernmental	1,265,000	1,265,000	1,387,857	122,857
Charges for Services	500	500	805	305
Total Revenues	<u>1,323,500</u>	<u>1,323,500</u>	<u>1,452,110</u>	<u>128,610</u>
EXPENDITURES:				
Executive-Mayor				
Transportation				
Personal Services	1,196,066	1,196,066	1,081,361	114,705
Services and Supplies	<u>731,625</u>	<u>731,625</u>	<u>587,002</u>	<u>144,623</u>
Total Expenditures	<u>1,927,691</u>	<u>1,927,691</u>	<u>1,668,363</u>	<u>259,328</u>
Excess of Revenues Over				
(Under) Expenditures	(604,191)	(604,191)	(216,253)	387,938
OTHER FINANCING SOURCES (USES):				
Transfers In	120,000	120,000	120,000	0
Other	<u>1,000</u>	<u>1,000</u>	<u>10,545</u>	<u>9,545</u>
Total Other Financing Sources (Uses)	<u>121,000</u>	<u>121,000</u>	<u>130,545</u>	<u>9,545</u>
NET CHANGE IN FUND BALANCE	(483,191)	(483,191)	(85,708)	397,483
FUND BALANCE BEGINNING OF YEAR	503,221	503,221	503,221	0
Prior Year Encumbrances Appropriated	<u>3,456</u>	<u>3,456</u>	<u>3,456</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$23,486</u>	<u>\$23,486</u>	<u>\$420,969</u>	<u>\$397,483</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, 2021

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>FINAL BUDGET</u>
REVENUES:				
Intergovernmental	<u>\$99,000</u>	<u>\$99,000</u>	<u>\$112,529</u>	<u>\$13,529</u>
Total Revenues	<u>99,000</u>	<u>99,000</u>	<u>112,529</u>	<u>13,529</u>
EXPENDITURES:				
Executive-Mayor				
Transportation				
Services and Supplies	<u>165,022</u>	<u>165,022</u>	<u>110,000</u>	<u>55,022</u>
Total Expenditures	<u>165,022</u>	<u>165,022</u>	<u>110,000</u>	<u>55,022</u>
NET CHANGE IN FUND BALANCE	(66,022)	(66,022)	2,529	68,551
FUND BALANCE BEGINNING OF YEAR	<u>88,490</u>	<u>88,490</u>	<u>88,490</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$22,468</u>	<u>\$22,468</u>	<u>\$91,019</u>	<u>\$68,551</u>

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL
ROAD AND BRIDGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>FINAL BUDGET</u>
REVENUES:				
Property and Other Local Taxes	\$1,060,750	\$1,060,750	\$1,085,248	\$24,498
Intergovernmental	367,757	367,757	228,735	(139,022)
Other	<u>0</u>	<u>0</u>	<u>5,000</u>	<u>5,000</u>
Total Revenues	<u>1,428,507</u>	<u>1,428,507</u>	<u>1,318,983</u>	<u>(109,524)</u>
EXPENDITURES:				
Executive-Mayor				
Transportation				
Services and Supplies	15,000	15,000	12,121	2,879
Capital Outlay	<u>1,090,000</u>	<u>1,900,000</u>	<u>964,390</u>	<u>935,610</u>
Total Expenditures	<u>1,105,000</u>	<u>1,915,000</u>	<u>976,511</u>	<u>938,489</u>
NET CHANGE IN FUND BALANCE	323,507	(486,493)	342,472	828,965
FUND BALANCE BEGINNING OF YEAR	976,919	976,919	976,919	0
Prior Year Encumbrances Appropriated	<u>77,816</u>	<u>77,816</u>	<u>77,816</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$1,378,242</u>	<u>\$568,242</u>	<u>\$1,397,207</u>	<u>\$828,965</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, 2021

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>FINAL BUDGET</u>
REVENUES:				
Special Assessments	<u>\$47,500</u>	<u>\$47,500</u>	<u>\$69,285</u>	<u>\$21,785</u>
Total Revenues	<u>47,500</u>	<u>47,500</u>	<u>69,285</u>	<u>21,785</u>
EXPENDITURES:				
Executive-Mayor				
Community Environment				
Services and Supplies	<u>103,200</u>	<u>103,200</u>	<u>57,622</u>	<u>45,578</u>
Total Expenditures	<u>103,200</u>	<u>103,200</u>	<u>57,622</u>	<u>45,578</u>
NET CHANGE IN FUND BALANCE	(55,700)	(55,700)	11,663	67,363
FUND BALANCE BEGINNING OF YEAR	112,439	112,439	112,439	0
Prior Year Encumbrances Appropriated	<u>1,200</u>	<u>1,200</u>	<u>1,200</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$57,939</u>	<u>\$57,939</u>	<u>\$125,302</u>	<u>\$67,363</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, 2021

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>FINAL BUDGET</u>
REVENUES:				
Fines and Forfeitures	<u>\$1,300</u>	<u>\$1,300</u>	<u>\$911</u>	<u>(\$389)</u>
Total Revenues	<u>1,300</u>	<u>1,300</u>	<u>911</u>	<u>(389)</u>
EXPENDITURES:				
Executive-Mayor				
Security of Persons and Property				
Capital Outlay	<u>35,000</u>	<u>35,000</u>	<u>0</u>	<u>35,000</u>
Total Expenditures	<u>35,000</u>	<u>35,000</u>	<u>0</u>	<u>35,000</u>
NET CHANGE IN FUND BALANCE	<u>(33,700)</u>	<u>(33,700)</u>	<u>911</u>	<u>34,611</u>
FUND BALANCE BEGINNING OF YEAR	<u>36,028</u>	<u>36,028</u>	<u>36,028</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$2,328</u>	<u>\$2,328</u>	<u>\$36,939</u>	<u>\$34,611</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, 2021

	<u>BUDGETED AMOUNTS</u>		<u>VARIANCE WITH</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>FINAL BUDGET</u>
REVENUES:				
Fines and Forfeitures	<u>\$20,000</u>	<u>\$20,000</u>	<u>\$29,707</u>	<u>\$9,707</u>
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>29,707</u>	<u>9,707</u>
EXPENDITURES:				
Judicial -Municipal Court				
General Government				
Services and Supplies	<u>310,000</u>	<u>310,000</u>	<u>225,655</u>	<u>84,345</u>
Total Expenditures	<u>310,000</u>	<u>310,000</u>	<u>225,655</u>	<u>84,345</u>
NET CHANGE IN FUND BALANCE	(290,000)	(290,000)	(195,948)	94,052
FUND BALANCE BEGINNING OF YEAR	<u>297,253</u>	<u>297,253</u>	<u>297,253</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$7,253</u>	<u>\$7,253</u>	<u>\$101,305</u>	<u>\$94,052</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, 2021

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>FINAL BUDGET</u>
REVENUES:				
Fines and Forfeitures	<u>\$125,000</u>	<u>\$125,000</u>	<u>\$174,805</u>	<u>\$49,805</u>
Total Revenues	<u>125,000</u>	<u>125,000</u>	<u>174,805</u>	<u>49,805</u>
EXPENDITURES:				
Judicial -Municipal Court				
General Government				
Services and Supplies	<u>250,000</u>	<u>250,000</u>	<u>236,230</u>	<u>13,770</u>
Total Expenditures	<u>250,000</u>	<u>250,000</u>	<u>236,230</u>	<u>13,770</u>
NET CHANGE IN FUND BALANCE	(125,000)	(125,000)	(61,425)	63,575
FUND BALANCE BEGINNING OF YEAR	128,904	128,904	128,904	0
Prior Year Encumbrances Appropriated	<u>1,240</u>	<u>1,240</u>	<u>1,240</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$5,144</u>	<u>\$5,144</u>	<u>\$68,719</u>	<u>\$63,575</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, 2021

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>FINAL BUDGET</u>
REVENUES:				
Fines and Forfeitures	<u>\$150,000</u>	<u>\$150,000</u>	<u>\$229,316</u>	<u>\$79,316</u>
Total Revenues	<u>150,000</u>	<u>150,000</u>	<u>229,316</u>	<u>79,316</u>
EXPENDITURES:				
Judicial -Municipal Court				
General Government				
Services and Supplies	<u>135,000</u>	<u>135,000</u>	<u>47,787</u>	<u>87,213</u>
Total Expenditures	<u>135,000</u>	<u>135,000</u>	<u>47,787</u>	<u>87,213</u>
Excess of Revenues Over (Under) Expenditures	15,000	15,000	181,529	166,529
OTHER FINANCING SOURCES (USES):				
Transfers Out	(150,000)	(150,000)	(150,000)	0
Advance Out	<u>0</u>	<u>0</u>	<u>(18,800)</u>	<u>(18,800)</u>
Total Other Financing Sources (Uses)	<u>(150,000)</u>	<u>(150,000)</u>	<u>(168,800)</u>	<u>(18,800)</u>
NET CHANGE IN FUND BALANCE	(135,000)	(135,000)	12,729	147,729
FUND BALANCE BEGINNING OF YEAR	139,320	139,320	139,320	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$4,320</u>	<u>\$4,320</u>	<u>\$152,049</u>	<u>\$147,729</u>

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL
SPECIAL PROJECTS DUI FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>FINAL BUDGET</u>
REVENUES:				
Fines and Forfeitures	<u>\$22,000</u>	<u>\$22,000</u>	<u>\$22,427</u>	<u>\$427</u>
Total Revenues	<u>22,000</u>	<u>22,000</u>	<u>22,427</u>	<u>427</u>
EXPENDITURES:				
Judicial -Municipal Court				
General Government				
Services and Supplies	<u>20,000</u>	<u>20,000</u>	<u>2,388</u>	<u>17,612</u>
Total Expenditures	<u>20,000</u>	<u>20,000</u>	<u>2,388</u>	<u>17,612</u>
NET CHANGE IN FUND BALANCE	2,000	2,000	20,039	18,039
FUND BALANCE BEGINNING OF YEAR	<u>2,830</u>	<u>2,830</u>	<u>2,830</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$4,830</u>	<u>\$4,830</u>	<u>\$22,869</u>	<u>\$18,039</u>

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL
MUNICIPAL PROBATION SERVICES FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>FINAL BUDGET</u>
REVENUES:				
Fines and Forfeitures	<u>\$120,000</u>	<u>\$120,000</u>	<u>\$119,701</u>	<u>(\$299)</u>
Total Revenues	<u>120,000</u>	<u>120,000</u>	<u>119,701</u>	<u>(299)</u>
EXPENDITURES:				
Judicial -Municipal Court				
General Government				
Personal Services	65,000	65,000	65,000	0
Services and Supplies	<u>210,000</u>	<u>210,000</u>	<u>23,184</u>	<u>186,816</u>
Total Expenditures	<u>275,000</u>	<u>275,000</u>	<u>88,184</u>	<u>186,816</u>
NET CHANGE IN FUND BALANCE	(155,000)	(155,000)	31,517	186,517
FUND BALANCE BEGINNING OF YEAR	161,805	161,805	161,805	0
Prior Year Encumbrances Appropriated	21	21	21	0
FUND BALANCE END OF YEAR	<u>\$6,826</u>	<u>\$6,826</u>	<u>\$193,343</u>	<u>\$186,517</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, 2021

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Charges for Services	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$8,400</u>	<u>(\$1,600)</u>
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>8,400</u>	<u>(1,600)</u>
EXPENDITURES:				
Executive-Mayor				
Community Environment				
Services and Supplies	<u>25,000</u>	<u>25,000</u>	<u>13,618</u>	<u>11,382</u>
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>13,618</u>	<u>11,382</u>
NET CHANGE IN FUND BALANCE	(15,000)	(15,000)	(5,218)	9,782
FUND BALANCE BEGINNING OF YEAR	<u>50,628</u>	<u>50,628</u>	<u>50,628</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$35,628</u>	<u>\$35,628</u>	<u>\$45,410</u>	<u>\$9,782</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, 2021

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>FINAL BUDGET</u>
REVENUES:				
Intergovernmental	<u>\$42,000</u>	<u>\$42,000</u>	<u>\$40,078</u>	<u>(\$1,922)</u>
Total Revenues	<u>42,000</u>	<u>42,000</u>	<u>40,078</u>	<u>(1,922)</u>
EXPENDITURES:				
Executive-Mayor				
Security of Persons and Property				
Personal Services	<u>67,300</u>	<u>67,300</u>	<u>61,924</u>	<u>5,376</u>
Services and Supplies	<u>1,000</u>	<u>1,000</u>	<u>774</u>	<u>226</u>
Total Expenditures	<u>68,300</u>	<u>68,300</u>	<u>62,698</u>	<u>5,602</u>
Excess of Revenues Over				
(Under) Expenditures	<u>(26,300)</u>	<u>(26,300)</u>	<u>(22,620)</u>	<u>3,680</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	<u>(6,300)</u>	<u>(6,300)</u>	<u>(2,620)</u>	<u>3,680</u>
FUND BALANCE BEGINNING OF YEAR	<u>7,843</u>	<u>7,843</u>	<u>7,843</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$1,543</u>	<u>\$1,543</u>	<u>\$5,223</u>	<u>\$3,680</u>

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL
POLICE CONTINUING PROFESSIONAL TRAINING FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>BUDGETED AMOUNTS</u>		<u>VARIANCE WITH</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>FINAL BUDGET</u>
REVENUES:				
Intergovernmental	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXPENDITURES:				
Executive-Mayor				
Security of Persons and Property				
Services and Supplies	<u>15,000</u>	<u>15,000</u>	<u>1,505</u>	<u>13,495</u>
Total Expenditures	<u>15,000</u>	<u>15,000</u>	<u>1,505</u>	<u>13,495</u>
NET CHANGE IN FUND BALANCE	(15,000)	(15,000)	(1,505)	13,495
FUND BALANCE BEGINNING OF YEAR	17,277	17,277	17,277	0
Prior Year Encumbrances Appropriated	<u>2,350</u>	<u>2,350</u>	<u>2,350</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$4,627</u>	<u>\$4,627</u>	<u>\$18,122</u>	<u>\$13,495</u>

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL
OHIO CRIMINAL JUSTICE SERVICE GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>FINAL BUDGET</u>
REVENUES:				
Intergovernmental	<u>\$19,000</u>	<u>\$19,000</u>	<u>\$0</u>	<u>(\$19,000)</u>
Total Revenues	<u>19,000</u>	<u>19,000</u>	<u>0</u>	<u>(19,000)</u>
EXPENDITURES:				
General Government				
Services and Supplies	<u>19,000</u>	<u>19,000</u>	<u>18,799</u>	<u>201</u>
Total Expenditures	<u>19,000</u>	<u>19,000</u>	<u>18,799</u>	<u>201</u>
Excess of Revenues Over (Under) Expenditures	<u>0</u>	<u>0</u>	<u>(18,799)</u>	<u>(18,799)</u>
OTHER FINANCING SOURCES (USES):				
Advance In	<u>0</u>	<u>0</u>	<u>18,800</u>	<u>18,800</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>18,800</u>	<u>18,800</u>
NET CHANGE IN FUND BALANCE	<u>0</u>	<u>0</u>	<u>1</u>	<u>1</u>
FUND BALANCE BEGINNING OF YEAR	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$0</u>	<u>\$0</u>	<u>\$1</u>	<u>\$1</u>

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL
VETERANS TREATMENT COURT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>FINAL BUDGET</u>
REVENUES:				
Intergovernmental	<u>\$75,000</u>	<u>\$75,000</u>	<u>\$75,000</u>	<u>\$0</u>
Total Revenues	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>0</u>
EXPENDITURES:				
Executive-Mayor				
Personal Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Services and Supplies	<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	75,000	75,000	75,000	0
FUND BALANCE BEGINNING OF YEAR	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$75,000</u>	<u>\$75,000</u>	<u>\$75,000</u>	<u>\$0</u>

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL
STREET LIGHTING FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>FINAL BUDGET</u>
REVENUES:				
Special Assessments	<u>\$670,645</u>	<u>\$670,645</u>	<u>\$718,415</u>	<u>\$47,770</u>
Total Revenues	<u>670,645</u>	<u>670,645</u>	<u>718,415</u>	<u>47,770</u>
EXPENDITURES:				
Executive-Mayor				
Security of Persons and Property				
Services and Supplies	<u>597,000</u>	<u>617,000</u>	<u>609,754</u>	<u>7,246</u>
Total Expenditures	<u>597,000</u>	<u>617,000</u>	<u>609,754</u>	<u>7,246</u>
NET CHANGE IN FUND BALANCE	73,645	53,645	108,661	55,016
FUND BALANCE BEGINNING OF YEAR	<u>332,368</u>	<u>332,368</u>	<u>332,368</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$406,013</u>	<u>\$386,013</u>	<u>\$441,029</u>	<u>\$55,016</u>

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (Non-GAAP Basis) AND ACTUAL
PUBLIC ART FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>FINAL BUDGET</u>
REVENUES:				
Charges for Services	<u>\$0</u>	<u>\$100,000</u>	<u>\$2,500</u>	<u>(\$97,500)</u>
Total Revenues	<u>0</u>	<u>100,000</u>	<u>2,500</u>	<u>(97,500)</u>
EXPENDITURES:				
Services and Supplies	<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	<u>0</u>	<u>100,000</u>	<u>2,500</u>	<u>(97,500)</u>
FUND BALANCE BEGINNING OF YEAR	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$0</u>	<u>\$100,000</u>	<u>\$2,500</u>	<u>(\$97,500)</u>

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL
AMERICAN RESCUE PLAN ACT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>FINAL BUDGET</u>
REVENUES:				
Intergovernmental	<u>\$0</u>	<u>\$1,204,000</u>	<u>\$1,203,433</u>	<u>(\$567)</u>
Total Revenues	<u>0</u>	<u>1,204,000</u>	<u>1,203,433</u>	<u>(567)</u>
EXPENDITURES:				
Executive-Mayor				
Services and Supplies	<u>0</u>	<u>100,000</u>	<u>0</u>	<u>100,000</u>
Other	<u>0</u>	<u>100,000</u>	<u>0</u>	<u>100,000</u>
Total Expenditures	<u>0</u>	<u>200,000</u>	<u>0</u>	<u>200,000</u>
NET CHANGE IN FUND BALANCE	<u>0</u>	<u>1,004,000</u>	<u>1,203,433</u>	<u>199,433</u>
FUND BALANCE BEGINNING OF YEAR	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$0</u>	<u>\$1,004,000</u>	<u>\$1,203,433</u>	<u>\$199,433</u>

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL
FEMA FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>FINAL BUDGET</u>
REVENUES:				
Intergovernmental	<u>\$47,233</u>	<u>\$47,233</u>	<u>\$47,233</u>	<u>\$0</u>
Total Revenues	<u>47,233</u>	<u>47,233</u>	<u>47,233</u>	<u>0</u>
EXPENDITURES:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	47,233	47,233	47,233	0
OTHER FINANCING SOURCES (USES):				
Transfers Out	<u>(47,233)</u>	<u>(47,233)</u>	<u>(47,233)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(47,233)</u>	<u>(47,233)</u>	<u>(47,233)</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	0	0	0	0
FUND BALANCE BEGINNING OF YEAR	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (Non-GAAP Basis) AND ACTUAL
LOCAL CORONAVIRUS RELIEF FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>FINAL BUDGET</u>
REVENUES:				
Intergovernmental	<u>\$15,000</u>	<u>\$15,000</u>	<u>\$0</u>	<u>(\$15,000)</u>
Total Revenues	<u>15,000</u>	<u>15,000</u>	<u>0</u>	<u>(15,000)</u>
EXPENDITURES:				
Executive-Mayor				
Personal Services	<u>65,000</u>	<u>65,000</u>	<u>59,001</u>	<u>5,999</u>
Services and Supplies	<u>129,018</u>	<u>129,018</u>	<u>125,632</u>	<u>3,386</u>
Total Expenditures	<u>194,018</u>	<u>194,018</u>	<u>184,633</u>	<u>9,385</u>
NET CHANGE IN FUND BALANCE	(179,018)	(179,018)	(184,633)	(5,615)
FUND BALANCE BEGINNING OF YEAR	179,018	179,018	179,018	0
Prior Year Encumbrances Appropriated	<u>5,615</u>	<u>5,615</u>	<u>5,615</u>	<u>0</u>
FUND BALANCE END OF YEAR	<u>\$5,615</u>	<u>\$5,615</u>	<u>\$0</u>	<u>(\$5,615)</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, 2021

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>FINAL BUDGET</u>
REVENUES:				
Miscellaneous	<u>\$0</u>	<u>\$0</u>	<u>\$17,360</u>	<u>\$17,360</u>
Total Revenues	<u>0</u>	<u>0</u>	<u>17,360</u>	<u>17,360</u>
 FUND BALANCE BEGINNING OF YEAR	 <u>367,632</u>	 <u>367,632</u>	 <u>367,632</u>	 <u>0</u>
FUND BALANCE END OF YEAR	<u>\$367,632</u>	<u>\$367,632</u>	<u>\$384,992</u>	<u>\$17,360</u>

CITY OF WILLOUGHBY, OHIO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN FUND EQUITY - BUDGET(Non-GAAP Basis) AND ACTUAL
WORKERS' COMPENSATION RETRO RATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>BUDGETED AMOUNTS</u>		<u>VARIANCE WITH</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>FINAL BUDGET</u>
REVENUES:				
Charges for Services	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXPENSES:				
Claims	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues Over (Under) Expenses	0	0	0	0
OTHER FINANCING SOURCES (USES) :				
Transfer Out	<u>(370,940)</u>	<u>(370,940)</u>	<u>(370,940)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(370,940)</u>	<u>(370,940)</u>	<u>(370,940)</u>	<u>0</u>
NET CHANGE IN FUND EQUITY	(370,940)	(370,940)	(370,940)	0
FUND EQUITY BEGINNING OF YEAR	<u>370,940</u>	<u>370,940</u>	<u>370,940</u>	<u>0</u>
FUND EQUITY END OF YEAR	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Combining Statements – Fiduciary Funds

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and custodial funds. The City has only custodial funds.

CUSTODIAL FUNDS

Municipal Court - to account for those monies on deposit with the Willoughby Municipal Court that are received and disbursed pursuant to the laws of the State of Ohio.

Ohio Government Benefit Cooperative (OGBC) - The City as Fiscal agent collects the premiums from its members in this joint insurance purchasing program and pays out the claims, stop loss insurance and other administrative costs under the direction of the consortium Board.

Deposits - was established to hold monies received for insurance, state fees, county water payments and hazmat equipment, and other funds which are to be remitted to others as required.

CITY OF WILLOUGHBY, OHIO
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
AS OF DECEMBER 31, 2021

	<u>MUNICIPAL COURT</u>	<u>OHIO GOVT BENEFIT COOP</u>	<u>DEPOSITS</u>	<u>TOTALS</u>
ASSETS				
Equity in City Treasury Cash and Investments	\$ 0	\$0	\$1,315,882	\$1,315,882
Cash and Cash Equivalents in Segregated Accounts	<u>341,603</u>	<u>2,604,123</u>	<u>0</u>	<u>2,945,726</u>
TOTAL ASSETS	<u>341,603</u>	<u>2,604,123</u>	<u>1,315,882</u>	<u>4,261,608</u>
LIABILITIES				
Due to External Parties	<u>341,603</u>	<u>1,863,644</u>	<u>0</u>	<u>2,205,247</u>
TOTAL LIABILITIES	<u>341,603</u>	<u>1,863,644</u>	<u>0</u>	<u>2,205,247</u>
NET POSITION				
Restricted for:				
Individuals, Organizations and Other Governments	<u>0</u>	<u>740,479</u>	<u>1,315,882</u>	<u>2,056,361</u>
TOTAL NET POSITION	<u>\$ 0</u>	<u>\$740,479</u>	<u>\$1,315,882</u>	<u>\$2,056,361</u>

CITY OF WILLOUGHBY, OHIO
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>MUNICIPAL COURT</u>	<u>OHIO GOVT BENEFIT COOP</u>	<u>DEPOSITS</u>	<u>TOTAL</u>
ADDITIONS				
Municipal Court Receipts	\$4,698,351	\$0	\$ 0	\$4,698,351
Payments Collected for Other Governments	0	21,914,843	31,797	21,946,640
Moneys Held for Others	0	0	<u>1,033,972</u>	<u>1,033,972</u>
TOTAL ADDITIONS	<u>4,698,351</u>	<u>21,914,843</u>	<u>1,065,769</u>	<u>27,678,963</u>
DEDUCTIONS				
Municipal Court Disbursements	4,698,351	0	0	4,698,351
Payments for Other Governments	0	0	67,812	67,812
Medical and Dental for Cobra and Other Plans	0	21,174,364	132,232	21,306,596
Distributions to Individuals and Organizations	0	0	<u>4,030</u>	<u>4,030</u>
TOTAL DEDUCTIONS	<u>4,698,351</u>	<u>21,174,364</u>	<u>204,074</u>	<u>26,076,789</u>
NET INCREASE IN FIDUCIARY NET POSITION	0	740,479	861,695	1,602,174
NET POSITION - BEGINNING OF YEAR	0	0	<u>454,187</u>	<u>454,187</u>
NET POSITION - END OF YEAR	<u>\$ 0</u>	<u>\$ 740,479</u>	<u>\$ 1,315,882</u>	<u>\$ 2,056,361</u>



Statistical Information



Statistical Section

This part of the City of Willoughby's Annual Comprehensive 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

Page #

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. S2-S7

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. S8-S12

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. S13-S17

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. S18-S19

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. S20-S22

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

CITY OF WILLOUGHBY, OHIO

NET POSITION BY COMPONENT

LAST TEN YEARS

(Accrual Basis of Accounting)

	2012	2013	2014	2015	2016	2017	2018	2019*	2020	2021
GOVERNMENTAL ACTIVITIES										
Net Investment in Capital Assets	\$ 44,429,348	\$ 43,410,155	\$ 43,002,813	\$ 41,766,961	\$ 42,414,005	\$ 39,878,972	\$ 42,218,153	\$ 41,631,891	\$ 41,802,936	\$ 40,861,457
Restricted For:										
Capital Projects	3,795,721	4,517,468	4,551,447	4,641,758	3,975,206	8,444,025	5,373,603	2,243,989	1,855,544	3,177,055
Debt Service	5,020,933	4,742,562	1,627,384	1,469,369	1,429,996	1,234,186	1,127,774	1,142,831	1,135,695	1,158,761
Street Construction Maintenance and Repair	1,811,957	1,528,946	1,281,108	1,340,773	1,239,018	1,142,318	1,763,066	2,284,659	2,277,666	3,417,464
Security of Persons	1,093,389	1,002,049	905,693	866,983	860,345	905,501	678,980	1,057,677	1,628,141	1,287,720
Municipal Court	730,153	832,528	867,856	858,165	810,947	787,252	1,005,169	1,106,180	913,718	775,354
Other Purposes	161,107	211,471	286,996	224,974	201,139	150,780	169,557	199,634	469,856	301,212
Permanent Fund Purpose	262,752	272,412	285,172	296,612	308,592	323,872	338,262	352,372	367,632	385,472
Unrestricted (Deficit)	8,602,908	9,307,605	(13,082,117)	(14,365,660)	(15,406,677)	(39,137,558)	(44,017,035)	(31,475,906)	(31,127,774)	(25,222,487)
Total Governmental Activities Net Position	65,908,268	65,825,196	39,726,352	37,099,935	35,832,571	13,729,348	8,657,529	18,543,327	19,323,414	26,142,008
BUSINESS-TYPE ACTIVITIES:										
Net Investment in Capital Assets	33,796,268	33,308,740	25,339,422	25,317,880	26,403,085	26,048,001	25,519,061	25,451,992	25,121,734	24,248,491
Restricted For:										
Equipment Replacement	336,365	344,404	288,260	602,344	364,687	585,667	790,308	656,174	880,177	1,144,742
Unrestricted (Deficit)	(3,287,335)	(3,302,658)	(670,235)	(481,444)	(804,820)	(2,033,919)	(1,251,030)	(1,822,428)	(1,836,767)	851,175
Total Business-type Activities Net Position	30,845,298	30,350,486	24,957,447	25,438,780	25,962,952	24,599,749	25,058,339	24,285,738	24,165,144	26,244,408
PRIMARY GOVERNMENT										
Net Investment in Capital Assets	78,225,616	76,718,895	68,342,235	67,084,841	68,817,090	65,926,973	67,737,214	67,083,883	66,924,670	65,109,948
Restricted For:										
Capital Projects	3,795,721	4,517,468	4,551,447	4,641,758	3,975,206	8,444,025	5,373,603	2,243,989	1,855,544	3,177,055
Debt Service	5,020,933	4,742,562	1,627,384	1,469,369	1,429,996	1,234,186	1,127,774	1,142,831	1,135,695	1,158,761
Equipment Replacement	336,365	344,404	288,260	602,344	364,687	585,667	790,308	656,174	880,177	1,144,742
Street Construction Maintenance and Repair	1,811,957	1,528,946	1,281,108	1,340,773	1,239,018	1,142,318	1,763,066	2,284,659	2,277,666	3,417,464
Security of Persons	1,093,389	1,002,049	905,693	866,983	860,345	905,501	678,980	1,057,677	1,628,141	1,287,720
Municipal Court	730,153	832,528	867,856	858,165	810,947	787,252	1,005,169	1,106,180	913,718	775,354
Other Purposes	161,107	211,471	286,996	224,974	201,139	150,780	169,557	199,634	469,856	301,212
Permanent Fund Purpose	262,752	272,412	285,172	296,612	308,592	323,872	338,262	352,372	367,632	385,472
Unrestricted (Deficit)	5,315,573	6,004,947	(13,752,352)	(14,847,104)	(16,211,497)	(41,171,477)	(45,268,065)	(33,298,334)	(32,964,541)	(24,371,312)
Total Primary Government Net Position	\$ 96,753,566	\$ 96,175,682	\$ 64,683,799	\$ 62,538,715	\$ 61,795,523	\$ 38,329,097	\$ 33,715,868	\$ 42,829,065	\$ 43,488,558	\$ 52,386,416

*Restated for GASB 84

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
PROGRAM REVENUES										
Governmental Activities										
Charges for Services:										
General Government	\$ 2,446,009	\$ 2,867,693	\$ 2,937,530	\$ 2,402,903	\$ 2,335,620	\$ 2,347,217	\$ 2,683,067	\$ 2,618,104	\$ 2,158,175	\$ 2,318,891
Security of Persons and Property	1,566,154	1,608,153	1,615,817	1,513,233	1,694,934	1,610,882	1,657,602	1,809,928	1,675,150	1,999,174
Public Health and Welfare	88,306	71,609	79,135	80,953	82,768	95,195	95,355	92,315	101,805	108,898
Community Environment	331,712	376,518	344,207	314,546	309,840	312,957	364,262	440,462	417,930	409,597
Leisure Time Activities	561,386	540,582	582,348	614,868	696,126	637,174	722,855	706,069	124,737	648,952
Transportation	1,485	343	1,000	979	500	900	2,251	2,466	550	805
Basic Utility Services	45	0	0	0	75	9	4	0	0	16
Operating Grants, Contributions and Interest	64,819	77,602	89,383	96,446	196,618	162,052	208,667	196,917	4,147,605	1,913,966
Capital Grants and Contributions	442,498	337,390	1,164,364	336,200	2,149,507	4,507,839	849,776	550,505	2,163,520	561,571
Total Governmental Activities Program Revenues	5,502,414	5,879,890	6,813,784	5,360,128	7,465,988	9,674,225	6,585,837	6,416,766	10,789,472	7,961,870
Business-type Activities:										
Charges for Services:										
Golf Course	925,495	849,164	894,787	923,212	903,021	865,255	798,371	801,432	801,496	1,003,650
Sewer	4,890,932	4,770,815	4,866,152	5,574,296	5,449,502	5,513,633	5,860,235	5,283,831	5,296,076	5,839,791
Airport	176,887	180,116	122,105	0	0	0	0	0	0	0
Capital Grants and Contributions	272,009	82,940	390,690	309,023	625,078	492,090	307,158	273,332	229,491	225,660
Total Business-type Activities Program Revenues	6,265,323	5,883,035	6,273,734	6,806,531	6,977,601	6,870,978	6,965,764	6,360,595	6,327,063	7,069,101
Total Primary Government Program Revenues	11,767,737	11,762,925	13,087,518	12,166,659	14,443,589	16,545,203	13,551,601	12,777,361	17,116,535	15,030,971
EXPENSES										
Governmental Activities										
General Government	6,799,745	7,134,225	7,458,826	7,437,293	7,502,423	7,615,451	8,821,326	10,186,960	7,873,378	4,881,043
Security of Persons and Property	14,516,764	14,830,891	14,840,214	15,543,902	16,929,668	17,114,368	18,748,837	3,974,889	17,907,356	16,102,868
Public Health and Welfare	400,280	406,384	400,411	410,397	472,575	450,245	497,933	554,134	540,277	421,409
Community Environment	843,269	897,265	1,065,716	886,979	960,453	1,138,817	1,111,839	1,316,403	1,326,173	659,318
Leisure Time Activities	2,005,597	2,061,913	2,179,241	2,246,715	2,303,814	2,469,539	2,518,170	2,862,610	1,851,880	1,410,709
Transportation	3,529,728	4,180,207	4,213,609	4,552,886	4,368,262	5,075,949	4,603,627	4,945,741	4,921,963	2,974,287
Basic Utility Services	1,121,995	547,308	438,768	539,358	685,382	575,820	626,253	581,467	674,193	524,508
Interest and Fiscal Charges	626,291	441,687	391,880	356,904	288,750	388,916	446,419	377,763	524,154	556,254
Total Governmental Activities Expenses	29,843,669	30,499,880	31,008,665	31,974,434	33,711,327	34,829,105	37,374,404	24,799,967	35,619,374	27,530,396
Business-type Activities:										
Golf Course	965,662	888,341	916,507	951,386	990,974	1,069,914	1,017,504	1,084,040	860,314	669,186
Sewer	5,026,112	5,276,637	5,327,839	5,401,340	5,493,683	5,757,642	5,625,699	6,283,417	5,788,260	4,322,710
Airport	274,298	225,491	205,311	0	0	0	0	0	0	0
Total Business-type Activities Expenses	6,266,072	6,390,469	6,449,657	6,352,726	6,484,657	6,827,556	6,643,203	7,367,457	6,648,574	4,991,896
Total Primary Government Expenses	36,109,741	36,890,349	37,458,322	38,327,160	40,195,984	41,656,661	44,017,607	32,167,424	42,267,948	32,522,292
NET (EXPENSE)/REVENUE										
Governmental Activities										
Governmental Activities	(24,341,255)	(24,619,990)	(24,194,881)	(26,614,306)	(26,245,339)	(25,154,880)	(30,788,567)	(18,383,201)	(24,829,902)	(19,568,526)
Business-Type Activities:										
Business-Type Activities	(749)	(507,434)	(175,923)	453,805	492,944	43,422	322,561	(1,006,862)	(321,511)	2,077,205
Total Primary Government	\$ (24,342,004)	\$ (25,127,424)	\$ (24,370,804)	\$ (26,160,501)	\$ (25,752,395)	\$ (25,111,458)	\$ (30,466,006)	\$ (19,390,063)	\$ (25,151,413)	\$ (17,491,321)

CITY OF WILLOUGHBY, OHIO

CHANGES IN NET POSITION

LAST TEN YEARS

(Accrual Basis of Accounting)

(continued)

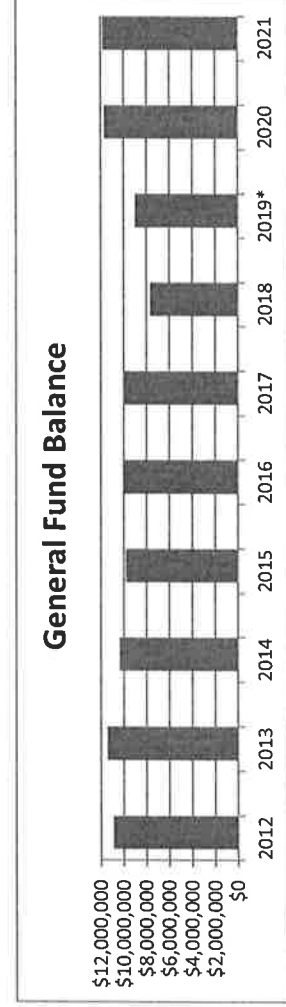
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities:										
Property Taxes	\$ 3,480,738	\$ 3,214,958	\$ 3,327,083	\$ 3,350,028	\$ 3,397,560	\$ 3,376,083	\$ 3,487,016	\$ 3,703,708	\$ 3,604,761	\$ 3,730,890
Income Taxes	16,859,759	17,200,573	16,853,951	17,007,870	17,483,183	16,591,378	18,399,404	19,733,618	17,810,021	19,734,824
Other Taxes	860,379	853,949	834,896	892,082	836,780	895,671	902,640	875,187	673,312	736,484
Unrestricted Grants, Entitlements and Contributions	3,427,327	3,079,431	2,547,469	2,640,770	2,754,687	2,513,138	2,524,103	2,893,444	1,672,414	2,009,678
Gain on Sale of Capital Assets	0	10,587	0	211,820	0	0	0	0	0	0
Insurance- BWC Dividend	0	0	0	0	0	0	0	0	1,425,430	0
Investment Earnings	124,318	166,562	142,037	329,411	287,566	310,307	463,076	645,496	490,954	16,056
Miscellaneous	15,938	10,858	2,367	5,625	218,199	38,625	40,509	35,143	51,677	159,188
Transfers	(1,714,687)	0	(4,472,462)	0	0	0	(100,000)	(150,000)	(118,580)	0
Total Governmental Activities	23,053,772	24,536,918	19,235,341	24,437,606	24,977,975	23,725,202	25,716,748	27,736,596	25,609,989	26,387,120
Business-type Activities:										
Gain on Sale of Capital Assets	0	1,144	2,170	0	0	0	0	0	0	0
Investment Earnings	2,799	322	91	3,988	9,347	4,719	36,029	75,147	75,093	1,299
Miscellaneous	11,535	11,156	6,954	23,540	21,881	0	0	9,114	7,244	760
Special Item	0	0	(8,123,476)	0	0	0	0	0	0	0
Transfers	1,714,687	0	4,472,462	0	0	0	100,000	150,000	118,580	0
Total Business-type Activities	1,729,021	12,622	(3,641,799)	27,528	31,228	4,719	136,029	234,261	200,917	2,059
Total Primary Government	24,782,793	24,549,540	15,593,542	24,465,134	25,009,203	23,729,921	25,852,777	27,970,857	25,810,906	26,389,179
CHANGE IN NET POSITION										
Governmental Activities	(1,287,483)	(83,072)	(4,959,540)	(2,176,700)	(1,267,364)	(1,429,678)	(5,071,819)	9,353,395	780,087	6,818,594
Business-type Activities	1,728,272	(494,812)	(3,817,722)	481,333	524,172	48,141	458,590	(772,601)	(120,594)	2,079,264
Total Primary Government	\$ 440,789	\$ (577,884)	\$ (8,777,262)	\$ (1,695,367)	\$ (743,192)	\$ (1,381,537)	\$ (4,613,229)	\$ 8,580,794	\$ 659,493	\$ 8,897,858

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

<u>Year</u>	<u>Municipal Income Taxes</u>	<u>Property and Other Local Taxes</u>	<u>Total</u>
2012	\$16,859,759	\$4,341,117	\$21,200,876
2013	\$17,200,573	\$4,068,907	\$21,269,480
2014	\$16,853,951	\$4,161,979	\$21,015,930
2015	\$17,007,870	\$4,242,110	\$21,249,980
2016	\$17,483,183	\$4,234,340	\$21,717,523
2017	\$16,591,378	\$4,271,754	\$20,863,132
2018	\$18,399,404	\$4,389,656	\$22,789,060
2019	\$19,733,618	\$4,578,895	\$24,312,513
2020	\$17,810,021	\$4,278,073	\$22,088,094
2021	\$19,734,824	\$4,467,374	\$24,202,198

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

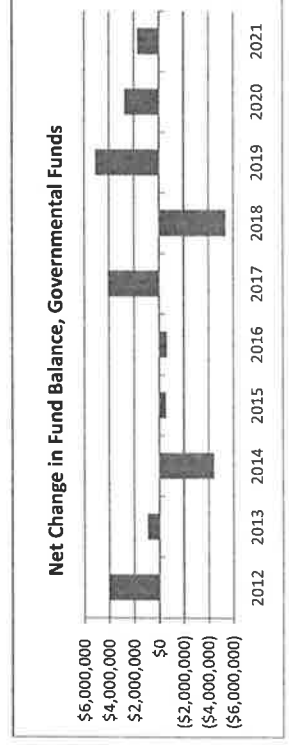
	2012	2013	2014	2015	2016	2017	2018	2019*	2020	2021
GENERAL FUND										
Nonspendable	\$ 1,480,683	\$ 1,472,475	\$ 1,364,415	\$ 1,35,888	\$ 129,890	\$ 233,077	\$ 243,208	\$ 223,265	\$ 241,867	\$ 245,418
Committed	1,379,496	1,418,188	1,361,188	1,294,792	957,426	764,290	662,227	533,657	244,033	836,188
Assigned	703,007	575,956	569,594	544,504	588,753	624,390	554,918	504,154	577,282	638,961
Unassigned	7,362,945	7,992,549	8,306,407	7,837,054	8,447,098	8,343,658	6,223,001	7,763,292	10,669,074	10,138,852
Total General Fund	10,926,131	11,459,168	10,373,604	9,812,238	10,103,167	9,965,415	7,683,354	9,024,368	11,732,256	11,859,419
CAPITAL PROJECTS FUND										
Restricted	8,225	8,420	21,675	9,191	365,143	8,965	8,594	9,638	8,184	0
Committed	400,168	486,407	491,502	1,083,833	824,232	6,842,900	3,912,001	3,121,899	1,916,217	3,177,055
Unassigned(Deficit)	(2,215,480)	(1,566,991)	(1,632,996)	(2,115,543)	(2,835,657)	(4,050,375)	(4,783,130)	(731,026)	0	0
Total Capital Projects Fund	(1,807,087)	(1,072,164)	(1,119,819)	(1,022,519)	(1,646,282)	2,801,490	(862,535)	2,400,511	1,924,401	3,177,055
GENERAL BOND RETIREMENT FUND										
Restricted	4,563,414	4,292,735	1,196,008	1,045,106	1,139,973	1,060,018	1,046,328	1,042,565	1,039,085	1,068,721
Total General Bond Retirement Fund	4,563,414	4,292,735	1,196,008	1,045,106	1,139,973	1,060,018	1,046,328	1,042,565	1,039,085	1,068,721
ALL OTHER GOVERNMENT FUNDS										
Nonspendable	461,962	343,076	372,692	411,052	480,199	353,971	438,905	457,360	446,478	574,651
Restricted	3,124,478	3,064,926	2,830,772	2,865,715	2,448,183	2,278,505	2,810,632	3,800,352	4,307,309	4,589,543
Total All Other Governmental Funds	3,586,440	3,408,002	3,203,464	3,276,767	2,928,382	2,632,476	3,249,537	4,257,712	4,753,787	5,164,194
Total Governmental Funds	\$ 17,268,898	\$ 18,087,741	\$ 13,653,257	\$ 13,111,592	\$ 12,525,240	\$ 16,459,399	\$ 11,116,684	\$ 16,725,156	\$ 19,449,529	\$ 21,269,389



*Restated for GASB 84

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
REVENUES:										
Municipal Income Taxes	\$ 16,115,830	\$ 17,014,038	\$ 16,999,234	\$ 17,066,704	\$ 17,181,979	\$ 17,180,978	\$ 17,959,082	\$ 19,167,062	\$ 18,079,276	\$ 19,902,595
Property and Other Local Taxes	4,483,935	4,139,550	4,203,716	4,262,112	4,228,487	4,266,474	4,223,932	4,399,781	4,260,575	4,472,688
Intergovernmental	3,911,392	3,763,916	3,085,595	2,922,979	4,314,002	3,513,217	3,373,578	3,445,872	7,840,720	4,221,605
Charges for Services	1,685,770	1,687,575	1,716,354	1,709,529	1,836,471	1,730,880	1,950,811	2,025,497	1,175,306	2,030,762
Special Assessments	651,217	654,416	588,781	626,054	598,222	629,909	735,300	711,586	752,228	787,849
Fines and Forfeitures	2,461,843	2,612,863	2,641,781	2,435,825	2,430,897	2,378,768	2,666,376	2,610,410	2,092,155	2,396,569
Licenses & Permits	249,476	252,721	227,991	276,323	215,787	207,073	235,497	305,007	266,566	281,638
Interest Income	124,318	166,562	142,037	211,820	287,566	310,307	463,076	645,496	490,954	16,056
Miscellaneous	23,005	2,669	2,367	5,625	218,199	38,625	105,951	126,857	259,472	254,567
Total Revenues	29,706,786	30,294,310	29,607,856	29,516,971	31,311,610	30,256,231	32,013,603	33,437,568	35,217,252	34,364,329
EXPENDITURES:										
General Government	6,445,748	6,782,463	6,732,698	6,865,789	6,824,872	6,784,024	8,211,149	6,992,697	7,122,008	7,384,324
Security of Persons and Property	14,120,745	14,189,824	14,278,036	14,666,021	15,050,954	15,117,698	15,733,227	15,916,551	15,967,766	16,658,873
Public Health and Welfare	390,500	392,920	387,280	397,013	473,152	452,561	466,016	496,041	499,832	518,265
Community Environment	820,394	879,567	1,094,601	901,068	943,207	1,040,727	1,018,334	1,100,098	1,159,345	1,200,452
Leisure Time Activities	1,806,323	1,764,362	1,871,385	1,903,359	1,921,982	1,976,147	2,053,276	2,087,132	1,377,913	1,926,397
Transportation	1,236,377	1,432,221	1,564,053	1,727,753	1,729,324	1,847,926	1,631,927	1,766,450	1,860,941	1,549,747
Basic Utility Services	718,336	137,709	48,438	80,343	196,657	73,251	116,085	68,095	184,850	65,241
Capital Outlay	2,637,979	2,324,908	2,215,365	2,375,170	3,378,882	2,982,131	6,873,002	4,978,756	5,808,820	2,010,080
Debt Service:										
Principal	582,784	1,041,234	1,111,234	1,126,234	1,141,234	1,196,234	1,066,234	1,108,920	1,167,162	1,276,922
Interest	303,736	453,434	420,640	372,184	288,915	331,691	437,075	397,071	511,942	464,023
Bond Issuance Costs	229,294	0	0	0	0	0	0	0	115,500	182,894
Total Expenditures	29,292,216	29,398,642	29,723,730	30,414,934	31,949,179	31,802,390	37,606,325	34,911,811	35,776,079	33,237,218
Excess of Revenues Over (Under) Expenditures	414,570	895,668	(115,874)	(897,963)	(637,569)	(1,546,159)	(5,592,722)	(1,474,243)	(558,827)	1,127,111
OTHER FINANCING SOURCES (USES)										
Transfers In	3,005,923	3,750,000	3,141,746	3,494,507	2,562,487	2,710,000	3,712,181	3,000,000	2,325,000	4,387,173
Transfers Out	(4,720,610)	(3,750,000)	(7,464,208)	(3,494,507)	(2,562,487)	(2,710,000)	(3,812,181)	(3,150,000)	(2,443,580)	(4,016,233)
General Obligation Refunding Bonds Issued	9,510,000	0	0	0	0	0	0	0	0	0
General Obligation Refunding Bonds Premium	354,353	0	0	0	0	0	0	0	0	208,164
General Obligation Bonds Issued	0	0	0	0	0	0	0	0	6,665,000	5,610,000
Bond Anticipation Notes Issued	0	0	0	0	0	5,620,000	5,615,000	12,010,000	5,610,000	0
Bond Anticipation Notes Repaid	0	0	0	0	0	0	(5,620,000)	(5,615,000)	(12,010,000)	(5,610,000)
Proceeds of Other Debt- StormWater	0	0	0	0	0	0	272,767	320,703	1,718,555	0
Payment to Refunded Bond Escrow Agent	(4,594,158)	0	0	0	0	0	0	0	0	0
Insurance - BWC Dividend	0	0	0	0	0	0	0	0	1,425,430	0
Sale of Capital Assets	96,260	59,020	0	329,411	0	0	0	0	0	0
Total Other Financing Sources (Uses)	3,651,768	59,020	(4,322,462)	329,411	0	5,620,000	167,767	6,565,703	3,290,405	579,104
Net Change in Fund Balances	\$ 4,066,338	\$ 954,688	\$ (4,438,336)	\$ (568,552)	\$ (637,569)	\$ 4,073,841	\$ (5,424,955)	\$ 5,091,460	\$ 2,731,578	\$ 1,706,215
Debt Service as a Percentage of Noncapital Expenditures	3.33%	5.52%	5.57%	5.34%	5.01%	5.30%	4.89%	5.03%	5.60%	5.58%



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

Year	Municipal Income Taxes	Property & Other Local Taxes	Total
2012	\$16,115,830	\$4,483,935	\$20,599,765
2013	\$17,014,038	\$4,139,550	\$21,153,588
2014	\$16,999,234	\$4,203,716	\$21,202,950
2015	\$17,066,704	\$4,262,112	\$21,328,816
2016	\$17,181,979	\$4,228,427	\$21,410,406
2017	\$17,180,978	\$4,266,474	\$21,447,452
2018	\$17,959,082	\$4,523,932	\$22,483,014
2019	\$19,167,062	\$4,399,781	\$23,566,843
2020	\$18,079,276	\$4,260,575	\$22,339,851
2021	\$19,902,595	\$4,472,688	\$24,375,283

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
2012	\$15,867,629	\$12,058,152	\$2,311,907	\$1,321,524	\$176,046	2.00%
2013	\$17,295,394	\$12,425,332	\$3,245,672	\$1,438,824	\$185,566	2.00%
2014	\$16,962,780	\$12,581,948	\$2,742,728	\$1,429,657	\$208,447	2.00%
2015	\$16,874,109	\$12,620,567	\$2,600,829	\$1,408,597	\$244,116	2.00%
2016	\$17,199,752	\$12,730,500	\$2,692,623	\$1,479,920	\$296,709	2.00%
2017	\$16,953,021	\$12,933,423	\$2,402,411	\$1,388,858	\$228,330	2.00%
2018	\$17,944,467	\$13,629,927	\$2,598,150	\$1,400,969	\$315,421	2.00%
2019	\$19,206,814	\$14,125,208	\$2,815,310	\$1,704,573	\$561,723	2.00%
2020	\$18,088,678	\$13,861,000	\$2,360,197	\$1,543,599	\$323,882	2.00%
2021	\$19,560,239	\$14,685,619	\$2,846,770	\$1,639,169	\$388,681	2.00%

Source: Regional Income Tax Agency & State Net Profit

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

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

2021		2012	
Rank	Name	Rank	Name
1	Lake Health	1	Lake Health (Lake West)
2	Willoughby-Eastlake City Schools	2	Willoughby-Eastlake City Schools
3	City of Willoughby	3	City of Willoughby
4	HHC Ohio	4	Ohio Presbyterian-Breckenridge
5	Marous Brothers Construction	5	Horizon Mental Health Management
6	Ohio Living -Breckenridge	6	Marous Brothers Construction
7	PrimeHealth Inc	7	Momentive Performance/GE Lighting
8	Progressive Casualty Ins Co	8	Fluid Line Products
9	Group Management Services Inc	9	Marsh Berry & Company Inc
10	MultiStack Bac LLC	10	Bescast Inc
Classification			
		2021	2012
Government		\$ 957,043	\$ 882,637
Commercial, Mfg. & Other		6,342,747	4,832,098
		\$ 7,299,790	\$ 5,714,735

Source: Regional Income Tax 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 Direct Tax Rate	Total Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Real Property	Other Real Estate & Public Utility Property	Less: Tax Exempt Real Property	Total Taxable Assessed Value			
2011/2012	\$443,433,660	\$257,373,260	\$45,615,920	\$655,191,000	8.53	\$1,805,144,796	36.30%
2012/2013	\$413,212,990	\$215,650,450	\$58,743,170	\$570,120,270	8.53	\$1,603,118,813	35.56%
2013/2014	\$413,637,780	\$213,727,490	\$54,654,120	\$572,711,150	8.51	\$1,608,149,828	35.61%
2014/2015	\$415,877,300	\$216,045,970	\$55,035,870	\$576,887,400	8.49	\$1,618,067,240	35.65%
2015/2016	\$426,980,486	\$212,729,990	\$55,427,656	\$584,282,820	8.49	\$1,638,026,496	35.67%
2016/2017	\$434,148,970	\$212,089,740	\$58,504,220	\$587,734,490	8.54	\$1,646,291,902	35.70%
2017/2018	\$438,881,430	\$215,854,930	\$59,334,240	\$595,402,120	8.54	\$1,666,919,029	35.72%
2018/2019	\$483,614,830	\$233,294,900	\$67,931,050	\$648,978,680	8.46	\$1,818,278,400	35.69%
2019/2020	\$488,387,720	\$232,403,610	\$69,804,270	\$650,987,060	8.48	\$1,822,045,155	35.73%
2020/2021	\$490,437,740	\$233,073,600	\$63,189,130	\$660,322,210	8.48	\$1,846,563,660	35.76%

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%

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

Tax Year/ Collection Year	City of Willoughby Direct Rates						Overlapping Rates			Total Direct & Overlapping Rates
	General Fund	Debt Service Fund	Police Pension Fund	Fire Pension Fund	Recreation Fund	Road & Bridge Fund	Total City Millage	Lake County	Willoughby/ Eastlake, Kirtland School Districts	
2011/2012	3.80	1.63	0.30	0.30	0.50	2.00	8.53	15.80	55.32 (1)	79.65
2012/2013	3.80	1.63	0.30	0.30	0.50	2.00	8.53	15.30	62.82 (1)	86.65
2013/2014	3.55	1.86	0.30	0.30	0.50	2.00	8.51	15.30	63.54 (1)	87.35
2014/2015	3.55	1.84	0.30	0.30	0.50	2.00	8.49	15.30	63.47 (1)	87.26
2015/2016	3.55	1.84	0.30	0.30	0.50	2.00	8.49	15.70	66.57 (1)	90.76
2016/2017	3.55	1.89	0.30	0.30	0.50	2.00	8.54	15.70	66.78 (1)	91.02
2017/2018	3.55	1.89	0.30	0.30	0.50	2.00	8.54	16.00	66.63 (1)	91.17
2018/2019	3.55	1.81	0.30	0.30	0.50	2.00	8.46	16.78	64.42 (1)	89.66
2019/2020	3.55	1.83	0.30	0.30	0.50	2.00	8.48	16.78	65.19 (1)	90.45
2020/2021	3.55	1.83	0.30	0.30	0.50	2.00	8.48	16.77	70.29 (1)	95.54

(1) Includes 3.30 mill continuous Library District Levy to cover Willoughby/Eastlake School District and distributed directly to the library.

Source: Lake County Auditor's Office

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

Tax Year/ Collection Year	Net Tax Levy	Current Collections	Percentage of Current Collection to Net Levy	Delinquent Collections	Total Collections	Percentage of Total Collections to Net Levy
2011/2012	\$3,985,820	\$3,872,582	97.2%	\$86,218	\$3,958,800	99.3%
2012/2013	\$3,640,773	\$3,544,071	97.3%	\$100,345	\$3,644,416	100.0%
2013/2014	\$3,655,638	\$3,528,586	96.5%	\$160,859	\$3,689,445	100.0%
2014/2015	\$3,660,054	\$3,556,600	97.2%	\$129,168	\$3,685,768	100.0%
2015/2016	\$3,706,170	\$3,611,831	97.5%	\$89,614	\$3,701,445	99.9%
2016/2017	\$3,762,661	\$3,647,745	96.9%	\$74,231	\$3,721,976	98.9%
2017/2018	\$3,807,983	\$3,718,482	97.6%	\$113,708	\$3,832,190	100.0%
2018/2019	\$3,950,229	\$3,830,197	97.0%	\$90,259	\$3,920,456	99.2%
2019/2020	\$3,982,275	\$3,877,413	97.4%	\$62,236	\$3,939,649	98.9%
2020/2021	\$4,028,822	\$3,945,700	97.9%	\$0	\$3,945,700	97.9%

Source: Lake County Auditor's Office

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

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

Year	GOVERNMENTAL ACTIVITIES				BUSINESS-TYPE ACTIVITIES				Total Personal Income	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Special Assessment Bonds	Bond Anticipation Notes	OWDA & OPWC	Enterprise Bonds w/G.O. Commitment	OWDA & OPWC	Total Primary Government				
2012	\$14,249,338	\$140,000	\$0	\$11,439	\$3,755,000	\$7,269,426	\$25,425,203	\$673,584,732	3.77%	\$1,142	
2013	\$13,215,265	\$105,000	\$0	\$10,205	\$3,510,000	\$6,792,946	\$23,633,416	\$673,584,732	3.51%	\$1,061	
2014	\$12,261,192	\$70,000	\$0	\$8,971	\$3,110,000	\$6,235,444	\$21,685,607	\$673,584,732	3.22%	\$974	
2015	\$11,142,120	\$35,000	\$0	\$7,737	\$2,855,000	\$7,040,768	\$21,080,625	\$673,584,732	3.13%	\$947	
2016	\$10,008,048	\$0	\$0	\$6,503	\$2,595,000	\$6,921,585	\$19,531,136	\$673,584,732	2.90%	\$877	
2017	\$8,783,976	\$0	\$5,620,000	\$5,269	\$2,595,000	\$10,647,250	\$27,651,495	\$673,584,732	4.11%	\$1,242	
2018	\$7,689,904	\$0	\$5,615,000	\$276,802	\$2,450,000	\$10,448,938	\$26,480,644	\$673,584,732	3.93%	\$1,189	
2019	\$6,565,832	\$0	\$12,010,000	\$583,585	\$2,295,000	\$9,973,649	\$31,428,066	\$673,584,732	4.67%	\$1,411	
2020	\$12,061,760	\$0	\$5,610,000	\$2,274,978	\$2,140,000	\$12,792,432	\$34,879,170	\$673,584,732	5.18%	\$1,566	
2021	\$16,657,178	\$0	\$0	\$2,183,056	\$1,985,000	\$14,487,300	\$35,312,534	\$861,781,271	4.10%	\$1,474	

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 S18 for personal income and population data.

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

<u>Year</u>	<u>General Obligation Bonds(1)</u>	<u>Less: Amount of Assets Restricted for Repayment of Debt</u>	<u>Total</u>	<u>Population</u>	<u>Percent of Estimated Actual Taxable Value of Property (2)</u>	<u>Per Capita (3)</u>
2012	\$14,249,338	\$4,656,671	\$9,592,667	22,268	0.53%	\$431
2013	\$13,215,265	\$4,386,078	\$8,829,187	22,268	0.55%	\$396
2014	\$12,261,192	\$1,278,144	\$10,983,048	22,268	0.68%	\$493
2015	\$11,142,120	\$1,123,871	\$10,018,249	22,268	0.62%	\$450
2016	\$10,008,048	\$1,235,985	\$8,772,063	22,268	0.54%	\$394
2017	\$8,783,976	\$1,152,005	\$7,631,971	22,268	0.46%	\$343
2018	\$7,689,904	\$1,127,774	\$6,562,130	22,268	0.39%	\$295
2019	\$6,565,832	\$1,142,831	\$5,423,001	22,268	0.30%	\$244
2020	\$12,061,760	\$1,135,695	\$10,926,065	22,268	0.60%	\$491
2021	\$16,657,178	\$1,158,761	\$15,498,417	23,959	0.84%	\$647

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

(1) All bonded debt of the City of Willoughby is backed by the full faith and credit of the City. However, those issues that have been in the past and are currently supported by business-type activities or issued by outside agencies are not included in G O Bonds.

(2) See the schedule of Assessed Value and Estimated Actual Value of Taxable Property on page S10 for property value data.

(3) Population data can be found in the schedule of Demographic and Economic Statistics on page S18.

CITY OF WILLOUGHBY, OHIO
DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT
DECEMBER 31, 2021
(UNAUDITED)

<u>Jurisdiction</u>	<u>Assessed Valuation (1)</u>	<u>General Obligation Debt Outstanding (1)</u>	<u>Percent Overlapping (2)</u>	<u>Amount Applicable to City of Willoughby</u>
Direct:				
City of Willoughby	\$ 660,322,210			
General Obligation Bonds		\$ 16,657,178	100.00%	\$ 16,657,178
Ohio Water Development Loans		\$ 139,144	100.00%	\$ 139,144
Ohio Public Works Commission Loans		\$ 2,043,912	100.00%	\$ 2,043,912
Total Direct Debt		\$ 18,840,234		\$ 18,840,234
Overlapping:				
Willoughby-Eastlake City Schools	\$ 1,716,898,840	\$ 113,102,009	37.15%	\$ 42,017,396
Kirtland Local School District	\$ 359,572,880	\$ 9,560,000	4.57%	\$ 436,892
Auburn Joint Vocational S.D.	\$ 2,490,410,590	\$ 5,028,000	0.34%	\$ 17,095
Lake County	\$ 6,417,988,290	\$ 6,355,000	10.22%	\$ 649,481
Total Overlapping		\$ 134,045,009		\$ 43,120,865
Total Direct and Overlapping Debt		\$ 152,885,243		\$ 61,961,099

Sources: (1) Lake County Auditor's Office - general obligation debt .
(2) Percentages are determined by dividing each overlapping government located within the boundaries of the City by the total assessed valuation of the government. The valuations were for the 2021 collection year.

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Overall Debt Limitation - 10.5% of Assessed Valuation	\$ 68,795,055	\$ 59,862,628	\$ 60,134,671	\$ 60,573,177	\$ 61,349,696	\$ 61,712,121	\$ 62,517,223	\$ 68,142,761	\$ 68,353,641	\$ 69,333,832
Gross Indebtedness	\$ 30,675,865	\$ 28,913,151	\$ 27,069,415	\$ 26,493,505	\$ 24,953,088	\$ 33,202,519	\$ 32,685,740	\$ 31,262,234	\$ 34,737,410	\$ 35,000,356
Less:										
OWDA	(6,664,417)	(6,222,611)	(5,708,705)	(6,410,778)	(6,345,844)	(9,970,757)	(10,048,210)	(9,935,187)	(14,456,454)	(16,020,464)
OPWC	(616,448)	(580,540)	(535,710)	(637,727)	(582,244)	(681,762)	(677,530)	(622,047)	(610,956)	(649,892)
Special Assessment Bond & BAN	(5,765,000)	(5,770,000)	(5,770,000)	(5,735,000)	(5,680,000)	(11,400,000)	(12,020,000)	(12,015,000)	(5,610,000)	(0)
Airport Debt	(155,000)	(150,000)	(145,000)	(140,000)	(135,000)	(130,000)	(125,000)	(120,000)	(115,000)	(110,000)
Sewer Debt	(1,600,000)	(1,535,000)	(1,465,000)	(1,395,000)	(1,325,000)	(1,255,000)	(1,185,000)	(1,110,000)	(1,035,000)	(960,000)
Golf Debt	(2,000,000)	(1,825,000)	(1,645,000)	(1,460,000)	(1,270,000)	(1,340,000)	(1,265,000)	(1,185,000)	(1,105,000)	(1,025,000)
	(16,800,865)	(16,043,151)	(15,269,415)	(15,778,505)	(15,338,088)	(24,777,519)	(25,320,740)	(24,987,234)	(22,932,410)	(18,765,356)
Net Debt Within 10.5% Limitations	13,875,000	12,870,000	11,800,000	10,715,000	9,615,000	8,425,000	7,365,000	6,275,000	11,805,000	16,235,000
Legal Debt Margin Within 10.5% Limitation*	\$ 54,920,055	\$ 46,992,628	\$ 48,334,671	\$ 49,858,177	\$ 51,734,696	\$ 53,287,121	\$ 55,152,223	\$ 61,867,761	\$ 56,548,641	\$ 53,098,832
Total Net Debt Applicable to the 10.5% Limit as a Percentage of the Debt Limit	20.17%	21.50%	19.62%	17.69%	15.67%	13.65%	11.78%	9.21%	17.27%	23.42%
Unvoted Debt Limitation - 5.5% of Assessed Valuation	\$ 36,035,505	\$ 31,356,615	\$ 31,499,113	\$ 31,728,807	\$ 32,135,555	\$ 32,325,397	\$ 32,747,117	\$ 35,693,827	\$ 35,804,288	\$ 36,317,722
Net Debt Within 10.5% Limitations	13,875,000	12,870,000	11,800,000	10,715,000	9,615,000	8,425,000	7,365,000	6,275,000	11,805,000	16,235,000
Less Debt Outside Limitations (Voted)	(3,670,000)	(3,410,000)	(3,140,000)	(2,870,000)	(2,590,000)	(2,305,000)	(2,010,000)	(1,705,000)	(1,390,000)	(1,060,000)
Debt Within 5.5% Limitations	10,205,000	9,460,000	8,660,000	7,845,000	7,025,000	6,120,000	5,355,000	4,570,000	10,415,000	15,175,000
Legal Debt Margin Within 5.5% Limitation*	\$ 25,830,505	\$ 21,896,615	\$ 22,839,113	\$ 23,883,807	\$ 25,110,555	\$ 26,205,397	\$ 27,392,117	\$ 31,123,827	\$ 25,389,288	\$ 21,142,722
Total Debt Applicable to the 5.5% Limit as a Percentage of the Debt Limit	28.32%	30.17%	27.49%	24.73%	21.86%	18.93%	16.35%	12.80%	29.09%	41.78%

LEGAL DEBT MARGIN CALCULATION FOR 2021

Assessed Valuation	\$ 660,322,210
Overall Debt Limitation - (10.5% of Assessed Valuation)	\$ 69,333,832
Gross Indebtedness	35,000,356
Less :	(16,670,356)
OWDA/OPWC	(110,000)
Airport Debt	(960,000)
Sewer Debt	(1,025,000)
Recreation- Golf Debt	
Net Debt Within 10.5% Limitations-General Obligation Bonds	16,235,000
Legal Debt Margin Within 10.5% Limitation*	\$ 53,098,832
Unvoted Debt Limitation - (5.5% of Assessed Valuation)	\$ 36,317,722
Gross Indebtedness Authorized by Council	16,235,000
Less Debt Outside Limitations- Voted	(1,060,000)
Debt Within 5.5% Limitations	15,175,000
Legal Debt Margin Within 5.5% Limitation*	\$ 21,142,722

* Calculated without regard to balance in Debt Service funds.

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

SPECIAL ASSESSMENT BONDS

<u>YEAR</u>	<u>SPECIAL ASSESSMENT COLLECTIONS</u>	<u>DEBT SERVICE</u>		<u>COVERAGE</u>
		<u>PRINCIPAL</u>	<u>INTEREST</u>	
2012	\$43,809	\$30,000	\$9,945	1.10
2013	\$44,206	\$35,000	\$8,190	1.02
2014	\$45,079	\$35,000	\$6,142	1.10
2015	\$45,600	\$35,000	\$4,095	1.17
2016	\$42,175	\$35,000	\$2,048	1.14
2017	\$0	\$0	\$0	0.00
2018	\$0	\$0	\$0	0.00
2019	\$0	\$0	\$0	0.00
2020	\$0	\$0	\$0	0.00
2021	\$0	\$0	\$0	0.00

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. The City does not currently have special assessment bonds

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

Year	Total Population (1)	Total Personal Income (2)	Per Capita Personal Income (1)	Median Household Income (1)	Education Attainment:		School Enrollment (4)	Unemployment Rate (3)	Population in Group Quarters (1)	Total Dwelling Units (1)	Occupied Dwelling Units Households(1)	Persons Per/Owner Households	Owner Occupied Housing Units (%)	Occupied County Population (1)
					Bachelor's Degree or Higher (1)	Median Age (1)								
2012	22,268	\$673,584,732	\$30,249	\$50,611	28.3%	43.6	3,621	6.0%	200	11,387	10,413	2.30	61.1	230,041
2013	22,268	\$673,584,732	\$30,249	\$50,611	28.3%	43.6	3,570	6.3%	200	11,387	10,413	2.30	61.1	230,041
2014	22,268	\$673,584,732	\$30,249	\$50,611	28.3%	43.6	3,536	5.5%	200	11,387	10,413	2.30	61.1	230,041
2015	22,268	\$673,584,732	\$30,249	\$50,611	28.3%	43.6	3,445	4.5%	200	11,387	10,413	2.30	61.1	230,041
2016	22,268	\$673,584,732	\$30,249	\$50,611	28.3%	43.6	3,322	4.9%	200	11,387	10,413	2.30	61.1	230,041
2017	22,268	\$673,584,732	\$30,249	\$50,611	28.3%	43.6	3,254	5.1%	200	11,387	10,413	2.30	61.1	230,041
2018	22,268	\$673,584,732	\$30,249	\$50,611	28.3%	43.6	3,197	4.4%	200	11,387	10,413	2.30	61.1	230,041
2019	22,268	\$673,584,732	\$30,249	\$50,611	28.3%	43.6	3,181	3.8%	200	11,387	10,413	2.30	61.1	230,041
2020	22,268	\$673,584,732	\$30,249	\$50,611	28.3%	43.6	3,042	8.5%	200	11,387	10,413	2.30	61.1	230,041
2021	23,959	\$861,781,271	\$35,969	\$60,311	31.2%	44.0	2,905	5.1%	214	12,275	11,630	2.08	60.7	232,603

(1) Source: U.S. Bureau of the Census 2010 & 2020 and 2020 ACS (American Community Survey-5 yr estimate)

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

(3) Source: U.S Bureau of Labor Statistics

(4) Source: Willoughby-Eastlake Board of Administration and ODE Website

CITY OF WILLOUGHBY, OHIO

Income Tax Filers by Income Level

TAX YEARS 2020 and 2012

Income Range	2020 (1) (2)			
	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
\$ 100,000 and Over	1,673	19.47%	\$287,768,696	50.5%
75,000-99,999	1,009	11.74%	86,853,234	15.2%
50,000-74,999	1,555	18.10%	95,612,317	16.8%
25,000-49,999	1,987	23.13%	74,730,233	13.1%
Under 25,000	2,367	27.55%	25,263,035	4.4%
Total	8,591	100.00%	\$570,227,515	100.0%

Income Range	2012 (2)			
	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
\$ 100,000 and Over	1,261	13.69%	\$204,919,881	40.7%
75,000-99,999	965	10.47%	82,934,465	16.5%
50,000-74,999	1,500	16.28%	92,469,473	18.4%
25,000-49,999	2,377	25.80%	88,112,409	17.5%
Under 25,000	3,111	33.76%	35,387,949	7.0%
Total	9,214	100.00%	\$503,824,177	100.0%

Source: Regional Income Tax Agency as of May 26, 2022

(1) Information for 2021 was not fully available

(2) Taxable Income of residents of the City. Willoughby is a mandatory filing city but offers 100% reciprocity for up to 2% of withholdings paid to another work city.

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

<u>FUNCTION/PROGRAM</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>Governmental</u>										
General Government										
Council	7	7	7	8	8	8	8	8	8	8
Mayor	1	1	1	1	1	1	1	1	1	1
Law	2	2	2	2	2	2	3	3	3	3
Personnel	1	1	0	1	1	1	1	1	1	1
Court	25	25	24	24	24	24	25	23	20	23
Building & Grounds	7	7	7	7	7	7	7	7	7	6
Finance	9	9	9	9	9	9	8	8	8	8
Service	4	4	4	4	4	5	5	5	4	5
Vehicle Maintenance	3	3	3	3	3	3	4	4	3	4
Security of Persons and Property										
Police	57	57	55	57	57	57	57	56	57	56
Fire	41	41	41	41	41	42	41	41	41	41
Public Health and Welfare										
Cemetery	2	2	2	2	2	2	2	2	2	2
Community Environment										
Building	7	7	8	7	7	7	7	7	7	7
Community Development	2	2	2	1	1	1	2	2	2	2
Leisure Time Activities										
Parks	4	4	4	4	4	4	4	4	4	4
Recreation	7	7	7	7	7	6	7	7	6	7
Transportation										
Street	7	8	9	9	9	9	9	9	8	9
Traffic	2	2	2	2	2	2	2	2	2	2
Total Governmental	188	189	187	189	189	190	193	190	184	189
<u>Business-Type</u>										
Sewer										
Sewer	7	7	7	7	7	6	6	6	5	6
WPCC	18	18	18	17	17	16	17	17	16	17
Airport	1	0	0	0	0	0	0	0	0	0
Golf Course	3	3	4	4	4	4	4	4	3	4
Total Business-Type	29	28	29	28	28	26	27	27	24	27
Totals	217	217	216	217	217	216	220	217	208	216

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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Governmental										
General Government										
Council - Ordinances & Resolutions	132	139	125	145	135	135	162	119	128	129
Personnel - Civil Service Exams (taken)	240	11	88	91	111	11	195	182	82	91
Court - Number of cases	14,917	17,110	16,370	15,165	15,060	14,943	15,685	16,010	11,832	14,543
Finance										
Number of A/P checks processed	6,033	6,053	5,934	6,005	6,208	6,047	5,616	5,031	4,403	4,492
Number of purchase orders issued	869	899	925	849	904	941	939	997	828	872
Security of Persons and Property										
Police										
Total Arrests & other Citations	4,036	4,577	6,179	4,654	4,935	4,967	3,914	3,441	1,941	5,554
Parking Citations	2,412	2,346	3,373	2,857	2,584	2,275	2,021	1,750	742	1,430
Fire										
Total Number of Calls	4,855	4,915	5,037	5,183	5,249	5,207	5,601	5,673	4,941	5,546
Public Health and Welfare										
Cemetery (plots sold)	72	73	80	61	74	93	88	84	84	97
Community Environment										
Building										
Building Permits Issued	833	1,008	755	803	695	700	754	794	783	834
Inspections - Residential	2,613	2,674	2,427	2,228	2,241	1,636	2,040	2,917	2,676	1,431
- Comm/Industrial	700	564	646	764	837	549	551	521	478	346
Leisure Time Activities										
Parks - Program Participants	390	471	382	452	546	463	460	551	0	335
Pools - Attendance	73,130	62,318	40,586	42,123	44,215	34,320	31,283	33,518	0	22,171
Senior Center - Membership	1,318	1,518	1,698	1,939	1,861	1,981	1,726	2,535	1,843	2,855
- Attendance	30,322	29,689	30,558	31,146	27,402	31,877	32,290	35,710	11,359	15,949
Business-Type										
Sewer										
Sewer - Point of Sale Inspections	241	292	292	319	325	378	402	372	185	408
WPCC										
Flow Data MG (millions of gallons)	2,291	2,366	2,306	2,235	2,121	2,354	2,427	2,220	2,382	2,157
Golf Course										
Rounds of golf	41,363	36,031	38,225	39,928	38,790	36,354	33,013	32,322	33,669	39,583

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

<u>FUNCTION/PROGRAM</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>Governmental Capital Assets</u>										
General Government										
Other Departmental Vehicles	45	40	40	42	41	40	46	47	44	43
City Hall Square Footage	25,884	25,884	25,884	25,884	25,884	25,884	25,884	25,884	25,884	25,884
Municipal Court Square Footage	30,950	30,950	30,950	30,950	30,950	30,950	30,950	30,950	30,950	30,950
Security of Persons and Property										
Police										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Number of Vehicles	32	30	30	30	30	32	33	31	33	33
Square Footage of Building	28,924	28,924	28,924	28,924	28,924	28,924	28,924	28,924	28,924	28,924
Fire										
Number of Stations	2	2	2	2	2	2	2	2	2	2
Number of Vehicles	17	17	17	17	17	17	17	17	18	18
Square Footage of Buildings	37,878	37,878	37,878	37,878	37,878	37,878	37,878	37,878	37,878	37,878
Public Health and Welfare										
Cemetery										
Number of Cemeteries	2	2	2	2	2	2	2	2	2	2
Number of Acres	50	50	50	50	50	50	50	50	50	50
Number of Vehicles	2	2	2	2	2	2	2	2	3	3
Community Environment										
Building & Zoning										
Number of Vehicles	5	5	5	4	4	4	5	4	4	4
Leisure Time Activities										
Number of Parks	14	14	14	14	14	14	14	14	14	14
Parks Acreage	153	153	153	153	153	153	153	153	153	153
Number of Swimming Pools	2 large / 1sm	2 large / 1sm	2 large / 1sm	2 large / 1sm	2 large / 1sm	2 large / 1sm	2 large / 1sm	2 large / 1sm	2 large / 1sm	2 large / 1sm
Number of Ballfields	15	15	15	15	15	15	15	15	15	15
Recreation - Senior Center	1	1	1	1	1	1	1	1	1	1
Senior Center Square Footage	31,974	31,974	31,974	31,974	31,974	31,974	31,974	20,095	20,095	20,095
Number of Vehicles	13	12	11	11	11	12	12	12	12	12
Transportation										
Miles of Streets	92	94	96	96	96	96	96	96	96	96
Number of Street Lights	3,075	3,093	3,100	3,104	3,104	3,104	3,104	3,110	3,110	3,116
Number of Traffic Lights	354	354	354	354	354	354	354	354	354	354
Business-Type Capital Assets										
Sewers										
Miles of Sanitary Sewers	103	104	106	106	106	106	125	126	126	126
Miles of Storm Sewers	102	103	105	105	105	105	125	126	126	126
Airport										
Number of Runways	2	2	0	0	0	0	0	0	0	0
Golf Course										
Number of Holes	18	18	18	18	18	18	18	18	18	18
Number of Acres	141	141	141	141	141	141	141	141	141	141
Number of Vehicles	3	2	2	2	2	2	2	2	2	2

Sources: Various Willoughby Departments



OHIO

HISTORY

FAMILY

FUN

PROGRESS