2025

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the year ended December 31, 2025

CITY OF WILLOUGHBY, OHIO

2025

ANNUAL COMPREHENSIVE FINANCIAL REPORT

for the year ended December 31, 2025

The City of

Willoughby, Ohio

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

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The City of

Willoughby, Ohio

Annual Comprehensive Financial Report

For the Year Ended December 31, 2025

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City of Willoughby
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Willoughby, OH 44094
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June 30, 2026

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, 2025, is hereby submitted. State law requires that all public offices 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 Zupka & 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, 2025, 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. 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 complements 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 the laws of the State of Ohio. On June 19, 1951, a voter-approved charter became effective, establishing the City of Willoughby and its Mayor-Council form of government. The City encompasses approximately 9.9 square miles and serves a population of 23,959 residents. Located in Lake County in Northeast Ohio, Willoughby is a suburban community within the Greater Cleveland metropolitan area.

The City operates under its Charter and is subject to certain general laws applicable to all Ohio municipalities. Under the Ohio Constitution, the City may exercise all powers of local self-government and police powers, provided they do not conflict with applicable general laws.

Legislative authority is vested in a seven-member City Council, whose members are elected to two-year terms. Council is responsible for establishing compensation for City officials and employees and for enacting ordinances and resolutions related to municipal services, tax levies, appropriations, borrowing, business licensing and regulation, and other matters of local governance. The Council President, elected annually by Council members, serves as the presiding officer. The Charter establishes specific administrative departments, and Council may create additional departments and divisions as needed. Council members serve the citizens of Willoughby on a part-time basis.

The Mayor serves as the City's Chief Executive and Administrative Officer and is elected by voters to a four-year term. Subject to Council approval, the Mayor appoints the directors of all City departments. The Mayor serves full-time in the dual capacity of Mayor and Safety Director and was re-elected to an additional term in November 2025.

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

- Police and fire protection
- Parks and recreational facilities
- Sanitary sewer services
- An 18-hole municipal golf course
- Construction and maintenance of roads and other public infrastructure
- Cultural and recreational programs and activities

Water service is provided by Lake County and is administered under the supervision and authority of the Lake County Board of Commissioners. Accordingly, water operations are reported within Lake County's separately issued financial statements. The Willoughby-Eastlake School District and the Willoughby Public Library do not meet the criteria for inclusion within the City's financial reporting entity and therefore are excluded from these financial statements.

The City maintains a comprehensive system of budgetary controls designed to ensure compliance with legal requirements incorporated within the annual appropriated budget adopted by Council. The annual budget encompasses all governmental and proprietary funds, excluding agency funds. For funds that include payroll expenditures, the legal level of budgetary control is established at the branch level and, within each branch, at the account classification level for personal services and employee benefits. For all other expenditure classifications, including services and supplies, capital outlay, and transfers, budgetary control is maintained at the fund level, as established by Council.

In addition, the City utilizes an encumbrance accounting system as a key component of its budgetary control framework. Budget-to-actual comparisons are presented in this report for each individual fund for which an annual appropriated budget has been adopted.

LOCAL ECONOMY

The City's economic base is highly diversified, providing a strong foundation for long-term stability and growth. Willoughby is home to the eighth-largest concentration of manufacturing firms in the State of Ohio and is recognized as a regional center for advanced manufacturing. Major employers include Multistack BAC LLC, Cast Nylons Company, and Bescast Inc.

In addition to its strong manufacturing sector, the City is home to University Hospitals, formerly Lake Health, which continues to make significant investments in its Willoughby campus, further strengthening the City's healthcare industry and employment base.

The City has supported business growth through strategic economic development initiatives and incentives for companies expanding or relocating to Willoughby. Process Technology, an industry leader in the manufacturing of fluoropolymer, titanium, and stainless-steel electric heaters, heat exchangers, in-line heaters, and temperature controls, relocated its corporate headquarters to the City. Rimeco Products Inc., a world-class supplier of precision CNC-machined aerospace components, tripled its operational space by acquiring and renovating a 40,000-square-foot facility in Willoughby.

Commercial and industrial development has also continued throughout the City. Weston, a nationally recognized commercial and industrial developer, acquired property adjacent to the Lake County Executive Airport and constructed a 130,000-square-foot speculative industrial building. The approximately $7.5 million project is expected to attract between 60 and 100 new jobs. Marous Brothers, an award-winning construction firm, established its 35,000-square-foot corporate headquarters as part of a more than 100,000-square-foot campus on six acres. This $8 million investment has transformed the appearance of the Vine Street corridor and further strengthened the City's business environment.

Beyond its industrial and healthcare sectors, the City offers a diverse mix of commercial districts, retail establishments, and a vibrant downtown that continues to attract residents and visitors alike. Historic Downtown Willoughby serves as a regional hotspot for independent, homegrown businesses, diverse dining options, unique boutiques, and a lively night scene. Residential development has also remained strong. Subdivisions nearing completion include Melrose Farms, Kirtland Tudor Estates, The Preserves of Willoughby, Shepherds Glen, Chagrin Mill Farm, Andrews Ridge, and The Enclave at Literary Pointe, reflecting the continued demand for quality housing within the community.

MAJOR INITIATIVES

The City continues to invest in critical infrastructure improvements throughout the community. Plans continue to advance for the Lakeshore East Island Equalization Basin Project, where substantial federal funding has been secured. Engineering and design have been completed, and construction of Phases I and II began in 2025. Construction also commenced on the Nason Basin to Grove Avenue Storm Sewer Project following completion of engineering and design, with the project expected to be completed by the end of summer 2025. In addition, engineering and design have begun for the Lyon Avenue and Lincoln Avenue Storm Sewer Repair projects, with funding assistance applications submitted through the Ohio Public Works Commission (OPWC).

The City remains committed to partnering with the Ohio Department of Transportation (ODOT) on major roadway improvement projects. The SR 640 (Vine Street) Project will resurface and improve nearly four miles of Vine Street between Lakeshore Boulevard and East 364th Street, serving the communities of Willoughby, Willowick, and Eastlake. Project design is complete, with construction anticipated to begin in 2027. Engineering for the River Street resurfacing project has also been completed, with paving scheduled for later in 2026. The City's local share of these projects is funded through the voter-approved Road and Bridge Levy, which was renewed in November 2021 and will be presented to voters for renewal again in 2026.

In 2022, the City purchased the former Meister Media publishing facility at 37733 Euclid Avenue with the goal of renovating the building into a new police headquarters to replace the City's aging police station, the oldest municipal building currently in use. Following voter approval of a continuous 2.5-mill Public Safety Levy, the City issued $16.5 million in general obligation bonds in 2023 to finance the project. Richard L. Bowen and Associates was retained to provide architectural and engineering services. Project plans have been finalized, Infinity Construction was awarded the construction contract, and renovations to the existing facility began in early 2025 with substantial completion anticipated in August 2026.

The City remains committed to transformative projects that will strengthen its infrastructure, enhance environmental sustainability, and improve the quality of life for residents while positioning Willoughby for long-term economic growth.

One of the City's most significant initiatives is the **Osborne Park Erosion Control and Habitat Restoration Project**. Osborne Park, located along the Lake Erie shoreline, contains approximately 1,200 linear feet of shoreline at the base of a steep bluff. Over the years, the park has experienced significant shoreline erosion, resulting in the loss of an estimated 30 feet or more of shoreline and beach. Several efforts have been undertaken to address the erosion, including the installation of precast concrete Great Lakes Armor units in the late 1990s. However, these structures have provided limited protection, are not resilient to fluctuating lake levels, and have sustained substantial deterioration. High water levels in 2019 and 2020 further accelerated shoreline erosion, threatening critical stormwater and sanitary infrastructure while reducing public access to the beach and shoreline.

Recognizing the importance of its Lakefront District as a catalyst for future economic development, the City has identified the restoration of Osborne Park as a key investment. The surrounding neighborhood contains many smaller, aging homes, and the park's restoration is expected to encourage private investment while enhancing the area's overall appeal. Planned improvements include the construction of resilient shoreline protection structures, restoration of beach features, stabilization of the bluff, and enhancement of both nearshore and upland habitats through nature-based design solutions. Supported by substantial grant funding, the City has contracted with SmithGroup to provide professional design services, while Mark Haynes Construction was awarded the construction contract. Construction began in the fall of 2025 and will be completed in multiple phases. As a result, a final completion date has not yet been established.

The City has also partnered with the Chagrin River Watershed Partners on significant river restoration efforts to improve the health and resiliency of the Chagrin River. During the late summer and fall of 2023, restoration work was completed along portions of the Chagrin River and the East Branch of the Chagrin River at Daniels Park through funding provided by an H2Ohio grant from the Ohio Department of Natural Resources. The project included the removal of obsolete dam remnants, stabilization of eroding riverbanks south of Johnnycake Ridge Road, restoration of the East Branch to a more stable channel configuration, and creation of new wetland habitats. These improvements have enhanced fish and wildlife habitat, reduced sediment and nutrient pollution entering Lake Erie, increased public access to the river, and strengthened connections to other protected natural areas throughout the Chagrin River corridor.

Building upon these restoration efforts, the National Oceanic and Atmospheric Administration (NOAA) awarded the Ohio Department of Natural Resources $1,705,000 to support the City of Willoughby and the Western Reserve Land Conservancy in acquiring and permanently conserving approximately 105 acres of riparian habitat along the Chagrin River. The Chagrin River Floodplain Land Conservation Project represents an important investment in the long-term environmental and economic resiliency of the community. Located within an urban area experiencing continued development pressure, the project will preserve critical floodplain habitat while creating a connected corridor of protected greenspace extending from downtown Willoughby to Lake Erie. Benefits include improved flood resilience, enhanced water quality, expanded public access to the river, additional educational opportunities, and improved habitat for fish and wildlife. To complement these conservation efforts, the City has retained SmithGroup to complete planning and design for the Chagrin River Floodplain and Trail Connection Project. BioHabitats was awarded the construction contract, and work began in 2025.

RELEVANT FINANCIAL POLICIES

To maximize employee benefits while helping control healthcare costs, the City joined the Ohio Government Benefit Cooperative (OGBC) in December 2019 to provide health insurance coverage. The OGBC is a consortium of political subdivisions throughout Northeast Ohio. In January 2021, the City assumed the role of fiscal agent for the Cooperative. As of December 31, 2025, the OGBC included the Cities of Strongsville, Mayfield Heights, Wadsworth, Pepper Pike, Highland Heights, Macedonia, and Willoughby.

Collective bargaining negotiations with the City's six bargaining units began in early 2025. Three-year labor agreements were successfully negotiated with all bargaining units. Negotiations with the full-time and part-time Fire employees were finalized in late 2025, while agreements with the Police Sergeants and Lieutenants, Police Patrol Officers, Communication Clerks/Dispatchers, and Service Workers were completed in 2026. All agreements were reached without the need for arbitration. The City also continues to review employment policies, employee benefits, and future staffing needs to ensure it remains competitive while maintaining fiscal responsibility.

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 generates approximately $750,000 annually after administrative costs, which is being used for financing and direct payment of storm water projects and related debt from the funding of storm water projects.

The City has been updating existing long-term facilities 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. The City is currently conducting a sewer rate study.

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, 2024. This was the 39th 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,

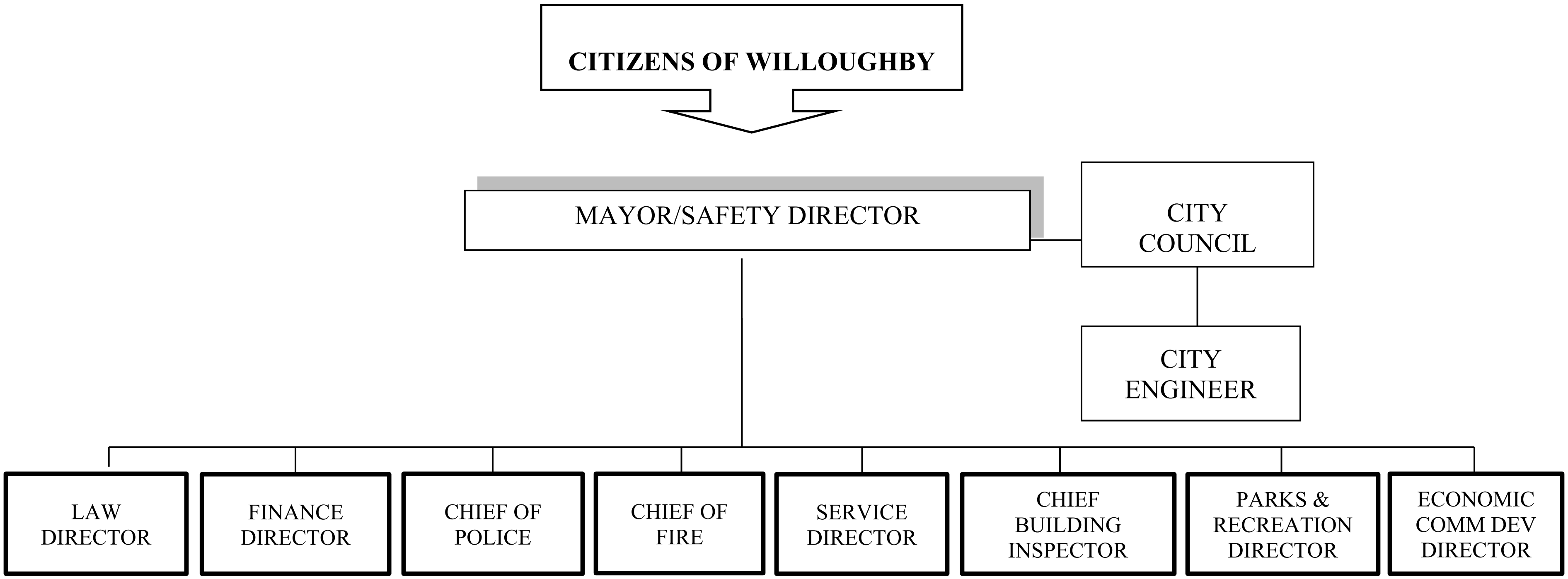
Cherrilyn Hoffman
Finance Director

Debra Doles
Deputy Finance Director

WILLOUGHBY
OHIO

ENRICHED BY ITS HISTORY...
PREPARED FOR ITS FUTURE

ORGANIZATIONAL CHART
The City of
Willoughby, Ohio



ELECTED & APPOINTED OFFICIALS

The City of

Willoughby, Ohio

Mayor
Robert A. Fiala

CITY COUNCIL

Ward 4
Robert E. Carr / President

Ward 1
Kristie Sievers

Ward 2
Ken J. Kary

Ward 3
John Tomaselli

Ward 5
Mike L. Merhar

Ward 6
Daniel J. Garry

Council-At-Large
Daniel J. Anderson

Director of Finance
Cherrilyn Hoffman

Director of Public Service
Rich Palmisano

Director of Parks & Recreation
Judean Keller

Director of Law
Michael C. Lucas

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, 2024

Christopher P. Morrill

Executive Director/CEO

WILLOUGHBY
OHIO

FINANCIAL
information

INDEPENDENT AUDITOR'S REPORT

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

To the Members of City Council:

Report on 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, 2025, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Willoughby as of December 31, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparisons for the General Fund and the American Rescue Plan Act Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We 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 Auditing 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 the schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions 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 and individual nonmajor fund financial 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 and individual nonmajor fund financial 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 financial 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 29, 2026, 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 the City's internal control over financial reporting and compliance.

Zupka & Associates

Zupka & Associates
Certified Public Accountants

June 29, 2026

WILLOUGHBY

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, 2025. 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 of resources by $92,342,309. Assets and deferred outflows of resources in Governmental activities exceeded liabilities and deferred inflows of resources by $59,561,457 and by $32,780,852 in Business-Type activities. The total assets and deferred outflows of the City increased by $8,714,751.

Total liabilities and deferred inflows of resources of the City of Willoughby decreased $4,740,756 as compared to 2024. The total liabilities and deferred inflows of resources of governmental activities decreased by $3,276,218 and the total liabilities and deferred inflows of business type-activities decreased by $1,464,538.

As a result of the reporting requirements of GASB 68 and 75, the City is showing a deficit total net position unrestricted of $15,033,984. This deficit decreased by $515,700 in Governmental activities while Business-Type activities increased by $1,466,092 maintaining a surplus. More information regarding these reporting changes follows in this analysis.

The overall financial condition of the City reflects a growth of $13,455,507 in comparing the net position of 2025 to 2024. Governmental Activities increased by $11,949,117 while Business-Type activities increased by $1,506,390.

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.

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 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 30 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances, for the General fund, Capital Projects fund, the General Bond Retirement fund, and the American Rescue Plan Act 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. The American Rescue Plan Act Fund is to account for federal funding provided to support response to and recovery from the Covid-19 public health emergency.

Data from the other governmental funds are combined into a 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.

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.

The basic proprietary fund financial statements can be found starting on page 26 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 32 of this report.

Other Information

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

After the notes to the basic financial statements, this report presents required supplementary information concerning the City of Willoughby's proportionate share of net pension asset/liability and required pension contributions and net OPEB asset/liability and required OPEB contributions. Required supplementary information can be found in Note 10 and Note 11.

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 110 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 87.7%, 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 2025 compared to 2024.

City of Willoughby's Net Position	Governmental Activities		Business-type Activities		Total Government	
	2025	2024	2025	2024	2025	2024
Current and other assets	$ 70,370,545	$ 68,215,581	$ 12,034,437	$ 10,233,991	$ 82,404,982	$ 78,449,572
Capital assets	84,628,046	73,327,297	36,975,089	38,255,577	121,603,135	111,582,874
Total Assets	154,998,591	141,542,878	49,009,526	48,489,568	204,008,117	190,032,446
Total Deferred Outflows of Resources	9,375,215	14,158,029	711,070	1,189,176	10,086,285	15,347,205
Current and other liabilities	10,024,284	8,060,436	588,152	617,998	10,612,436	8,678,434
Long term liabilities outstanding	84,119,205	89,857,654	16,133,848	17,641,057	100,253,053	107,498,711
Total Liabilities	94,143,489	97,918,090	16,722,000	18,259,055	110,865,489	116,177,145
Total Deferred Inflows of Resources	10,668,860	10,170,477	217,744	145,227	10,886,604	10,315,704
Net Position:						
Net Investment in Capital Assets	56,448,316	48,601,174	24,513,629	24,762,042	80,961,945	73,363,216
Restricted	24,716,937	21,130,662	1,697,411	1,408,700	26,414,348	22,539,362
Unrestricted (deficit)	(21,603,796)	(22,119,496)	6,569,812	5,103,720	(15,033,984)	(17,015,776)
Total Net Position	**$ 59,561,457**	**$ 47,612,340**	**$ 32,780,852**	**$ 31,274,462**	**$ 92,342,309**	**$ 78,886,802**

Total assets in Governmental Activities increased by $13,455,713 during the current year. This is attributed to a large increase of $11,300,749 in capital assets particularly for Construction in Progress from multiple City projects that are currently still in the construction phase.

Total Liabilities in Governmental Activities decreased $3,774,601. While current and other liabilities increased $1,963,848 largely for accounts payable, long-term liabilities were reduced by $5,738,449 which is primarily due to a reduction in net pension and net OPEB liabilities and minimal new issuance in long term debt for Bonds, OPWC and OWDA borrowings.

An additional portion of the City's net position, $26,414,348 represents resources that have been restricted on how they may be used. The largest portion is $12,537,615 that is restricted for capital projects compared to $11,421,467 in 2024. The City has committed to improvements for projects such as Osborne Park Erosion Control and Chagrin River Trail Restoration and Trail Connection and the Willoughby Police Station Renovation. 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 an overall deficit for net position unrestricted of $15,033,984 which is a decrease of 11.6% from 2024.

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

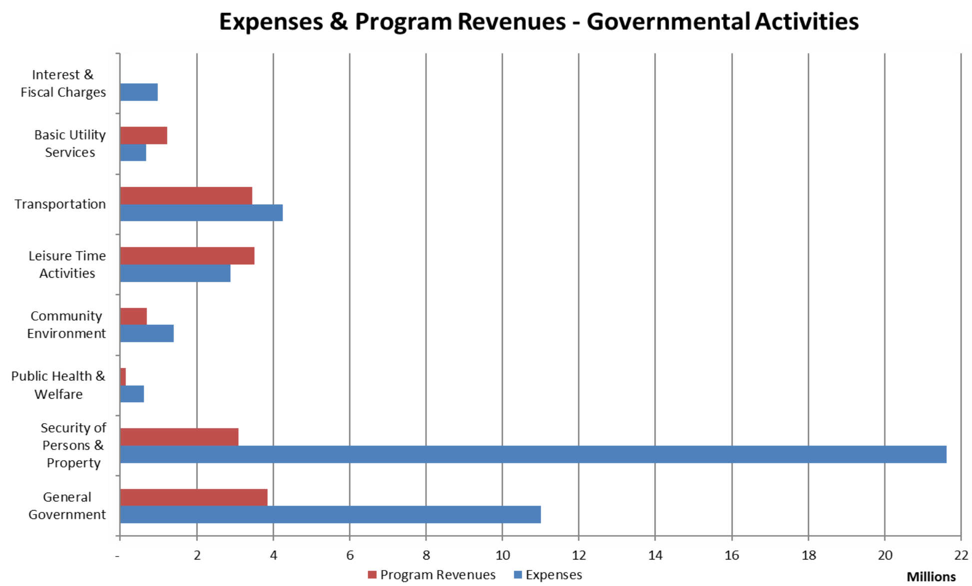
City of Willoughby's Change in Net Position

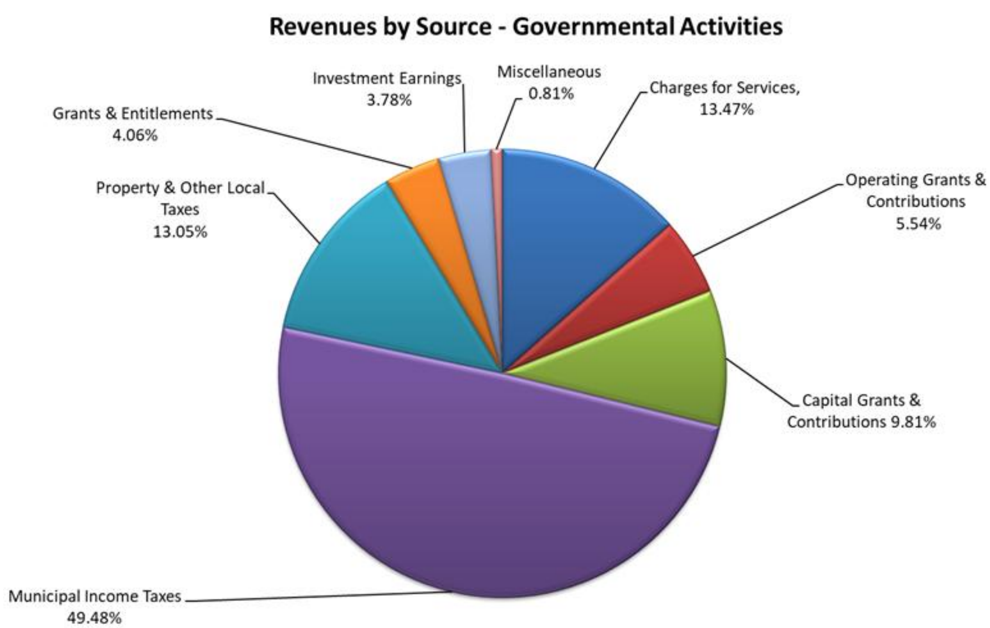
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues						
Program Revenues						
Charges for Services	$ 7,464,595	$ 6,862,531	$ 8,325,953	$ 7,889,171	$ 15,790,548	$ 14,751,702
Operating Grants & Contributions	3,072,793	2,618,296			3,072,793	2,618,296
Capital Grants & Contributions	5,440,278	2,973,921	286,687	1,308,327	5,726,965	4,282,248
General Revenues						
Municipal Income Taxes	27,434,900	25,700,150			27,434,900	25,700,150
Property & Other Local Taxes	7,235,894	6,947,295			7,235,894	6,947,295
Grants & Entitlements	2,249,308	2,258,663			2,249,308	2,258,663
Investment Earnings	2,094,655	1,729,677	426,033	268,156	2,520,688	1,997,833
Miscellaneous	450,740	661,054	6,682	40,374	457,422	701,428
Total Revenues	**55,443,163**	**49,751,587**	**9,045,355**	**9,506,028**	**64,488,518**	**59,257,615**
Expenses						
General Government	11,009,105	11,139,121			11,009,105	11,139,121
Security of Persons & Property	21,617,653	20,532,458			21,617,653	20,532,458
Public Health & Welfare	617,473	621,224			617,473	621,224
Community Environment	1,395,037	1,296,684			1,395,037	1,296,684
Leisure Time Activities	2,890,443	2,833,200			2,890,443	2,833,200
Transportation	4,259,541	4,040,110			4,259,541	4,040,110
Basic Utility Services	669,389	613,298			669,389	613,298
Interest & Fiscal Charges	985,405	1,209,039			985,405	1,209,039
Golf Course			1,224,609	1,217,451	1,224,609	1,217,451
Sewer			6,364,356	6,351,747	6,364,356	6,351,747
Total Expenses	**43,444,046**	**42,285,134**	**7,588,965**	**7,569,198**	**51,033,011**	**49,854,332**
Excess(Deficiency) Prior to Transfers	11,999,117	7,466,453	1,456,390	1,936,830	13,455,507	9,403,283
Transfers	(50,000)	(50,000)	50,000	50,000	0	0
Change in Net Position	11,949,117	7,416,453	1,506,390	1,986,830	13,455,507	9,403,283
Net Position Beginning of Year	47,612,340	40,195,887	31,274,462	29,287,632	78,886,802	69,483,519
Net Position End of Year	$ 59,561,457	$ 47,612,340	$ 32,780,852	$ 31,274,462	$ 92,342,309	$ 78,886,802

Governmental Activities

Income tax collections in governmental activities were steady with an increase of 6.75% over 2024. Grants and Entitlements decreased minimally by less than 1%. Investment earnings continued to rise in 2025 with an increase overall of 21%. Gains on investments were $230,052 and interest income was $1,864,603 making up the total $2,094,655. Operating Grants and Contributions increased 17.36% in 2025 with the award of a SAFER grant which funds the wages and benefits of three full time firefighters. Capital Grants and Contributions increased nearly 83% in 2025 compared with 2024. The City has been fortunate to be awarded multiple grants from EPA, ODNR, FEMA, OPWC and OEMA which has afforded the ability to fund multiple capital projects Overall revenues increased by 11.44% or $5,691,576 with the significant increases being Capital Grants and Income Tax.

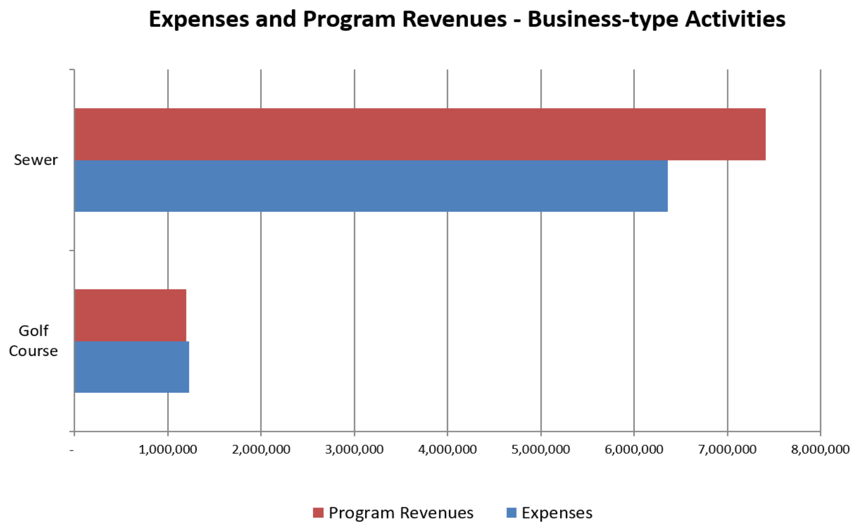
Expenses in governmental activities increased minimally by 2.74% or $1,158,912. In 2025, some of the largest increases were in the function of Transportation 5.43% or $219,431 and Security of Persons 5.29% or $1,085,195 while General Government and Public Health functions saw a decrease. Transportation's increase was largely attributable to depreciation of assets while Security of Persons is traced to Police & Fire Pension liability.

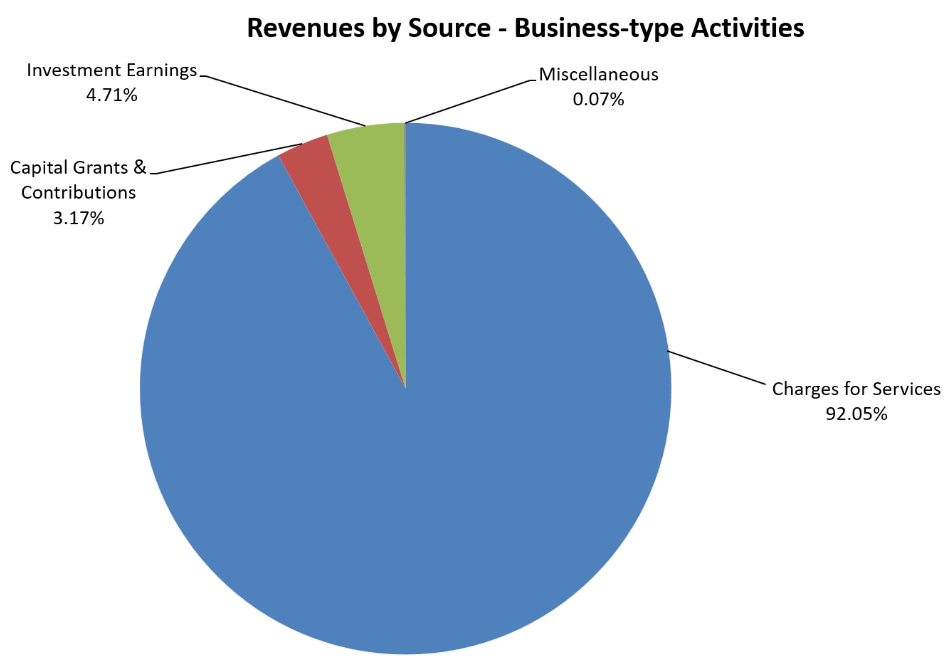




Business-Type Activities

Business-type activities account for 35.5% of the City of Willoughby's total net position. The Golf Course and Sewer funds saw a decrease in total revenues of 4.8% in 2025. While charges for services had an increase of 5.54%, Capital Grants and Contributions decreased by over 78% in 2025 with no donations from new developments and reduced project grant funding. Business-type expenses increased 0.26% overall in 2025 compared to 2024. Golf Course and Sewer expenses increased 0.59% and 0.20% respectively.





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 includes 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 $46,597,181. This is $934,824 less than in 2024. General fund saw increase in almost all revenue categories. In total, General fund revenue was significantly higher by $2,891,282, of that $1,842,902 was higher revenues for income tax collections and $301,401 was higher interest income. Expenditures were higher in total by $2,861,553. All areas had increases including transfers which were up by $1,230,000 while general government and security of persons costs had a combined increase of $1,265,078. Fund balance still increased by $1,447,429 over 2024. The Capital Projects fund balance decreased overall by $4,921,295 due to a large increase in capital outlay of $10,795,103. Also, Capital Funds revenue increased $2,795,181 with the awarding of numerous capital grants and funding for projects. The General Bond Retirement fund balance increased $211,126. The American Rescue Plan Fund reported unearned revenue of $873,542 while Council and Administration obligated these funds to projects that will provide long term benefits for the community, $1,542,932 has been spent to date for City capital projects. In 2025, the City was a subrecipient of $300,000 in ARPA funding for a grant awarded to Willoughby Union Realty by Lake County. The funding was both received and spent during 2025. Nonspendable fund balance of $649,162 includes prepaids, inventory, and cemetery investments. Fund balances in the amount of $10,066,610 are restricted primarily for debt service, roads and infrastructure, municipal court purposes, and drug and alcohol enforcement. The committed fund balance of $21,086,542 consists of funds for capital improvements and future severance payments and is a decrease from 2024. This is carried over from the 2023 issuance of general obligation bonds for capital improvements, and additional funds committed to capital projects and future retirements. Assigned fund balance of $674,781 is for encumbered other operating amounts for all of the program functions of government in the General fund. Unassigned fund balance of $14,120,086 in the General fund is an increase of $1,372,532 over 2024.

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 ($507,488) compared to ($487,755) in 2024. The Golf Course saw an increase in operating revenues of 2.15%. while Sewer fund saw an increase of 6.15%. Unrestricted net position of the Sewer fund increased from $5,591,475 in 2024 to $7,077,300 in 2025.

General Fund Budgetary Highlights –The year saw revenues above the amount forecasted by $2,534,052 and expenditures $2,481,096 under the amounts requested. Most significant were lower personnel costs for the City and lower services and supplies than what was budgeted for in 2025. 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 controlled.

Capital Assets and Debt Administration

Capital Assets - The City's investment in capital assets for governmental and business-type activities as of December 31, 2025, was $121,603,135 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, improvements, machinery and equipment, right to use equipment, as well as infrastructure including roads, sidewalks, bridges, traffic signals, streetlights, storm sewers, curbs and gutters.

The City's investment in capital assets reflects an increase of 8.73% over the prior year for governmental activities and an increase of less than 1% for business-type activities. These changes are calculated before depreciation.

City of Willoughby's Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	$9,870,708	$9,870,708	$2,673,107	$2,673,107	$12,543,815	$12,543,815
Construction in Progress	21,656,096	9,587,213	966,764	1,112,202	22,622,860	10,699,415
Buildings	32,673,321	32,361,070	27,171,623	27,148,921	59,844,944	59,509,991
Improvements	27,822,245	27,770,798	51,497,307	51,488,972	79,319,552	79,259,770
Machinery & Equipment	17,323,364	16,456,805	6,759,199	6,066,391	24,082,563	22,523,196
Infrastructure	39,835,013	41,157,603	0	0	39,835,013	41,157,603
Intangible Right to Use Asset	0	0	92,177	92,177	92,177	92,177
Total Capital Assets	149,180,747	137,204,197	89,160,177	88,581,770	238,340,924	225,785,967
Accumulated Depreciation	(64,552,701)	(63,876,900)	(52,185,088)	(50,326,193)	(116,737,789)	(114,203,093)
Capital Assets (Net)	$84,628,046	$73,327,297	$36,975,089	$38,255,577	$121,603,135	$111,582,874

Major capital asset events during 2025 were as follows:

The City continues to invest in critical infrastructure improvements through ongoing road repaving and rehabilitation projects funded by road and bridge levies. In partnership with the County and with support from FEMA grant funding, the City completed the River Street SR 174 Waterline and Soil Stabilization

Project, with an additional extension of the project scheduled for completion in 2026. The City also finalized the design and engineering work for the Johnnycake Ridge Slope Stabilization Project and entered into a contract with Great Lakes Construction in 2025, with construction set to begin in 2026.

In 2025, the City expanded and upgraded its municipal fleet by purchasing and placing into service seven new vehicles for the Police, Cemetery, Building, and Street Departments. Additionally, the City received three Ford Explorers that will be added to the Police Department fleet following completion of the necessary upfitting.

The City also secured important grant funding to support public safety and community resilience initiatives. Through a NOPEC grant, a generator was installed at the David E. Anderson Senior Center to enhance emergency preparedness. In addition, two FEMA Assistance to Firefighters Grants allowed the Fire Department to purchase new radios and advanced heart monitors, improving communication capabilities and emergency medical response.

Stormwater management and infrastructure improvements also remain a priority. Plans for the Nason Basin to Grove Avenue Storm Sewer Phase I Project were completed, and construction began in 2025. Engineering work is also underway for the Lincoln Avenue and Lyon Avenue Storm Sewer Projects, with future construction planned to further strengthen the City's stormwater system.

The City continues to make significant progress toward the development of a new Police Station. After purchasing the former Meister Media Publishing property in 2022, the City utilized proceeds from the 2023 bond issuance to retain Richard L. Bowen & Associates for design and engineering services. In 2025, the City contracted with Infinity Construction to complete the renovations necessary for the future facility.

Using a combination of ARPA funding, grants, and City resources, the City advanced two transformational community projects in 2025. Mark Haynes Construction began work on Osborne Park Coastal Improvements Phase I, while BioHabitats initiated construction on the Chagrin River Floodplain Restoration and Trail Connection Project. Both projects represent major investments in environmental sustainability, recreation, and long-term community development.

The WPCC also continues planning and implementation efforts for the Lakeshore East Island Equalization Basin Project, which will be completed in two phases. Phase I construction, to be performed by J. Severino Construction Inc., is scheduled to begin in early 2026. The City has also contracted with Chivers Construction Company Inc. to complete Phase II of the project.

Additional information regarding capital assets can be found in **Note 9** of the notes to the basic financial statements.

Outstanding Debt - The City’s total outstanding debt decreased by $2,586,352. The City continues 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	
	2025	2024	2025	2024	2025	2024
General Obligation Bonds	28,942,758	$30,180,040			$28,942,758	$30,180,040
Enterprise Bonds w/ G.O. Commitment			$1,315,000	$1,490,000	1,315,000	1,490,000
OWDA & OPWC	6,187,155	6,550,365	11,066,511	11,872,538	17,253,666	18,422,903
Police Pension Liability	57,303	62,136			57,303	62,136
TOTAL	**$ 35,187,216**	**$36,792,541**	**$12,381,511**	**$13,362,538**	**$ 47,568,727**	**$50,155,079**

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 $941,522,440 at the end of 2025. The City has borrowed 48.1% 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.).

Additional information regarding the City’s outstanding debt can be found starting on page 84 of the notes to the basic financial statements.

Economic Factors and Next Year’s Budget

The City of Willoughby has remained resilient despite the many challenges faced over the last decade. State and national economic conditions, rising health care costs, and the loss of intergovernmental revenues continue to impact and influence financial decision-making. The year 2026 presents ongoing challenges, including economic uncertainty, increasing costs for services and supplies, tariff-related concerns, and the growing emergence of artificial intelligence, cybersecurity, and digital threats.

In addition, one of the primary threats to municipal property tax revenue is the continued push for state-level legislative cuts, caps, or the potential elimination of property taxes, often driven by taxpayer concerns over rising home values. Fortunately, income tax revenues have remained stable. During the budgeting process, the City maintained its conservative financial practices and budgeted only a modest increase in income tax revenue compared to 2025 projections.

Staffing positions will continue to be filled as employees retire. As the City moves through 2026, efforts are underway to fill open full-time positions, while many part-time and seasonal employees are also returning. At this time, the long-term impact on the City’s operating costs, revenues, and any potential recovery through federal or state emergency funding cannot be fully estimated.

The Mayor and Council will continue to evaluate numerous factors when establishing and, if necessary, adjusting the budget, while remaining committed to providing high-quality services to the community. Key priorities include public safety, infrastructure investment, economic development initiatives, employment growth, and maintaining adequate fund balances to ensure both financial flexibility and long-term stability. These priorities remain central as the City continually monitors revenues and expenditures.

The City has implemented and continues to pursue cost-containment measures, while also seeking grants and low-interest financing opportunities to support operations and capital improvement projects. Necessary capital improvements have been completed, and the City continues to maintain and improve its roadways with support from the road and bridge levy.

Moving forward, the City will continue to closely monitor local, regional, and national economic conditions and make informed business decisions that best serve the needs of its residents.

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, 2025 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 distribute pensions and OPEB to our employees, not the City of Willoughby. Overall, with the exclusion of GASB 68 and 75, the net position increased 12.29% in 2025 from 2024. These calculations are as follows:

	Governmental Activities	Business-Type Activities	Total
Total Net Position at Dec. 31, 2025 (with GASB 68 & 75)	$ 59,561,457	$ 32,780,852	$ 92,342,309
GASB 68 Calculations			
Add: Deferred Inflows related to Pension	2,785,113	164,700	2,949,813
Net Pension Liability	39,435,430	2,910,521	42,345,951
Less: Deferred Outflows related to Pension	(8,743,460)	(698,994)	(9,442,454)
	93,038,540	35,157,079	128,195,619
GASB 75 Calculations			
Add: Deferred Inflows related to OPEB	2,132,097	53,044	2,185,141
Net OPEB Liability	1,808,005	0	1,808,005
Less: Deferred Outflows related to OPEB	(631,755)	(12,076)	(643,831)
Net OPEB Asset	(1,084,551)	(274,894)	(1,359,445)
Total Net Position at Dec. 31, 2025 (without GASB 68 & 75)	$ 95,262,336	$ 34,923,153	$ 130,185,489

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, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Equity in City Treasury Cash and Investments	$49,108,014	$7,641,694	$ 56,749,708
Inventory	164,166	63,203	227,369
Accrued Interest Receivable	89,900	82,575	172,475
Accounts Receivable	603,659	489,486	1,093,145
Prepaid Items	24,644	0	24,644
Intergovernmental Receivable	3,720,862	448,477	4,169,339
Taxes Receivable	14,583,260	0	14,583,260
Loan Receivable	70,000	0	70,000
Restricted Assets - Cash and Investments	0	3,034,108	3,034,108
Net OPEB Asset	1,084,551	274,894	1,359,445
Special Assessments Receivable	921,489	0	921,489
Nondepreciable Capital Assets	31,526,804	3,639,871	35,166,675
Depreciable Capital Assets, Net	53,101,242	33,335,218	86,436,460
TOTAL ASSETS	154,998,591	49,009,526	204,008,117
DEFERRED OUTFLOWS OF RESOURCES			
Pension	8,743,460	698,994	9,442,454
OPEB	631,755	12,076	643,831
TOTAL DEFERRED OUTFLOWS OF RESOURCES	9,375,215	711,070	10,086,285
LIABILITIES			
Accounts Payable	$3,402,297	190,738	3,593,035
Matured Compensated Absences Payable	89,633	0	89,633
Salaries, Wages and Benefits Payable	2,635,943	132,004	2,767,947
Accrued Interest Payable	118,118	93,026	211,144
Deposits Held Payable	884,825	0	884,825
Leases Payable	0	19,215	19,215
Financed Purchases Payable	0	33,381	33,381
Intergovernmental Payable	17,592	172,384	189,976
Unearned Revenue	2,873,542	0	2,873,542
Matured Bonds and Interest Payable	2,334	0	2,334
Long-Term Liabilities:			
Due Within One Year	4,220,234	1,432,945	5,653,179
Due In More Than One Year			
Net Pension Liability	39,435,430	2,910,521	42,345,951
Net OPEB Liability	1,808,005	0	1,808,005
Other Amounts Due in More Than One Year	38,655,536	11,737,786	50,393,322
TOTAL LIABILITIES	94,143,489	16,722,000	110,865,489
DEFERRED INFLOWS OF RESOURCES			
Pension	2,785,113	164,700	2,949,813
OPEB	2,132,097	53,044	2,185,141
Property Taxes	5,751,650	0	5,751,650
TOTAL DEFERRED INFLOWS OF RESOURCES	10,668,860	217,744	10,886,604
NET POSITION			
Net Investment in Capital Assets	56,448,316	24,513,629	80,961,945
Restricted for:			
Net OPEB Asset	1,084,551	274,894	1,359,445
Capital Projects	12,537,615	0	12,537,615
Debt Service	1,018,029	0	1,018,029
Equipment Replacement	0	1,422,517	1,422,517
Street Construction Maintenance and Repair	4,585,237	0	4,585,237
Security of Persons	3,259,414	0	3,259,414
Municipal Court	925,485	0	925,485
Other Purposes	846,254	0	846,254
Permanent Fund Purpose:			
Cemetery Fund	460,352	0	460,352
Unrestricted	(21,603,796)	6,569,812	(15,033,984)
TOTAL NET POSITION	$ 59,561,457	$ 32,780,852	$ 92,342,309

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

		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	$ 11,009,105	$ 3,008,767	$ 780,845	$ 62,395	$ (7,157,098)		$ (7,157,098)
Security of Persons and Property	21,617,653	2,580,545	502,783	9,927	(18,524,398)		(18,524,398)
Public Health and Welfare	617,473	149,445	0	0	(468,028)		(468,028)
Community Environment	1,395,037	689,347	0	0	(705,690)		(705,690)
Leisure Time Activities	2,890,443	1,035,958	236,063	2,237,686	619,264		619,264
Transportation	4,259,541	426	1,553,102	1,900,161	(805,852)		(805,852)
Basic Utility Services	669,389	107	0	1,230,109	560,827		560,827
Interest and Fiscal Charges	985,405				(985,405)		(985,405)
TOTAL GOVERNMENTAL ACTIVITIES	43,444,046	7,464,595	3,072,793	5,440,278	(27,466,380)		(27,466,380)
BUSINESS-TYPE ACTIVITIES							
Golf Course	1,224,609	1,199,887	0	0		$ (24,722)	(24,722)
Sewer	6,364,356	7,126,066	0	286,687		1,048,397	1,048,397
TOTAL BUSINESS-TYPE ACTIVITIES	7,588,965	8,325,953	0	286,687		1,023,675	1,023,675
TOTAL	$51,033,011	$15,790,548	$3,072,793	$5,726,965	(27,466,380)	1,023,675	(26,442,705)
GENERAL REVENUES							
Property Taxes Levied for:							
General Purposes					1,295,019		1,295,019
Special Revenue					3,830,725		3,830,725
Debt Service					1,189,076		1,189,076
Income Taxes Levied for:							
General Purposes					24,134,900		24,134,900
Capital Outlay					3,300,000		3,300,000
Other Taxes							
Permissive Motor Vehicle Taxes					177,990		177,990
Admission Taxes					329,739		329,739
Transient Taxes					216,279		216,279
Franchise Taxes					197,066		197,066
Grants and Entitlements not Restricted to Specific Programs					2,249,308		2,249,308
Investment Earnings					2,094,655	426,033	2,520,688
Gain on Sale of Capital Assets					179,862	2,325	182,187
Miscellaneous					270,878	4,357	275,235
TOTAL GENERAL REVENUES					39,465,497	432,715	39,898,212
Transfers					(50,000)	50,000	0
CHANGE IN NET POSITION					11,949,117	1,506,390	13,455,507
NET POSITION BEGINNING OF YEAR					47,612,340	31,274,462	78,886,802
NET POSITION END OF YEAR					$ 59,561,457	$ 32,780,852	$ 92,342,309

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2025

	GENERAL	CAPITAL PROJECTS	GENERAL BOND RETIREMENT	AMERICAN RESCUE PLAN ACT FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
Assets:						
Equity in City Treasury Cash and Investments	$14,274,847	$23,134,095	$944,370	$873,542	$9,881,160	$49,108,014
Inventory - Supplies	93,949	0	0	0	70,217	164,166
Accrued Interest Receivable	45,103	44,797	0	0	0	89,900
Accounts Receivable	543,284	51,212	0	0	9,163	603,659
Prepaid Items	24,644	0	0	0	0	24,644
Intergovernmental Receivable	1,416,239	1,261,381	73,604	0	969,638	3,720,862
Taxes Receivable	9,761,186	0	1,188,971	0	3,633,103	14,583,260
Loan Receivable	0	0	70,000	0	0	70,000
Special Assessments Receivable	0	0	0	0	921,489	921,489
TOTAL ASSETS	26,159,252	24,491,485	2,276,945	873,542	15,484,770	69,285,994
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$26,159,252	$24,491,485	$2,276,945	$873,542	$15,484,770	$69,285,994
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts Payable	$100,007	$3,003,687	$0	$0	$298,603	$3,402,297
Matured Compensated Absences Payable	89,633	0	0	0	0	89,633
Salaries, Wages, and Benefits Payable	2,444,261	0	0	0	191,682	2,635,943
Deposits Held Payable	884,825	0	0	0	0	884,825
Intergovernmental Payable	2,206	0	15,386	0	0	17,592
Unearned Revenue	0	2,000,000	0	873,542	0	2,873,542
Matured Bonds & Interest Payable	0	0	2,334	0	0	2,334
TOTAL LIABILITIES	3,520,932	5,003,687	17,720	873,542	490,285	9,906,166
Deferred Inflows of Resources:						
Property Taxes	1,185,716	0	1,123,383	0	3,442,551	5,751,650
Unavailable Revenue - Income Tax	4,242,380	0	0	0	0	4,242,380
Unavailable Revenue - Grants and Entitlements	646,330	0	62,500	0	720,070	1,428,900
Unavailable Revenue - Special Assessments	0	0	0	0	921,489	921,489
Unavailable Revenue - Delinquent Property Taxes	67,547	0	65,586	0	190,552	323,685
Unavailable Revenue - Other	114,543	0	0	0	0	114,543
TOTAL DEFERRED INFLOWS OF RESOURCES	6,256,516	0	1,251,469	0	5,274,662	12,782,647
Fund Balances:						
Nonspendable	118,593	0	0	0	530,569	649,162
Restricted	663,545	0	1,007,756	0	8,395,309	10,066,610
Committed	804,799	19,487,798	0	0	793,945	21,086,542
Assigned	674,781	0	0	0	0	674,781
Unassigned (Deficit)	14,120,086	0	0	0	0	14,120,086
TOTAL FUND BALANCES	16,381,804	19,487,798	1,007,756	0	9,719,823	46,597,181
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$26,159,252	$24,491,485	$2,276,945	$873,542	$15,484,770	$69,285,994

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, 2025

TOTAL GOVERNMENTAL FUND BALANCES		$ 46,597,181
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.		84,628,046
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	4,242,380	
Delinquent Property Taxes	323,685	
Grants and Entitlements	1,428,900	
Charges for Services	19,887	
Special Assessments	921,489	
Fines and Forfeitures	94,656	
Total		7,030,997
The net pension liability/asset 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	1,084,551	
Deferred Outflows-Pension & OPEB	9,375,215	
Deferred Inflows-Pension & OPEB	(4,917,210)	
Net Pension & OPEB Liability	(41,243,435)	
Total		(35,700,879)
Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds.		
General Obligation Bonds	(28,942,758)	
OPWC Loans	(568,954)	
OWDA Loans	(5,618,201)	
Financed Purchases Payable	(939,728)	
Police Pension Liability	(57,303)	
Compensated Absences	(6,748,826)	
Accrued Interest Payable	(118,118)	
Total		(42,993,888)
NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 59,561,457

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, 2025

	GENERAL	CAPITAL PROJECTS	GENERAL BOND RETIREMENT	AMERICAN RESCUE PLAN ACT FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:						
Municipal Income Taxes	$23,805,536	$3,300,000	$0	$0	$0	$27,105,536
Property and Other Local Taxes	2,019,452	118,660	1,171,099	0	3,626,557	6,935,768
Payments in Lieu of Taxes	0	0	0	0	211,203	211,203
Intergovernmental	1,837,863	3,516,265	598,085	758,054	4,057,708	10,767,975
Charges for Services	2,227,919	16,145	0	0	817,658	3,061,722
Special Assessments	0	0	0	0	837,412	837,412
Fines and Forfeitures	2,252,256	0	0	0	753,482	3,005,738
Licenses & Permits	484,575	0	0	0	0	484,575
Interest	1,241,298	853,357	0	0	0	2,094,655
Miscellaneous	110,039	159,894	0	0	945	270,878
TOTAL REVENUES	33,978,938	7,964,321	1,769,184	758,054	10,304,965	54,775,462
EXPENDITURES:						
Current:						
General Government	8,767,896	34,693	25,544	300,000	1,723,801	10,851,934
Security of Persons and Property	16,592,511	247,631	0	0	3,155,168	19,995,310
Public Health and Welfare	616,522	0	0	0	0	616,522
Community Environment	1,276,893	8,030	0	0	99,652	1,384,575
Leisure Time Activities	980,435	7,410	0	0	1,498,463	2,486,308
Transportation	0	0	0	0	2,068,028	2,068,028
Basic Utility Services	152,663	0	0	0	0	152,663
Capital Outlay	34,882	13,262,954	0	458,054	1,764,587	15,520,477
Debt Service:						
Principal	0	0	1,569,597	0	0	1,569,597
Interest	0	0	1,038,117	0	0	1,038,117
TOTAL EXPENDITURES	28,421,802	13,560,718	2,633,258	758,054	10,309,699	55,683,531
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	5,557,136	(5,596,397)	(864,074)	0	(4,734)	(908,069)
OTHER FINANCING SOURCES (USES):						
Transfers In	0	500,000	1,075,200	0	3,547,674	5,122,874
Transfers Out	(4,095,000)	0	0	0	(1,077,874)	(5,172,874)
Issuance of Other Loan Debt	0	6,387	0	0	0	6,387
Sale of Assets	0	168,715	0	0	11,147	179,862
TOTAL OTHER FINANCING SOURCES (USES)	(4,095,000)	675,102	1,075,200	0	2,480,947	136,249
NET CHANGE IN FUND BALANCES	1,462,136	(4,921,295)	211,126	0	2,476,213	(771,820)
FUND BALANCES BEGINNING OF YEAR	14,934,375	24,409,093	796,630	0	7,391,907	47,532,005
CHANGE IN INVENTORY	(14,707)	0	0	0	(148,297)	(163,004)
FUND BALANCES END OF YEAR	$16,381,804	$19,487,798	$1,007,756	$0	$9,719,823	$46,597,181

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, 2025

NET CHANGES IN FUND BALANCES-TOTAL GOVERNMENTAL FUNDS		$ (771,820)
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	15,520,476	
Current Year Depreciation	(4,171,528)	
Total		11,348,948
The net effect of other transactions involving capital assets is an increase to net position. 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.		(48,199)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Municipal Income Taxes	329,364	
Delinquent Property Taxes	93,674	
Grants and Entitlements	(34,197)	
Charges for Services	(42,451)	
Special Assessments	138,302	
Fines and Forfeitures	3,149	
Total		487,841
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.		1,618,046
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.		(6,387)
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	295,637	
Accrued Interest	15,430	
Amortization of Premium	37,282	
Change in Inventory	(163,004)	
Total		185,345
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		3,293,045
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.		(4,157,702)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 11,949,117

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, 2025

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Municipal Income Taxes	$21,500,000	$22,500,000	$23,849,661	$1,349,661
Property and Other Local Taxes	1,751,700	1,751,700	1,991,572	239,872
Intergovernmental	1,797,500	1,797,500	1,772,349	(25,151)
Charges for Services	1,877,550	1,877,550	2,094,519	216,969
Fines and Forfeitures	1,960,000	1,960,000	2,166,711	206,711
Licenses and Permits	325,000	515,000	504,169	(10,831)
Interest Income	500,000	500,000	1,056,822	556,822
Other	112,500	112,500	112,500	0
Total Revenues	29,824,250	31,014,250	33,548,302	2,534,052
EXPENDITURES:				
Legislative- Council	177,507	199,037	179,076	19,961
Judicial- Municipal Court	2,882,141	2,882,141	2,422,962	459,179
Executive-Mayor	27,949,323	28,897,677	26,895,721	2,001,956
Total Expenditures	31,008,971	31,978,855	29,497,759	2,481,096
Excess of Revenues Over (Under) Expenditures	(1,184,721)	(964,605)	4,050,543	5,015,148
OTHER FINANCING SOURCES (USES):				
Transfers Out	(3,845,000)	(4,595,000)	(4,595,000)	0
Transfers In	500,000	500,000	500,000	0
Other	408,000	408,000	984,874	576,874
Total Other Financing Sources (Uses)	(2,937,000)	(3,687,000)	(3,110,126)	576,874
NET CHANGE IN FUND BALANCE	(4,121,721)	(4,651,605)	940,417	5,592,022
FUND BALANCE BEGINNING OF YEAR	9,763,300	9,763,300	9,763,300	0
Prior Year Encumbrances Appropriated	85,582	85,582	85,582	0
FUND BALANCE END OF YEAR	$5,727,161	$5,197,277	$10,789,299	$5,592,022

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
AMERICAN RESCUE PLAN ACT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Intergovernmental	$300,000	$300,000	$300,000	$0
Total Revenues	300,000	300,000	300,000	0
EXPENDITURES:				
Other	300,000	300,000	300,000	0
Total Expenditures	300,000	300,000	300,000	0
NET CHANGE IN FUND BALANCE	0	0	0	0
FUND BALANCE BEGINNING OF YEAR	0	0	0	0
FUND BALANCE END OF YEAR	$0	$0	$0	$0

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AS OF DECEMBER 31, 2025

	BUSINESS-TYPE ACTIVITIES		
	GOLF COURSE	SEWER	TOTAL
ASSETS			
CURRENT ASSETS			
Equity in City Treasury Cash and Investments	$102,122	$7,539,572	$7,641,694
Inventory	3,020	60,183	63,203
Accrued Interest Receivable	0	82,575	82,575
Accounts Receivable	750	488,736	489,486
Intergovernmental Receivable	1,178	447,299	448,477
TOTAL CURRENT ASSETS	107,070	8,618,365	8,725,435
NONCURRENT ASSETS			
Restricted Assets:			
Cash and Investments	0	3,034,108	3,034,108
Net OPEB Asset	51,968	222,926	274,894
Nondepreciable Capital Assets	2,273,366	1,366,505	3,639,871
Depreciable Capital Assets, Net	1,068,861	32,266,357	33,335,218
TOTAL NONCURRENT ASSETS	3,394,195	36,889,896	40,284,091
TOTAL ASSETS	3,501,265	45,508,261	49,009,526
DEFERRED OUTFLOWS OF RESOURCES			
Pension	132,142	566,852	698,994
OPEB	2,283	9,793	12,076
TOTAL DEFERRED OUTFLOWS OF RESOURCES	134,425	576,645	711,070
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable	7,360	183,378	190,738
Salaries, Wages & Benefits Payable	49,065	384,781	433,846
Accrued Interest Payable	1,341	91,685	93,026
Leases Payable	19,215	0	19,215
Financed Purchases Payable	33,381	0	33,381
Intergovernmental Payable	0	172,384	172,384
Bonds Payable	90,000	1,068,763	1,158,763
TOTAL CURRENT LIABILITIES	200,362	1,900,991	2,101,353
NONCURRENT LIABILITIES			
Salaries, Wages & Benefits Payable	107,598	352,427	460,025
Leases Payable	9,825	0	9,825
Financed Purchases Payable	17,528	0	17,528
Bonds Payable	590,000	10,632,748	11,222,748
Net Pension Liability	550,224	2,360,297	2,910,521
TOTAL NONCURRENT LIABILITIES	1,275,175	13,345,472	14,620,647
TOTAL LIABILITIES	1,475,537	15,246,463	16,722,000
DEFERRED INFLOWS OF RESOURCES			
Pension	23,367	141,333	164,700
OPEB	10,028	43,016	53,044
TOTAL DEFERRED INFLOWS OF RESOURCES	33,395	184,349	217,744
NET POSITION			
Net Investment in Capital Assets	2,582,278	21,931,351	24,513,629
Restricted for:			
Equipment Replacement	0	1,422,517	1,422,517
Net OPEB Asset	51,968	222,926	274,894
Unrestricted (Deficit)	(507,488)	7,077,300	6,569,812
TOTAL NET POSITION	$2,126,758	$30,654,094	$32,780,852

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, 2025

	BUSINESS-TYPE ACTIVITIES		
	GOLF COURSE	SEWER	TOTAL
OPERATING REVENUES:			
Charges for Services	$1,199,887	$7,126,066	$8,325,953
Other	1,928	2,429	4,357
Total Operating Revenues	1,201,815	7,128,495	8,330,310
OPERATING EXPENSES:			
Personal Services	613,276	2,788,399	3,401,675
Contractual Services	134,370	843,153	977,523
Materials & Supplies	273,186	187,544	460,730
Heat, Light & Power	33,102	359,241	392,343
Other Expenses	7,507	28,189	35,696
Depreciation /Amortization	142,210	1,952,655	2,094,865
Total Operating Expenses	1,203,651	6,159,181	7,362,832
Operating Income (Loss)	(1,836)	969,314	967,478
NON-OPERATING REVENUES (EXPENSES):			
Interest - Income	0	426,033	426,033
Interest - Expense	(20,958)	(199,434)	(220,392)
Other - Sale of Asset	0	2,325	2,325
Other - Expense	0	(5,741)	(5,741)
Total Non-Operating Revenues (Expenses)	(20,958)	223,183	202,225
Income (Loss) Before Contributions and Transfers	(22,794)	1,192,497	1,169,703
Capital Contributions	0	286,687	286,687
Transfer In	50,000	0	50,000
CHANGE IN NET POSITION	27,206	1,479,184	1,506,390
NET POSITION BEGINNING OF YEAR	2,099,552	29,174,910	31,274,462
NET POSITION END OF YEAR	$2,126,758	$30,654,094	$32,780,852

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2025

(continued on following page)

	Business-Type Activities		
	Golf Course	Sewer	Total
Cash flows from operating activities:			
Receipts from customers and users	$1,198,928	$7,635,001	$8,833,929
Payments to suppliers	(448,563)	(1,448,459)	(1,897,022)
Payments to employees	(617,900)	(2,838,637)	(3,456,537)
Other operating revenues	1,928	2,429	4,357
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	134,393	3,350,334	3,484,727
Cash flows from capital and related financing activities:			
Proceeds from loans	0	49,875	49,875
Acquisition and construction of capital assets	(21,300)	(805,496)	(826,796)
Proceeds from Interfund Transfer	50,000	0	50,000
Principal reduction on long-term debt	(90,000)	(934,224)	(1,024,224)
Financed Purchase	(32,398)	0	(32,398)
Lease	(18,650)	0	(18,650)
Interest paid on long-term debt	(17,887)	(210,125)	(228,012)
Interest paid on lease	(1,172)	0	(1,172)
Interest paid on financed purchase	(2,049)	0	(2,049)
Contributions from customers	0	286,687	286,687
Proceeds from the sale of capital assets	0	2,325	2,325
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	(133,456)	(1,610,958)	(1,744,414)
Cash flows from investing activities:			
Interest on investments	0	395,183	395,183
NET CASH PROVIDED BY INVESTING ACTIVITIES	0	395,183	395,183
NET INCREASE (DECREASE) IN CASH AND CASH INVESTMENTS	937	2,134,559	2,135,496
CASH AND CASH INVESTMENTS AT BEGINNING OF YEAR	101,185	8,439,121	8,540,306
CASH AND CASH INVESTMENTS AT END OF YEAR	$102,122	$10,573,680	$10,675,802

The Sewer Fund includes $ 3,034,108 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, 2025

(continued)

	Business-Type Activities		
	Golf Course	Sewer	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:			
Operating income (loss)	($1,836)	$969,314	$967,478
Adjustments to reconcile operating income (loss) to net cash from operating activities:			
Depreciation /Amortization	142,210	1,952,655	2,094,865
Change in assets and liabilities:			
(Increase) decrease in inventory of supplies	(126)	(3,675)	(3,801)
(Increase) decrease in accounts receivable	(750)	(366,121)	(366,871)
(Increase) decrease in due from other govts	(209)	875,056	874,847
(Increase) decrease in net OPEB asset	(30,936)	(129,785)	(160,721)
(Increase) decrease in net pension asset	4,135	18,311	22,446
(Increase) decrease in deferred outflows - pension	67,618	317,811	385,429
(Increase) decrease in deferred outflows - OPEB	17,013	75,664	92,677
Increase (decrease) in accounts payable	(272)	(49,904)	(50,176)
Increase (decrease) in accrued salaries, wages, and benefits	5,807	10,044	15,851
Increase (decrease) in net pension liability	(74,904)	(408,157)	(483,061)
Increase (decrease) in net OPEB liability	0	0	0
Increase (decrease) in deferred inflows - pension	8,666	76,229	84,895
Increase (decrease) in deferred inflows - OPEB	(2,023)	(10,355)	(12,378)
Increase (decrease) in due to other governments	0	23,247	23,247
TOTAL ADJUSTMENTS	136,229	2,381,020	2,517,249
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	$134,393	$3,350,334	$3,484,727

See accompanying notes to the basic financial statements.

CITY OF WILLOUGHBY, OHIO
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
AS OF DECEMBER 31, 2025

	CUSTODIAL FUNDS
ASSETS	
Equity in City Treasury Cash and Investments	$143,696
Cash and Cash Equivalents in Segregated Accounts	2,524,511
TOTAL ASSETS	2,668,207
LIABILITIES	
Due to External Parties	3,306,874
TOTAL LIABILITIES	3,306,874
NET POSITION	
Restricted for:	
Individuals, Organizations and Other Governments	(638,667)
TOTAL NET POSITION	($638,667)

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, 2025

	CUSTODIAL FUNDS
ADDITIONS	
Municipal Court Receipts	6,885,956
Payments Collected for Other Governments	19,074,090
Moneys Held for Others	50,386
TOTAL ADDITIONS	26,010,432
DEDUCTIONS	
Municipal Court Disbursements	6,885,956
Payments for Other Governments	15,631
Medical and Dental for Cobra and Other Plans	18,953,185
Distributions to Individuals and Organizations	39,527
TOTAL DEDUCTIONS	25,894,299
NET DECREASE IN FIDUCIARY NET POSITION	116,133
NET POSITION - BEGINNING OF YEAR	(754,800)
NET POSITION - END OF YEAR	$ (638,667)

See accompanying notes to the basic financial statements.

NOTE 1: REPORTING ENTITY

The Village of Willoughby was incorporated on August 3, 1853, under the 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. <u>Basis of Presentation</u>

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.

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.

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.

- ► ***American Rescue Plan Act Fund*** – The ARPA fund accounts for the federal funding provided to support response to and recovery from the Covid-19 public health emergency.

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 to 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.

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.

Revenues – Exchange and Nonexchange Transactions – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on an 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 a 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 assets that applies to future periods 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 pension and OPEB. 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 assets that apply to future periods 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, 2025, but which were levied to finance year 2026 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance 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 and Ohio Government Benefit Cooperative (OGBC), 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.

During 2025, 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, 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 2025, 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 $100 million. STAR Ohio reserves the right to limit the transaction to $250 million, requiring the excess amount to be transacted the following business day(s), but only to the $250 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. For 2025, gain on investments added to interest income, resulted in $1,241,298 interest revenue credited to the General fund which includes $689,100 from other funds.

G. Receivables

Receivables on December 31, 2025, 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 on 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.

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2025, 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. The 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.

The City is reporting an intangible right-to-use asset related to leased equipment. These intangible assets are being amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

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
Intangible Right-to-Use Asset	N/A	Contract Term

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

For the City, compensated absences cover leave for which employees may receive cash payments either when used as time off or as a payout for unused leave upon termination of employment. These payments may occur during employment or at termination. Generally, compensated absences do not follow a fixed payment schedule. Liabilities should be recognized for unused leave if it is attributable to services already rendered, the leave accumulates, and it is more likely than not that it will be used or paid out in cash. For the City, this includes sick and vacation leave.

Liabilities for compensated absences should be recognized in financial statements prepared using the economic resources measurement focus for leave that has not been used and leave that has been used but not yet paid or settled.

A key component in determining the estimate of the amount of accumulated compensated absences that will be used as time off is the flows assumption. The flows assumption determines whether leave used by employees will be attributed first to (a) the recognized liability at the date of the financial statements (a first-in, first-out (FIFO) flows assumption) or (b) the leave earned in the next reporting period (a last-in, first-out (LIFO) flows assumption). The City uses the FIFO flows assumption.

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."

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 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 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 provide the goods 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 2025.

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 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 a 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 2025.

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

NOTE 3: COMPLIANCE AND ACCOUNTABILITY

A. *Implementation of New Accounting Principles*

For the year ended December 31, 2025, the City has implemented certain provisions of GASB Statement No. 102, Certain Risk Disclosures.

GASB Statement No. 102 requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt, vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not, to begin to occur within 12 months of the date the financial statements are issued. The implementation of the GASB pronouncement did not have any impact on beginning net position or fund balance.

NOTE 4: FUND BALANCE

Fund balance is classified as non-spendable, 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	American Rescue Plan Act	Nonmajor Governmental Funds	Total
Nonspendable						
Inventory	$ 93,949	$ 0	$ 0	$ 0	$ 70,217	$ 164,166
Prepaids	24,644	0	0	0	0	24,644
Cemetery	0	0	0	0	460,352	460,352
Total Nonspendable	118,593	0	0	0	530,569	649,162
Restricted for						
Road and infrastructure	0	0	0	0	4,082,527	4,082,527
Municipal Court	0	0	0	0	917,599	917,599
Police and Fire departments	0	0	0	0	1,957,137	1,957,137
Law Enforcement	0	0	0	0	154,408	154,408
Drug and Alcohol enforcement	0	0	0	0	281,273	281,273
Sidewalks and Trees	0	0	0	0	162,776	162,776
Street Lighting	0	0	0	0	839,589	839,589
Net OPEB	663,545	0	0	0	0	663,545
Debt Service	0	0	1,007,756	0	0	1,007,756
Total Restricted	663,545	0	1,007,756	0	8,395,309	10,066,610
Committed to						
Recreation	0	0	0	0	512,687	512,687
Sidewalks and Trees	0	0	0	0	47,309	47,309
Community Environment	0	0	0	0	233,949	233,949
Compensated Absences	804,799	0	0	0	0	804,799
Capital improvements	0	19,487,798	0	0	0	19,487,798
Total Committed	804,799	19,487,798	0	0	793,945	21,086,542
Assigned to						
General Government	310,272	0	0	0	0	310,272
Security of Persons	192,518	0	0	0	0	192,518
Public Health & Welfare	2,489	0	0	0	0	2,489
Community Environment	95,323	0	0	0	0	95,323
Leisure Activities	28,160	0	0	0	0	28,160
Basic Utilities	46,019	0	0	0	0	46,019
Total Assigned	674,781	0	0	0	0	674,781
Unassigned	14,120,086	0	0	0	0	14,120,086
Total Fund Balances	$ 16,381,804	$ 19,487,798	$ 1,007,756	$ 0	$ 9,719,823	$ 46,597,181

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 on December 31, 2025, was 343.

Investments are permitted in the following securities:

- United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal or interest by the United States;

- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan

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

- Written repurchase agreements in the securities listed above;

- Bonds and other obligations of the State of Ohio or Ohio local governments;

- Certificates of deposits (collateralized as described below) in eligible institutions or savings or deposit accounts;

- No-load money market funds consisting exclusively of obligations described in paragraph 1 or 2 of this section and repurchase agreements secured as described are made only through eligible institutions mentioned in Section 135.03 of the Ohio Revised Code;

- The State Treasury Asset Reserve Funds (STAR Ohio) as provided in Section 135.45 of the Ohio Revised Code;

- Bankers' acceptances and commercial paper if training requirements have been met.

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

Cash on Hand - On December 31, 2025, the City had $5,900 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".

Cash and Cash Equivalents in Segregated Accounts - On December 31, 2025, the City is reporting cash and cash equivalents in segregated accounts. This includes cash and investments of $1,805,479 held by the City as fiscal agent for the Ohio Government Benefit Cooperative.

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, 2025, the carrying amount of the City's deposits, including certificates of deposit with various financial institutions, was $7,604,142 including restricted cash of $3,034,108 and the bank balance was $9,005,908. $750,000 of the City's bank balance was covered by Federal Depository Insurance. $7,737,791 was collateralized through participation in the Ohio Pooled Collateral System (OPCS). $518,117 was uninsured and uncollateralized. One of the

City's financial institutions was approved for a reduced collateral floor through the OPCS, resulting in the uninsured and uncollateralized balance.

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. All the City's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications. Market indicators and industry and economic events are also monitored which could require the need to acquire further market data (Level 2 inputs). The following table identifies the City's recurring fair value measurement as of December 31, 2025. 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, 2025, fair value was $391,067 above the City's net cost for investments.

Investment Type/ Valuation	Moody's Rating	S&P Rating	Measurement Amount	Investment Maturities: Less than 1 Year	1 to 2 Years	Greater than 2 Years
Net Asset Value (NAV):						
STAR Ohio	Aaa	AAAm	$ 30,610,963	$ 30,610,963	$ 0	$ 0
GIDP	Aaa	AAAm	449,577	449,577	0	0
First Am Govt Obligations Fund	Aaa	AAAm	1,211,290	1,211,290	0	0
Fair Value:						
FFCB	Aaa	AA+	3,675,299	536,276	220,766	2,918,257
FNMA	Aaa	AA+	0	0	0	0
FHLB	Aaa	AA+	3,608,314	1,200,520	1,206,649	1,201,145
FMCC	Aaa	AA+	669,105	0	488,705	180,400
FAMC	Aaa	AA+	178,857	0	178,857	0
TVA	Aaa	AA+	676,121	0	247,993	428,128
PEFCO	Aaa	AA+	584,840	0	300,282	284,558
US Treasury Note	Aaa	AAA	11,240,050	1,817,844	1,793,069	7,629,137
Negotiable Certificates of Deposit	N/A	N/A	132,083	132,083	0	0
			$ 53,036,499	$ 35,958,553	$ 4,436,321	$ 12,641,625

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, 2025, the weighted average maturity of investments with STAR Ohio was 28 days. The City has no investments policy that would further limit its investment choices.

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

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

Concentration of Credit Risk: The City Investment Policy places no limit on the amount it may invest in any one issuer. In 2025, the City's total investments are 1.26% in FMCC, 6.93% in FFCB, 6.80% in FHLB, 0.34% in FAMC and 21.19% in U.S. Treasury Note. Other investments not specifically guaranteed by the U.S. Government total 63.48%.

NOTE 6: INTERFUND TRANSFERS AND BALANCES

As of December 31, 2025, interfund transfers were as follows:

	Transfer From		
Transfer To	**General Fund**	**Nonmajor Governmental Funds**	**Total**
Capital Projects Fund	$ 500,000	$ 0	$ 500,000
General Bond Retirement Fund	0	1,075,200	1,075,200
Golf Course	50,000	0	50,000
Nonmajor Governmental Funds	3,545,000	2,674	3,547,674
Total	$ 4,095,000	$ 1,077,874	$ 5,172,874

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 General Fund transfer to the Golf Course was to assist with improvements, projects and equipment needs. The transfer from the Nonmajor Governmental funds to the General Bond Retirement fund is for debt payments. The transfer from Nonmajor Governmental funds to Nonmajor Governmental fund was a reimbursement for expenditures.

NOTE 7: BUDGETARY BASIS OF ACCOUNTING

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

Net Change in Fund Balance	General Fund	ARPA Fund
GAAP Basis	$ 1,462,136	$ 0
Net Adjustment for Revenue Accruals	(630,100)	0
Fair Value Adjustment for Investments	(115,417)	0
Net Adjustment for Expenditure Accruals	308,463	0
Encumbrances	(530,295)	(458,054)
Current Expenditures Against Prior Year Encumbrances	445,630	458,054
Budget Basis	$ 940,417	$ 0

NOTE 8: RECEIVABLES

Receivables on December 31, 2025, 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 2025 for real and public property taxes represents collections of 2024 taxes.

2025 real property taxes are levied after October 1, 2025, on the assessed value as of January 1, 2025, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2025 real property taxes are collected in and intended to finance 2026 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. 2025 public utility property taxes which became a lien December 31, 2024, are levied after October 1, 2025, and are collected in 2026 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2025, was $10.40 per $1,000 of assessed value. The assessed values of real and tangible personal property upon which 2024 property tax receipts were based are as follows:

Real Property	$917,582,940
Public Utility Tangible	$23,939,500
Total	**$941,522,440**

Real property taxes are payable annually or semiannually. The due date for the 2025 levy was February 25, 2026, for all or one half of the taxes due. The second half due date is July 22, 2026.

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, 2025, and for which there is an enforceable legal claim. In General, Police Pension, Fire Pension, Recreation, Road and Bridge, Safety Tax Levy and General Bond Retirement funds, the entire receivable has been offset by deferred inflows since the current taxes were not levied to finance 2025 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	$	12,807
Gasoline & Motor Vehicle Tax		745,020
Local Government		711,815
Charges for Service		419,340
Homestead and Rollback		204,750
Grants		1,164,130
Fines		463,000
Total Governmental		3,720,862
Business-Type Activities:		
Charges for Service		448,477
Total Business-Type		448,477
Total Intergovernmental Receivables	$	4,169,339

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, 2025, the remaining balance being reported in the City's financial statements is $70,000.

NOTE 9: CAPITAL ASSETS

A summary of changes in capital assets during 2025 follows:

	Balance 01/01/25	Additions	Deletions	Balance 12/31/25
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	$9,870,708	$0	$0	$9,870,708
Construction in Progress	9,587,213	12,664,306	(595,423)	21,656,096
Total Capital Assets Not Being Depreciated	19,457,921	12,664,306	(595,423)	31,526,804
Capital Assets Being Depreciated/Amortized				
Buildings	32,361,070	358,417	(46,166)	32,673,321
Improvements	27,770,798	64,847	(13,400)	27,822,245
Machinery and Equipment	16,456,805	1,553,132	(686,573)	17,323,364
Infrastructure:				
Roads	25,975,337	1,435,677	(2,797,787)	24,613,227
Sidewalks	729,557	17,403	0	746,960
Storm Sewers	12,019,640	0	0	12,019,640
Street Lights	54,380	0	0	54,380
Traffic Signals	1,845,478	22,117	0	1,867,595
Bridges	533,211	0	0	533,211
Total Capital Assets Being Depreciated/Amortized	117,746,276	3,451,593	(3,543,926)	117,653,943
Less Accumulated Depreciation/Amortization				
Buildings	(15,264,395)	(771,081)	43,857	(15,991,619)
Improvements	(12,930,588)	(455,984)	8,486	(13,378,086)
Machinery and Equipment	(11,961,421)	(895,852)	645,597	(12,211,676)
Infrastructure:				
Roads	(12,386,907)	(1,766,128)	2,797,787	(11,355,248)
Sidewalks	(1,136,235)	(28,177)	0	(1,164,412)
Curbs & Gutters	(985,793)	0	0	(985,793)
Storm Sewers	(7,263,953)	(214,209)	0	(7,478,162)
Street Lights	(39,852)	0	0	(39,852)
Traffic Signals	(1,652,478)	(30,133)	0	(1,682,611)
Bridges	(255,278)	(9,964)	0	(265,242)
Total Accumulated Depreciation/Amortization	(63,876,900)	(4,171,528)	3,495,727	(64,552,701)
Total Capital Assets Being Depreciated/Amortized, Net	53,869,376	(719,935)	(48,199)	53,101,242
Total Government Activities Capital Assets, Net	$73,327,297	$11,944,371	($643,622)	$84,628,046

NOTE 9: CAPITAL ASSETS (CONTINUED)

	Balance 01/01/25	Additions	Deletions	Balance 12/31/25
Business-Type Activities				
Capital Assets Not Being Depreciated				
Land	$2,673,107	$0	$0	$2,673,107
Construction in Progress	1,112,202	395,044	(540,482)	966,764
Total Capital Assets Not Being Depreciated	3,785,309	395,044	(540,482)	3,639,871
Capital Assets Being Depreciated/Amortized				
Buildings	27,148,921	22,702	0	27,171,623
Improvements	51,488,972	8,335	0	51,497,307
Machinery and Equipment	6,066,391	941,197	(248,389)	6,759,199
Intangible right -to -use lease - Equipment	92,177	0	0	92,177
Total Capital Assets Being Depreciated/Amortized	84,796,461	972,234	(248,389)	85,520,306
Less Accumulated Depreciation/Amortization				
Buildings	(18,789,191)	(712,569)	0	(19,501,760)
Improvements	(27,253,532)	(1,048,260)	0	(28,301,792)
Machinery and Equipment	(4,239,586)	(315,601)	235,970	(4,319,217)
Intangible right -to -use lease - Equipment	(43,884)	(18,435)		(62,319)
Total Accumulated Depreciation/Amortization	(50,326,193)	(2,094,865)	235,970	(52,185,088)
Total Capital Assets Being Depreciated/Amortized, Net	34,470,268	(1,122,631)	(12,419)	33,335,218
Total Business-Type Capital Assets, Net	$38,255,577	($727,587)	($552,901)	$36,975,089

Depreciation/Amortization expense was charged to governmental functions as follows:	
General Government	$356,765
Security of Persons and Property	774,576
Public Health and Welfare	22,526
Community Environment	11,342
Leisure Time Activities	423,867
Transportation	2,065,726
Basic Utility Service	516,726
Total	$4,171,528

Depreciation/Amortization expense was charged to business-type activities as follows:	
Golf	$142,210
Sewer	1,952,655
Total	$2,094,865

NOTE 10: DEFINED BENEFIT PENSION PLANS

Net Pension/OPEB Liability (Asset)

The net pension/OPEB liability/asset reported on the statement of net position represents a liability/asset to employees for pensions/OPEB. Pensions and OPEB are a component of exchange transactions-–between an employer and its employees—of salaries and benefits for employee services. Pensions/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 net pension/OPEB liability (asset) represents the City's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/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, unknown 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/OPEB are financed; however, the City does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension OPEB liability on the accrual basis of accounting. Any liability for the contractually required pension OPEB contributions 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.

The remainder of this note includes the pension disclosures. See Note 11 for the OPEB disclosures.

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 is a cost-sharing, multiple employer public employee retirement system which administers two separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan, and the member-directed plan is a defined contribution plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only with the Traditional Pension Plan.

The traditional pension plan also includes members of the legacy combined plan, a hybrid defined benefit/defined contribution plan referred to as the combined plan division of the traditional pension plan throughout this disclosure. Prior to January 1, 2024, the combined plan was a separate pension plan. Effective January 1, 2022, the combined plan was no longer available for member selection. In October 2023, the legislature approved House Bill (HB) 33 which allowed for the consolidation of the combined plan into the traditional pension plan. The combined plan was consolidated into the traditional pension plan effective January 1, 2024, and is tracked as a separate division within the traditional pension plan. No changes were made to the benefit design features of the combined plan as part of this consolidation so that members in this plan will experience no changes. Throughout this disclosure, references to the traditional pension plan are inclusive of the combined plan division, unless otherwise noted.

Members of the combined plan division earn a formula benefit similar to, but at a factor less than, the traditional pension plan benefit. This defined benefit is funded by employer contributions and associated investment earnings. Additionally, combined plan division member contributions are deposited into a defined contribution account in which the member self-directs the investment. Upon retirement or termination, the member may choose a defined contribution retirement distribution that is equal in amount to the member's contributions to the plan and investment gains or losses on those contributions. Members in this division may also elect to annuitize their defined contribution account balances.

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, including requirements for reduced and unreduced benefits):

GROUP A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	**GROUP B** 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	**GROUP C** Members not in other Groups and members hired on or after January 7, 2013
State and Local	**State and Local**	**State and Local**
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 62 with 60 months of service credit or Age 57 with 25 years of service credit
Traditional Plan 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	**Traditional Plan 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	**Traditional Plan 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
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	**Combined Plan Formula:** 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	**Combined Plan Formula:** 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

Traditional pension plan state and local members (excluding the combined plan division) who retire before meeting the age-and-years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests at retirement.

Combined plan division members retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit.

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.

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 retirement benefit at the date of retirement and is not compounded. For those who retired 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.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and the combined plan division members who have met the retirement eligibility requirements may apply for retirement benefits.

The amount available for defined contribution benefits in the combined plan division consists of the members' contributions plus or minus the investment gains or losses resulting from the members' investment selections. Combined plan division 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 invest 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. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

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

	Traditional Pension Plan State and Local Divisions	
	Excluding Combined Plan Division	Combined Plan Division
2025 Statutory Maximum Contribution Rates		
Employer	14.0 %	14.0 %
Employee*	10.0 %	10.0 %
2025 Actual Contribution Rates		
Employer:		
Pension **	14.0 %	12.0 %
Post-employment Health Care Benefits**	0.0 %	2.0 %
Total Employer	14.0 %	14.0 %
Employee	10.0 %	10.0 %

* 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 plan.
The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension: however, effective July 1, 2022, a portion of the health care rate is funded with reserves.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The City's contractually required contributions were $1,483,376 for the traditional plan (excluding combined plan division), $1,933 for the combined plan division and $47,422 for the member-directed plan for fiscal year ending December 31, 2025. Of this amount, $76,033 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 may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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

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

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 (see OP&F Annual Comprehensive Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

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 the DROP program have separate eligibility requirements related to COLA.

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3.0 percent or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

Members who retired prior to July 24, 1986, or their surviving beneficiaries under optional plans are entitled to cost-of-living allowance increases. The annual increase is paid on July 1st of each year. The annual COLA increase is $360 under a Single Life Annuity Plan with proportional reductions for optional payment plans.

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

	POLICE	FIRE
2025 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2025 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 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was $2,046,057 for 2025. Of this amount, $101,984 is reported as salaries, wages and benefits payable.

In addition to current contributions, the City pays installments on a specific liability of the City incurred when the State of Ohio established the statewide pension system police and fire fighters in 1967. As of December 31, 2025, the specific liability of the City was $57,303 payable in semi-annual payments through the year 2035.

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

The net pension liability for OPERS was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2024, and was determined by rolling forward the total pension liability as of January 1, 2023, to December 31, 2024. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS Former Tradional Plan	OPERS Legacy Combined Plan	OPERS Consolidated Traditional Pension Plan	OP&F	Total
Proportion of the Net Pension Liability/(Asset):					
Current Measurement Date	N/A	N/A	0.05871200%	0.29276461%	
Prior Measurement Date	0.06076000%	0.03422800%	0.06014774%	0.31298307%	
Change in Proportionate Share	N/A	N/A	-0.00143574%	-0.02021846%	
Proportionate Share of the Net Pension Liability	$0	$0	$14,393,563	$27,952,388	$42,345,951
Pension Expense	$0	$0	$1,725,770	$3,052,516	$4,778,286

*Effective January 1, 2024, the combined plan was consolidated with the traditional plan. The proportionate share percentage for the prior period for the consolidated traditional plan reflects an estimate based on the City's share of contributions to the pension plan relative to the contributions of all participating entities for both the former traditional plan and the legacy combined plan.

At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS Traditional Pension Plan	OP&F	Total
Deferred Outflows of Resources			
Net Difference between projected and actual earnings on pension plan investments	$1,698,004	$1,354,000	$3,052,004
Differences between expected and actual experience	275,399	1,185,896	1,461,295
Changes of assumptions	0	1,102,690	1,102,690
Changes in proportion and differences between City contributions and proportionate share of contributions	0	297,032	297,032
City contributions subsequent to the measurement date	1,483,376	2,046,057	3,529,433
Total Deferred Outflows of Resources	$3,456,779	$5,985,675	$9,442,454
Deferred Inflows of Resources			
Differences between expected and actual experience	$0	$141,348	$141,348
Changes of assumptions	0	316,801	316,801
Changes in proportion and differences between City contributions and proportionate share of contributions	398,522	2,093,142	2,491,664
Total Deferred Inflows of Resources	$398,522	$2,551,291	$2,949,813

$3,529,433 was reported as deferred outflows of resources related to pension resulting from City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2026. 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 Traditional Pension Plan	OP&F	Total
Year Ending December 31:			
2026	$692,995	$907,791	$1,600,786
2027	1,750,364	1,679,109	3,429,473
2028	(655,134)	(641,243)	(1,296,377)
2029	(213,344)	(375,562)	(588,906)
2030	0	(156,435)	(156,435)
Thereafter	0	(25,333)	(25,333)
Total	**$1,574,881**	**$1,388,327**	**$2,963,208**

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, 2024, 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.

	OPERS Traditional Plan
Wage Inflation	2.75 percent
Future Salary Increases	2.75 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA	
Pre 1/7/2013 retirees:	3 percent, simple
Post 1/7/2013 retirees:	
Current Measurement Date:	2.9 percent, simple for calendar year 2025 then 2.05 percent, simple
Prior Measurement Date:	2.3 percent, simple through 2024, then 2.05 percent, simple
Investment Rate of Return	6.9 percent
Actuarial Cost Method	Individual Entry Age

For the prior year, the actuarial assumptions for the Combined Legacy Plan included future salary increases (including inflation) of 2.75 percent to 8.25 percent, including wage inflation.

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality tables (males and females) for all divisions. For all the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

OPERS manages investments in three investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan. 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 8.8 percent for 2024.

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 long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which the 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 weighing the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of the geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2024, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	24.00 %	2.42 %
Domestic Equities	21.00	5.70
Real Estate	13.00	4.17
Private Equity	15.00	8.40
International Equities	20.00	6.10
Risk Parity	2.00	4.40
Other investments	5.00	2.54
Total	**100.00 %**	

A simple weighted sum of asset class returns will not yield the results shown on the above table given the process followed to adjust for inflation, the compounding to a given time period, and the impact of volatility and correlations to the portfolio.

Discount Rate - The discount rate used to measure the total pension liability for the current year was 6.9 percent for the traditional plan. 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 contractually required rates, as actuarially determined. 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 for the traditional pension plan, combined plan and member-directed plan 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 6.9 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 or one-percentage-point higher than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
City's proportionate share of the net pension liability	$23,547,035	$14,393,563	$6,487,107

Actuarial Assumptions – OP&F

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 retirement plan involve estimates of the value 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 payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth. The changes in assumptions are being amortized over the estimated remaining useful life of the participants, which was 6.16 years at December 31, 2024.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2024, are presented below:

Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.5 percent
Projected Salary Increases	3.75 percent to 10.50 percent
Payroll Growth	3.25 percent per annum, compounded annually, consisting of inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	2.2 percent simple per year

Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. All rates are projected using the MP-2021 Improvement Scale.

Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. All rates are projected using the MP-2021 Improvement Scale.

Mortality for contingent annuitants is based on the Pub-2010 Below-Median Safety Amount Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9 percent for males and 131 percent for females. All rates are projected using the MP-2021 Improvement Scale.

Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP-2021 Improvement Scale.

The most recent experience study was completed December 31, 2021.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

Best estimates of the long-term expected real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2024, are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic Equity	18.60 %	3.80 %
Non-US Equity	12.40	4.60
Core Fixed Income *	25.00	2.60
U.S. Inflation Linked Bonds *	15.00	2.40
High Yield Fixed Income	7.00	4.30
Private Real Estate	12.00	5.30
Private Markets	10.00	5.60
Midstream Energy Infrastructure	5.00	5.20
Private Credit	5.00	6.70
Real Assets	8.00	6.10
Gold	5.00	3.20
Commodities	2.00	2.50
Total	125.00 %	

Note:Assumptions are geometric
* levered 2.0x

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 1.25 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 7.50 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 earnings were calculated using the longer-term assumed investment rate of return 7.50 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 7.50 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 (6.50 percent), or one-percentage-point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability	$37,430,860	$27,952,388	$20,069,486

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

See Note 10 for a description of net OPEB liability

<u>Plan Description – Ohio Public Employees Retirement System (OPERS)</u>

Plan Description – The Ohio Public Employees Retirement System (OPERS) administers two separate pension plans: the traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan and the member-directed plan is a defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, the 115 Health Care Trust (115 Trust), which was established in 2014 to fund health care for the Traditional Pension and Member-Directed plans. 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.

With one exception, OPERS-provided health care coverage is neither guaranteed nor is statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

OPERS members enrolled in the Traditional Pension Plan retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

Age 65 or older Retirees - Minimum of 20 years of qualifying service credit

Age 60 to 64 Retirees - Based on the following age-and-service criteria:

Group A - 30 years of total service with at least 20 years of qualified health care service credit;

Group B - 31 years of total service credit with at least 20 years of qualified health care service credit; or

Group C - 32 years of total service credit with at least 20 years of qualified Health care service credit.

Age 59 or younger - Based on the following age-and-service criteria:

Group A - 30 years of qualified health care service credit;

Group B - 32 years of qualified health care service credit at any age or 31 years of qualified heath care service credit and at least age 52; or

Group C - 32 years of qualified health care service credit and at least age 55.

Retirees who do not meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service.

Members with a retirement date on or prior to December 1, 2014, with at least 10 years of qualifying health care service credit will continue to be eligible for the OPERS health care program. Members with a retirement date after December 1, 2014, but prior to January 1, 2022, who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022, as summarized in the following table:

Group A	Group B	Group C
Age and Service Requirements	**Age and Service Requirements**	**Age and Service Requirements**
December 1, 2014 or Prior	***December 1, 2014 or Prior***	***December 1, 2014 or Prior***
Any Age with 10 years of service credit	Any Age with 10 years of service credit	Any Age with 10 years of service credit
January 1, 2015 through December 31, 2021	***January 1, 2015 through December 31, 2021***	***January 1, 2015 through December 31, 2021***
Age 60 with 20 years of service credit or Any Age with 30 years of service credit	Age 52 with 31 years of service credit or Age 60 with 20 years of service credit or Any Age with 32 years of service credit	Age 55 with 32 years of service credit or Age 60 with 20 years of service credit

See the Age and Service Retirement section of the OPERS ACFR for a description of Groups A, B and C.

Beginning January 1, 2014, qualifying contributing service credit for health care will be accumulated only if the member's eligible salary is at least $1,000 per month. Partial health care credit will not be granted for months in which eligible salary is less than $1,000. Credit earned prior to January 2014 will not be affected by this requirement.

Recipients of disability benefits prior to January 1, 2014, have continued access to the health care program while the disability benefit continues and will not be subject to the five-year rule described below. The allowance will be determined in the same manner as an age-and-service retiree. If the recipient does not meet minimum age-and-service requirements, the minimum allowance will be used. Recipients with an initial disability effective date on or after January 1, 2014, will have coverage during the first five years of disability benefits. After five years, the recipient must meet minimum age-and-service health care eligibility requirements or be enrolled in Medicare (due to disability status) to remain enrolled in the OPERS health care program. If enrolled, the allowance will be determined in the same way as an age-and-service retiree.

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances are determined using a percentage based on years of service and the age when the individual is first eligible for the HRA, multiplied by the base allowance as determined by the Board.

The base allowance was $1,200 per month for non-Medicare retirees and $350 per month for Medicare retirees throughout 2024. The base allowance for Medicare retirees increased to $400 per month in January 2025. Monthly allowances range between 51 percent and 90 percent of the base allowance for both non-Medicare and Medicare retirees.

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan. While Medicare eligible retirees must use the Connector to select a vendor to be eligible to receive an HRA, non-Medicare eligible retirees may use the Connector or another vendor and still be eligible to receive an HRA.

When members become Medicare-eligible, recipients enrolled in OPERS health care programs must enroll in Medicare Part A (hospitalization) and Medicare Part B (medical).

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector.

OPERS also will reimburse 50 percent of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. Premium reimbursement is added to the monthly pension benefit.

Participants in the Member-Directed Plan have a portion of the employer contribution credited to an individual retiree medical account. Interest accrues based on the investment performance of the stable value fund, not to exceed 4 percent. Members with an account prior to July 1, 2015, become vested in the account at a rate of 20 percent for each year of participation until the member is fully vested at the end of five years. Members establishing accounts on or after July 1, 2015, vest over 15 years at a rate of 10 percent each year starting with the sixth year of participation.

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, OPERS no longer allocated a portion of its employer contributions to health care for the traditional pension plan (except for the combined division).

Employer contribution rates are expressed as a percentage of earnable salaries of active members. In 2025, 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 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. For 2025, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan (excluding the Combined Plan Division). Beginning July 1, 2022, there was a two percent allocation to health care for the Combined Plan Division which continued through 2025. 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 2025 was 4.0 percent. Effective July 1, 2022, a portion of the health care rate was funded with reserves which has continued through 2025.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was $19,291 for 2025.

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 health care plan that provides various levels of health care to retired, disabled and beneficiaries, as well as their dependents. On January 1, 2019, OP&F implemented a stipend model for health care.

A stipend funded by OP&F via the Health Care Stabilization Fund (HCSF) is available to eligible members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses. This stipend model allows eligible members the option of choosing an appropriate health care plan on the insurance exchange. Implementation of the stipend model has helped OP&F meet the funding goal of a 15-year future solvency projection in the HCSF.

Regardless of a benefit recipient's participation in the health care program, OP&F is required by law to pay eligible recipients of a service pension, disability benefit and spousal survivor benefit for their Medicare Part B insurance premium, up to the statutory maximum provided the benefit recipient is not eligible to receive reimbursement from any other source. Once OP&F receives the necessary documentation, a monthly reimbursement is included as part of the recipient's next benefit payment. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

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 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 annual comprehensive 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.

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.

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 2025, 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.

The City's contractually required contribution to OP&F was $48,174 for 2025.

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

The net OPEB asset and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2023, rolled forward to the measurement date of December 31, 2024, 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, 2024, and was determined by rolling forward the total OPEB liability as of January 1, 2024, to December 31, 2024. 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:

	OPERS	OP&F	Total
Proportion of the Net OPEB Liability/Asset: Current Measurement Date	0.057991%	0.2927646%	
Proportion of the Net OPEB Liability/Asset: Prior Measurement Date	0.059298%	0.3129831%	
Change in Proportionate Share	-0.001307%	-0.0202185%	
Proportionate Share of the Net OPEB Liability/(Asset)	($1,359,445)	$1,808,005	$448,560
OPEB Expense	($418,012)	$30,568	($387,444)

At December 31, 2025, 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	$81,197	$81,197
Changes of assumptions	0	381,102	381,102
Net difference between projected and actual earnings on pension plan investments	27,993	73,632	101,625
Changes in proportion and differences between City contributions and proportionate share of contributions	12,442	0	12,442
City contributions subsequent to the measurement date	19,291	48,174	67,465
Total Deferred Outflows of Resources	$59,726	$584,105	$643,831
Deferred Inflows of Resources			
Differences between expected and actual experience	$66,168	$368,903	$435,071
Changes of assumptions	196,155	1,279,507	1,475,662
Changes in proportion and differences between City contributions and proportionate share of contributions	0	274,408	274,408
Total Deferred Inflows of Resources	$262,323	$1,922,818	$2,185,141

$67,465 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 or increase to net OPEB asset in 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	OPERS	OP&F	Total
Year Ending December 31:			
2026	($130,246)	($200,953)	($331,199)
2027	129,921	(153,439)	(23,518)
2028	(163,850)	(273,489)	(437,339)
2029	(57,713)	(283,202)	(340,915)
2030	0	(293,965)	(293,965)
Thereafter	0	(181,839)	(181,839)
Total	($221,888)	($1,386,887)	($1,608,775)

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, 2023, rolled forward to the measurement date of December 31, 2024. 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	2.75 percent
Projected Salary Increases	2.75-10.75 percent, including wage inflation
Single Discount Rate:	6.00 percent
Prior Year Single Discount Rate	5.70 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate:	4.08 percent
Prior Year Municipal Bond Rate	3.77 percent
Health Care Cost Trend Rate:	5.50 percent initial, 3.50 percent ultimate in 2039
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality tables (males and females) for all divisions. For all the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2024, 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 was a gain of 10.0 percent for 2024.

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. 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 weighing the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2024, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	37.00 %	2.37 %
Domestic Equities	26.00	5.70
Real Estate Investment Trust	5.00	5.00
International Equities	26.00	6.10
Risk Parity	3.00	4.40
Other investments	3.00	2.50
Total	100.00 %	

A simple weighted sum of asset class returns will not yield the results shown on the above table given the process followed to adjust for inflation, the compounding to a given time period, and the impact of volatility and correlations to the portfolio.

Discount Rate - A single discount rate of 6.0 percent was used to measure the OPEB liability on the measurement date of December 31, 2024; however, the single discount rate used at the beginning of the year was 5.70 percent. 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 the actuarially determined contribution rates of 6.00. 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 2124. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2124, the duration of the projection period through which projected health care payments are fully funded. The tax-exempt municipal bond rate was not needed in the determination of the single discount rate.

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 asset calculated using the single discount rate of 6.00 percent, as well as what the City's proportionate share of the net OPEB asset 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	($675,015)	($1,359,445)	($1,930,520)

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 asset. The following table presents the net OPEB asset calculated using the assumed trend rates, and the expected net OPEB asset 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 2025 is 5.50 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.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB (asset)	($1,380,186)	($1,359,445)	($1,336,113)

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2024, is based on the results of an actuarial valuation date of January 1, 2024, 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.

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:

Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.5 percent
Projected Salary Increases	3.50 percent to 10.50 percent
Payroll Growth	3.25 percent
Blended Discount Rate:	
Current measurement date	4.69 percent
Prior measurement date	4.07 percent
Cost of Living Adjustments	2.2 percent simple per year
Projected Depletion Year of OPEB Assets	2039

Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males 98.7% for females. All rates are projected using the MP-2021 Improvement Scale.

Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. All rates are projected using the MP-2021 Improvement Scale.

Mortality for contingent annuitants is based on the Pub-2010 Below-Median Safety Amount Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9 percent for males and 131 percent for females. All rates are projected using the MP-2021 Improvement Scale.

Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP-2021 Improvement Scale. The most recent experience study was completed for the five-year period ended December 31, 2021.

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 average 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, 2024, are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	18.60 %	3.80 %
Non-US Equity	12.40	4.60
Core Fixed Income *	25.00	2.60
U.S. Inflation Linked Bonds *	15.00	2.40
High Yield Fixed Income	7.00	4.30
Private Real Estate	12.00	5.30
Private Markets	10.00	5.60
Midstream Energy Infrastructure	5.00	5.20
Private Credit	5.00	6.70
Real Assets	8.00	6.10
Gold	5.00	3.20
Commodities	2.00	2.50
Total	125.00 %	

Note: Assumptions are geometric
* levered 2.x

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 1.25 times due to the application of leverage in certain fixed income asset classes in core fixed income and asset classes.

Discount Rate - For 2024, the total OPEB liability was calculated using the discount rate of 4.69 percent. The projection of cash flows used to determine the discount rate assumed the contributions 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 7.5 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payment of current plan members. Therefore, the long-term assumed rate of return on investments of 7.5 percent was applied to periods before December 31, 2038, and the Municipal Bond Index Rate of 4.04 percent was applied to periods on and after December 31, 2038, resulting in a discount rate of 4.69 percent.

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 4.69 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 (3.69 percent), or one-percentage-point higher (5.69 percent) than the current rate.

	1% Decrease (3.69%)	Current Discount Rate (4.69%)	1% Increase (5.69%)
City's proportionate share of the net OPEB liability	$2,244,932	$1,808,005	$1,437,858

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 for non-union employees. In the case of death, termination, or retirement, an employee (or his estate) is paid for any unused vacation.

B. Accumulated Unpaid Sick Leave

All full-time employees earn sick leave at a rate of 4.62 hours bi-weekly, with the exception of firefighters which earn 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 80 hours of compensatory time.

NOTE 13: CONTRACTUAL COMMITMENTS

At December 31, 2025, the City's significant contractual commitments consisted of:

Project	Contract Amount	Amount Paid	Remaining on Contract
Police Station Renovation	$ 12,572,097	$ 7,289,365	$ 5,282,732
Ambulance	221,860	0	221,860
River St Waterline & Slope Stabilization	2,187,059	2,065,708	121,351
Osborne Park Coastal Improvements	3,400,000	303,518	3,096,482
Chagrin River Floodplain Restoration & Trail Connection	4,545,162	145,309	4,399,853
Motorola Dispatch Equipment	708,752	602,439	106,313
Vesta 911 Call Solution	449,266	0	449,266
Nason Basin to Grove Ave Storm Sewer Phase I	5,845,477	2,980,156	2,865,321
Lakeshore East Equalization Basin Phase I	1,337,272	0	1,337,272
Lakeshore East Equalization Basin Phase II	9,868,686	0	9,868,686
Horton Medical Unit F550	415,100	0	415,100
Horton Medical Unit F550	415,000	0	415,000
SR 84 Slope Stabilization	952,725	0	952,725
Total	$ 42,918,456	$ 13,386,495	$ 29,531,961

NOTE 14: CONTINGENCIES, CLAIMS AND JUDGMENTS

A. Litigation

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

B. 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
Governmental Activities:				
General Obligation Bonds Unvoted				
City Hall Improvement	2012	2032	1.0%-2.625%	$ 3,200,000
Airport Improvement	2012	2032	1.0%-2.625%	155,000
Senior Center Building	2020	2044	1.25%-5.0%	6,665,000
Riverside Commons Improvements	2021	2035	1.0%-5.0%	5,610,000
Police Station Renovation	2023	2048	3.919%	16,500,000
OPWC From Direct Borrowings				
E 364,E365& Harvard Storm Sewer Replacement	2020	2042	Interest Free	145,643
Two Town Ditch Storm Sewer Culvert	2022	2042	Interest Free	148,502
Storm Sewer Outfall Repair	2022	2042	Interest Free	50,000
Meadowlands Basin Outlet	2023	2053	Interest Free	150,000
Concrete Slab Replacement	2023	2054	Interest Free	171,303
OWDA From Direct Borrowings				
Two Town Ditch Storm Sewer Culvert	2018	2039	2.90%	580,971
E 364,E365& Harvard Storm Sewer Replacement	2019	2041	1.22%	1,882,765
Meadowlands Basin Outlet	2022	2044	1.56%	4,006,631
Other General Long -Term Liabilities				
Police Pension Liability	1968	2035	4.25%	148,460
Financed Purchase - Ladder Truck	2024	2032	4.98%	983,344

Long-Term Obligations (cont)

	Original Issue Date	Maturity Date	Interest Rate	Original Issue Amount
Enterprise Fund G.O. Debt Sewer Bonds				
Sewer 2012	2012	2032	1.0%-2.625%	$ 1,600,000
OPWC From Direct Borrowings				
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
WPCC Water Line Replacement	2024	2045	Interest Free	24,403
WPCC Belt Filter Press	2024	2046	Interest Free	99,670
OWDA From Direct Borrowings				
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%	675,644
WPCC Quentin Basin	2016	2038	1.55%	4,206,611
WPCC Capacity Enhancement	2019	2041	1.17%	6,578,851
Golf Bonds				
Golf Course Improvement #2	2012	2032	1.0%-2.625%	1,710,000
Other Business Type Long -Term Liabilities				
Financed Purchases Payable	2022	2027	2.54%	160,199
Leases Payable	2022	2027	2.99%	92,177

Long-Term Obligations (cont)

Changes in long-term obligations of the City during 2025 were as follows:

	Balance 1/1/2025	Increases	Decreases	Balance 12/31/2025	Amounts Due Within One Year
Governmental Activities:					
General Obligation Bonds Unvoted					
City Hall Improvement	$ 1,415,000	$ 0	$ 160,000	$ 1,255,000	$ 170,000
Airport Improvement	80,000	0	10,000	70,000	10,000
Unamortized Premium	45,725	0	5,900	39,825	0
Senior Center Building	6,405,000	0	255,000	6,150,000	270,000
Riverside Commons Improvements	5,370,000	0	370,000	5,000,000	390,000
Unamortized Premium	154,883	0	14,869	140,014	0
Police Station Renovation	16,320,000	0	405,000	15,915,000	425,000
Unamortized Premium	389,432	0	16,513	372,919	0
Subtotal - General Obligation Bonds Unvoted	30,180,040	0	1,237,282	28,942,758	1,265,000
OPWC From Direct Borrowings					
E 364,E365& Harvard Stormsewer Replacement	116,516	0	7,282	109,234	7,282
Two Town Ditch Stormsewer Culvert	129,940	0	7,425	122,515	7,425
Storm Outfall Repairs	43,750	0	2,500	41,250	2,500
Meadowlands Basin Outlet	142,500	0	5,000	137,500	5,000
Concrete Slab Replacement	167,020	0	8,565	158,455	8,565
Subtotal - OPWC	599,726	0	30,772	568,954	30,772
OWDA From Direct Borrowings					
Two Town Ditch Stormsewer Culvert	462,345	0	25,562	436,783	26,309
E 364,E365& Harvard Stormsewer Replacement	1,599,405	0	87,941	1,511,464	89,017
Meadowlands Basin Outlet	3,888,889	6,387	225,322	3,669,954	227,156
Subtotal - OWDA	5,950,639	6,387	338,825	5,618,201	342,482
Total Governmental Activities General Obligation Bonds, Loans, Notes	36,730,405	6,387	1,606,879	35,129,913	1,638,254
Other General Long Term Liabilities					
Police Pension Liability	62,136	0	4,833	57,303	5,041
Financed Purchases Payable	983,344	0	43,616	939,728	115,488
Compensated Absences	7,044,463	0	295,637	6,748,826	2,461,451
Subtotal -Other General Long-Term Liabilities	8,089,943	0	344,086	7,745,857	2,581,980
Net Pension Liability					
OPERS	12,513,635	1,237,160	2,267,753	11,483,042	0
OP&F	30,238,485	391,093	2,677,190	27,952,388	0
Subtotal -Net Pension Liability	42,752,120	1,628,253	4,944,943	39,435,430	0
Net OPEB Liability					
OP&F	2,285,186	0	477,181	1,808,005	0
Subtotal -Net OPEB Liability	2,285,186	0	477,181	1,808,005	0
Subtotal Governmental Activities	$ 89,857,654	$ 1,634,640	$ 7,373,089	$ 84,119,205	$ 4,220,234

Long-Term Obligations (cont)

	Balance 1/1/2025	Increases	Decreases	Balance 12/31/2025	Amounts Due Within One Year
Business-Type Activities:					
Enterprise Fund General Obligation Debt - Sewer Bonds					
Sewer 2012	$ 720,000	$ 0	$ 85,000	$ 635,000	$ 85,000
OPWC From Direct Borrowings					
Lakeshore Blvd	23,020	0	5,755	17,265	5,755
River Road Sanitary Sewer	15,832	0	2,879	12,953	2,879
Kirtland Road Sanitary Sewer	56,250	0	7,500	48,750	7,500
Madison Skiff Sanitary Sewer	59,915	0	6,306	53,609	6,306
Mooreland St. Clair	82,500	0	7,500	75,000	7,500
WPCC Basin Rehab	97,500	0	7,500	90,000	7,500
WPCC Basin Control	33,750	0	2,500	31,250	2,500
WPCC Water Line Replacement	24,403	0	1,220	23,183	1,220
WPCC Belt Filter Press	49,795	49,875	2,492	97,178	4,984
OWDA From Direct Borrowings					
Lakeshore Blvd	89,281	0	34,828	54,453	36,001
River Road Sanitary Sewer	611,361	0	114,402	496,959	118,209
Vine and Trunk Sanitary Sewer	121,046	0	18,584	102,462	19,193
Kirtland Road Sanitary Sewer	268,775	0	30,922	237,853	32,314
Madison Skiff Sanitary Sewer	535,642	0	51,919	483,723	53,672
Mooreland St. Clair	725,968	0	54,472	671,496	55,981
WPCC Basin Rehab	166,113	0	0	166,113	61,750
WPCC Quentin Basin	3,081,045	0	200,917	2,880,128	216,772
WPCC Capacity Enhancement	5,830,342	0	306,206	5,524,136	316,067
Subtotal - Sewer Bonds and Loans	12,592,538	49,875	940,902	11,701,511	1,041,103
Golf Bonds					
Golf Course Improvement #2	770,000	0	90,000	680,000	90,000
Subtotal - Golf Bonds	770,000	0	90,000	680,000	90,000
Total Bonds and Loans Payable	13,362,538	49,875	1,030,902	12,381,511	1,131,103
Other Liabilities					
Financed Purchases Payable	83,307	0	32,398	50,909	33,381
Leases Payable	47,690	0	18,650	29,040	19,215
Compensated Absences	753,940	7,927	0	761,867	301,842
Subtotal -Other Liabilities	884,937	7,927	51,048	841,816	354,438
Net Pension Liability- OPERS					
Sewer	2,768,454	58,014	466,171	2,360,297	0
Golf	625,128	33,680	108,584	550,224	0
Subtotal -Net Pension Liability-OPERS	3,393,582	91,694	574,755	2,910,521	0
Subtotal Business-Type Activities	17,641,057	149,496	1,656,705	16,133,848	1,485,541
Total Long-Term Liabilities	$ 107,498,711	$ 1,784,136	$ 9,029,794	$ 100,253,053	$ 5,705,775

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

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

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

General Obligation Bonds				
Year Ending	Governmental Activities		Business-type Activities	
December 31	Principal	Interest	Principal	Interest
2026	$ 1,265,000	$ 874,699	$ 175,000	$ 31,107
2027	1,390,000	826,974	180,000	27,607
2028	1,425,000	792,286	185,000	23,556
2029	1,475,000	756,487	185,000	19,394
2030	1,475,000	723,205	195,000	12,500
2031-2035	7,425,000	3,051,045	395,000	15,375
2036-2040	5,200,000	2,129,600	0	0
2041-2045	5,760,000	1,194,000	0	0
2046-2048	2,975,000	241,000	0	0
Total	$28,390,000	$ 10,589,296	$ 1,315,000	$ 129,539

Other Long-Term Obligations – In 2024, the City implemented GASB Statement No. 101. Liabilities for compensated absences are now determined using the FIFO (first-in, first-out) flow assumption, and the annual change in the liability is reported as a net change for the year.

The Police Pension liability represents a specific obligation of the City that originated when the State of Ohio established the statewide police and fire pension system in 1967. Payments on this liability are made semi-annually from the Police Pension Fund.

The Financed Purchase Payable relates to the acquisition of a ladder truck for use by the Fire Department. This obligation is being repaid from the Safety Tax Levy 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 fails 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 $568,954 and related to business type activities of $449,188 contain a provision that in an event of default (1) OPWC may apply late fees of 8 percent per year, (2) loans 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 $5,618,201 related to governmental activities and $10,617,323 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 primarily made from General, Sewer and Golf funds. For additional information related to the net pension/OPEB liabilities see Notes 10 and 11. The City's legal debt margin on December 31, 2025, was $98,859,856.

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

Other Debt						
	Governmental Activities				Business-type Activities	
Year Ending	Police Pension Liability		O.W.D.A. & O.P.W.C.		O.W.D.A. & O.P.W.C.	
December 31	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 5,041	$ 2,383	$ 373,254	$ 111,388	$ 956,103	$ 181,999
2027	5,257	2,166	411,190	105,581	955,015	164,777
2028	5,483	1,940	417,095	99,675	934,304	148,192
2029	5,719	1,704	423,097	93,673	903,240	124,204
2030	5,964	1,459	429,200	87,570	784,811	108,074
2031-2035	29,839	3,233	2,226,979	342,687	3,671,554	352,312
2036-2040	0	0	1,334,615	174,897	2,460,993	110,649
2041-2045	0	0	534,225	32,626	400,491	6,640
2046-2050	0	0	25,000	0	0	0
2051-2053	0	0	12,500	0	0	0
Total	$ 57,303	$ 12,885	$ 6,187,155	$ 1,048,097	$ 11,066,511	$ 1,196,847

Leases Payable - For the year ended December 31, 2025, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financing the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

In 2022, the City of Willoughby entered into a 60-month lease as Lessee for the use of two John Deere Mowers at the Lost Nation Golf Course. An initial lease liability was recorded in the amount of $92,177. As of December 31, 2025, the value of the lease liability is $29,040. The City of Willoughby is required to make monthly fixed payments of $1,652 from the Golf Course fund. The lease has an interest rate of 2.99%. The equipment had an estimated useful life of 60 months as of the contract commencement. The value of the right to use assets as of December 31, 2025, of $92,177 with accumulated amortization of $62,319 is included with Equipment for Enterprise Funds. A summary of the principal and interest amounts for the remaining lease is as follows:

Leases Payable			
Year Ending	Business-type Activities		
December 31	Principal	Interest	Total Payments
2026	$ 19,215	$ 606	$ 19,821
2027	9,825	86	9,911
Total	$ 29,040	$ 692	$ 29,732

Financed Purchases Payable

Governmental - In 2023, the City entered into a Financed Purchase Agreement for an E-One Typhoon 100' Aerial Ladder Truck for use by the Willoughby Fire Department. The City provided a down payment of $400,000 in 2023. Lease payments of $162,286 paid annually began in December of 2025. The remaining balance of $939,728 with an interest rate of 4.98% for 8 years.

Business Type - In 2022, the City of Willoughby entered into financed purchase agreements for equipment consisting of two mowers, an aerator, a turf collection system, and a gator for use by the Lost Nation Golf Course for $160,199 to be paid by the Golf Course Fund. The City of Willoughby is required to make monthly fixed payments of $2,870.69. As of December 31, 2025, the value of the Financed Purchases Payable was $50,909. A summary of the principal and interest amounts for the remaining agreements are as follows:

Financed Purchases Payable				
Year Ending	Governmental Activities		Business-type Activities	
December 31	Principal	Interest	Principal	Interest
2026	$ 115,488	$ 46,798	$ 33,381	$ 1,067
2027	121,239	41,047	17,528	157
2028	127,276	35,010	0	0
2029	133,615	28,671	0	0
2030	140,269	22,017	0	0
2031	147,254	15,032	0	0
2032	154,587	7,698	0	0
Total	$ 939,728	$ 196,273	$ 50,909	$ 1,224

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	$ 0	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 following closure. The City's landfill placed its final cover in 1995. As of December 31, 2025, the liability for landfill postclosure care was $0.

The City is also required by state and federal laws and regulations to demonstrate that financial resources are available to provide for postclosure care and for the remediation or containment of environmental hazards at the landfill. Financial assurance requirements may be satisfied through mechanisms such as financial tests and corporate guarantees.

Although the postclosure care liability has been fully satisfied, the City continues to monitor the landfill site until it receives a formal release of liability from the applicable regulatory authorities. During the audit period, the City continued to perform the required financial tests related to closure and postclosure care financial assurance requirements.

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. <u>Commercial Insurance</u>

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	157,099,532	10,000
Equipment Breakdown	Travelers Insurance Company	157,099,532	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	10,000
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	Cowbell Cyber Insurance	3,000,000	25,000

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 four fiscal years.

B. Workers' Compensation Retrospective Rating Plan

For 2017 through 2025, the City participated in the Group 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 200 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 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 2025. Financial information can be obtained by contacting NOPEC, 31360 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 15 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 monthly 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 Willoughby's reporting entity. The City of Eastlake paid $2,081,006 to the City of Willoughby for the joint sewer treatment facility in 2025 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 seven members. The Ohio Government Benefit Cooperative (OGBC) was 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 the OGBC. The 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. 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 2025, the City provided tax abatements through four economic development agreements. Net income tax value was reduced by $158,006 through expenses.

NOTE 24: SUBSEQUENT EVENT

In November 2025, Council authorized a contract with Chivers Construction Company in the amount of $9,868,686 for Phase II of the Lakeshore East Island Equalization Basin Project. This joint project with the City of Eastlake includes shared financial responsibility between the two communities. To fund the project, the City will utilize proceeds from an EPA grant and an OWDA loan. The agreement was executed and the notice to proceed was issued during the first quarter of 2026.

In 2025, the City was awarded a $1,200,000 grant from NOAA (National Oceanic and Atmospheric Administration) through ODNR to support implementation of the Chagrin River Floodplain Restoration and Trail Connection Project. In January 2026, an amendment to the BioHabitats, Inc. agreement increased the total project contract to $5,745,162. Funding for this transformational project also includes state grants, a Lake County ARPA grant, an EPA grant, and a commitment of City ARPA funds.

Also in 2025, the City received a $3,000,000 grant from the NFWF (National Fish and Wildlife Foundation) to assist with the Osborne Park Coastal Improvements Project. In February 2026, Council approved an amended contract with Mark Haynes Construction, increasing the total contract amount to $6,785,000 to accommodate additional project funding. The City has also committed a portion of its ARPA funds, and the Lake County Port Authority contributed funding toward this shoreline preservation initiative.

The River Street Waterline and Soil Stabilization Project continued with remaining FEMA funding after approval was received from the Ohio Emergency Management Agency to revise the scope of work and budget under the Hazard Mitigation Grant Program associated with disaster declaration FEMA-4507-DR-OH. The revised project scope includes an additional 417 feet of retaining wall extension, which is scheduled for completion in 2026 using the additional funding provided.

The SR 84 Slope Stabilization Project contract was awarded to Great Lakes Construction in October 2025. Supported in part by an OPWC grant, the project contract was amended by $390,754 to extend the slope stabilization an additional 100 feet. In April 2026, the total contract value was increased to $1,343,479.

Required Supplementary Information

CITY OF WILLOUGHBY, OHIO

Required Supplementary Information

Schedule of the City's Proportionate Share of the Net Pension Liability

Last Ten Years

Ohio Public Employees Retirement System

Traditional Plan	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
City's Proportion of the Net Pension Liability	0.058712%	0.060760%	0.063580%	0.060799%	0.058932%	0.063407%	0.064405%	0.063703%	0.064463%	0.066764%
City's Proportionate Share of the Net Pension Liability	$14,393,563	$15,907,217	$18,781,560	$5,289,759	$8,726,546	$12,532,824	$17,639,224	$9,993,766	$14,638,451	$11,564,366
City's Covered Payroll	$10,342,679	$9,981,093	$9,855,536	$8,823,793	$8,292,293	$8,921,371	$8,702,436	$8,416,085	$8,332,017	$8,309,408
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	139.17%	159.37%	190.57%	59.95%	105.24%	140.48%	202.69%	118.75%	175.69%	139.17%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.99%	79.01%	75.74%	92.62%	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%

Combined Plan [1]	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
City's Proportion of the Net Pension (Asset)		0.034228%	0.024030%	0.022939%	0.034515%	0.038003%	0.047230%	0.054887%	0.052203%	0.046720%
City's Proportionate Share of the Net Pension (Asset)		($105,211)	($56,636)	($90,381)	($99,632)	($79,245)	($52,814)	($74,719)	($29,055)	($22,732)
City's Covered Payroll		$157,175	$112,600	$104,579	$152,100	$169,171	$202,000	$224,785	$203,200	$170,033
City's Proportionate Share of the Net Pension (Asset) as a Percentage of its Covered Payroll		66.94%	50.30%	86.42%	65.50%	46.84%	26.15%	33.24%	14.30%	13.37%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		144.55%	137.14%	169.88%	157.67%	157.67%	126.64%	137.28%	116.55%	116.90%

Ohio Police & Fire Pension Fund

Police	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
City's Proportion of the Net Pension Liability	0.1395232%	0.1487708%	0.1460586%	0.1544284%	0.1535526%	0.1560714%	0.1639130%	0.1632434%	0.1581653%	0.1661573%
City's Proportionate Share of the Net Pension Liability	$13,321,307	$14,373,313	$13,874,151	$9,647,791	$10,467,817	$10,513,803	$13,379,632	$10,018,985	$10,018,029	$10,689,018
City's Covered Payroll	$4,746,947	$4,749,289	$4,408,747	$4,397,021	$4,229,905	$4,131,668	$4,136,374	$3,964,063	$3,796,205	$3,765,511
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	280.63%	302.64%	314.70%	219.42%	247.47%	254.47%	323.46%	252.75%	263.90%	283.87%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.26%	63.63%	62.90%	75.03%	70.65%	69.89%	63.07%	70.91%	68.36%	66.77%

Fire	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
City's Proportion of the Net Pension Liability	0.1532414%	0.1642123%	0.1721634%	0.1681895%	0.1714873%	0.1702546%	0.175883%	0.1797263%	0.1749978%	0.1834738%
City's Proportionate Share of the Net Pension Liability	$14,631,081	$15,865,172	$16,353,853	$10,507,510	$11,690,442	$11,469,259	$14,356,700	$11,030,615	$11,084,183	$11,802,999
City's Covered Payroll	$4,234,779	$4,247,506	$4,225,255	$3,900,864	$3,838,374	$3,662,311	$3,607,498	$3,546,068	$3,412,426	$3,361,085
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	345.50%	373.52%	387.05%	269.36%	304.57%	313.17%	397.97%	311.07%	324.82%	351.17%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.26%	63.63%	62.90%	75.03%	70.65%	69.89%	63.07%	70.91%	68.36%	66.77%

Combined Police and Fire	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
City's Proportion of the Net Pension Liability	0.292765%	0.312983%	0.318222%	0.322618%	0.325040%	0.326326%	0.339796%	0.342970%	0.333163%	0.349631%
City's Proportionate Share of the Net Pension Liability	$27,952,388	$30,238,485	$30,228,004	$20,155,301	$22,158,259	$21,983,062	$27,736,332	$21,049,600	$21,102,212	$22,492,017
City's Covered Payroll	$8,981,726	$8,996,795	$8,634,002	$8,297,885	$8,068,279	$7,793,979	$7,743,872	$7,510,131	$7,208,631	$7,126,596
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	311.21%	336.10%	350.10%	242.90%	274.63%	282.05%	358.17%	280.28%	292.74%	315.61%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.26%	63.63%	62.90%	75.03%	70.65%	69.89%	63.07%	70.91%	68.36%	66.77%

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

[1]-The Combined Plan was consolidated into the Traditional Pension Plan in 2024. Historical data has not been restated. Therefore, this schedule reflects only the Combined Plan prior to its consolidated into the Traditional Pension Plan.

See accompanying notes to the required supplementary information

CITY OF WILLOUGHBY, OHIO

Required Supplementary Information

Schedule of City Contributions (Pension)

Ohio Public Employees Retirement System

Last Ten Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contributions										
Traditional Plan	$1,483,376	$1,447,975	$1,397,353	$1,379,775	$1,235,331	$1,160,921	$1,248,992	$1,218,341	$1,094,091	$999,842
Combined Plan [1]		$19,933	$18,861	$15,764	$14,641	$21,294	$23,684	$28,280	$29,222	$24,384
Total Required Contributions	$1,483,376	$1,467,908	$1,416,214	$1,395,539	$1,249,972	$1,182,215	$1,272,676 #	$1,246,621	$1,123,313	$1,024,226
Contributions in Relation to the Contractually Required Contribution	($1,483,376)	($1,467,908)	($1,416,214)	($1,395,539)	($1,249,972)	($1,182,215)	($1,272,676) #	($1,246,621)	($1,123,313)	($1,024,226)
Contribution Deficiency / (Excess)	$0	$0	$0	$0	$0	$0 #	$0 #	$0	$0	$0
City's Covered Payroll										
Traditional Plan	$10,595,543	$10,342,679	$9,981,093	$9,855,536	$8,823,793	$8,292,293	$8,921,731	$8,702,436	$8,416,085	$8,332,017
Combined Plan [1]		$166,108	$157,175	$112,600	$104,579	$152,100	$169,171	$202,000	$224,785	$203,200
Contributions as a Percentage of Covered Payroll										
Traditional Plan	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	13.00%	12.00%
Combined Plan [1]		12.00%	12.00%	14.00%	14.00%	14.00%	14.00%	14.00%	13.00%	12.00%

Ohio Police and Fire Pension Fund

Last Ten Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contributions										
Police	$921,015	$901,920	$902,365	$837,662	$835,434	$803,682	$785,017	$785,911	$753,172	$721,279
Fire	$1,125,042	$995,173	$998,164	$992,935	$916,703	$902,018	$860,643	$847,762	$833,326	$801,920
Total Required Contributions	$2,046,057	$1,897,093	$1,900,529	$1,830,597	$1,752,137	$1,705,700	$1,645,660	$1,633,673	$1,586,498	$1,523,199
Contributions in Relation to the Contractually Required Contribution	($2,046,057)	($1,897,093)	($1,900,529)	($1,830,597)	($1,752,137)	($1,705,700)	($1,645,660)	($1,633,673)	($1,586,498)	($1,523,199)
Contribution Deficiency / (Excess)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
City's Covered Payroll										
Police	$4,847,447	$4,746,947	$4,749,289	$4,408,747	$4,397,021	$4,229,905	$4,131,668	$4,136,374	$3,964,063	$3,796,205
Fire	$4,787,413	$4,234,779	$4,247,506	$4,225,255	$3,900,864	$3,838,374	$3,662,311	$3,607,498	$3,546,068	$3,412,426
Combined Police and Fire	$9,634,860	$8,981,726	$8,996,795	$8,634,002	$8,297,885	$8,068,279	$7,793,979	$7,743,872	$7,510,131	$7,208,631
Contributions as a Percentage of Covered Payroll										
Police	19.00%	19.00%	19.00%	19.00%	19.00%	19.00%	19.00%	19.00%	19.00%	19.00%
Fire	23.50%	23.50%	23.50%	23.50%	23.50%	23.50%	23.50%	23.50%	23.50%	23.50%

[1] - The Combined Plan was consolidated into the Traditional Pension Plan in 2024. Historical data has not been restated. Therefore, this schedule reflects only the Combined Plan prior to its consolidated into the Traditional Pension Plan.

See accompanying notes to the required supplementary information

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

Ohio Public Employees Retirement System

	2025	2024	2023	2022	2021	2020	2019	2018	2017
City's Proportion of the Net OPEB Liability	0.057991%	0.059298%	0.061851%	0.059403%	0.057754%	0.062072%	0.063350%	0.062900%	0.063420%
City's Proportionate Share of the Net OPEB Liability (Asset)	$ (1,359,445)	$ (535,179)	$ 389,982	$ (1,860,593)	$ (1,028,934)	$ 8,573,756	$ 8,259,345	$ 6,840,250	$ 6,405,637
City's Covered Payroll	$ 10,890,021	$ 10,448,344	$ 10,294,359	$ 9,263,273	$ 8,726,393	$ 9,377,746	$ 9,192,100	$ 8,922,036	$ 8,922,036
City's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-12.48%	-5.12%	3.79%	-20.09%	-11.79%	91.43%	89.85%	76.67%	71.80%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	121.51%	107.76%	94.79%	128.23%	115.57%	47.80%	46.33%	54.14%	54.04%

Ohio Police and Fire Pension Fund

	2025	2024	2023	2022	2021	2020	2019	2018	2017
City's Proportion of the Net OPEB Liability	0.2927646%	0.3129831%	0.3182220%	0.3226179%	0.3250399%	0.3263260%	0.3397964%	0.3429700%	0.3331600%
City's Proportionate Share of the Net OPEB Liability	$ 1,808,005	$ 2,285,186	$ 2,265,649	$ 3,536,170	$ 3,443,851	$ 3,223,360	$ 3,094,368	$ 19,432,183	$ 15,814,356
City's Covered Payroll	$ 8,981,726	$ 8,996,795	$ 8,634,002	$ 8,297,885	$ 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	20.13%	25.40%	26.24%	42.62%	42.68%	41.36%	39.96%	258.75%	219.38%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	56.05%	51.89%	52.59%	46.86%	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 Ten Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	$ 19,921	$ 18,572	$ 15,547	$ 13,049	$ 13,396	$ 11,280	$ 11,488	$ 11,507	$ 97,553	$ 179,831
Contributions in Relation to the Contractually Required Contribution	(19,921)	(18,572)	(15,547)	(13,049)	(13,396)	(11,280)	(11,488)	(11,507)	(97,553)	(179,831)
Contribution Deficiency (Excess)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
City Covered Payroll	$11,085,873	$10,890,021	$10,448,344	$10,294,359	$9,263,273	$ 8,726,393	$ 9,377,746	$9,192,100	$8,922,036	$8,764,254
Contributions as a Percentage of Covered Payroll	0.18%	0.17%	0.15%	0.13%	0.14%	0.13%	0.12%	0.13%	1.09%	2.05%

See accompanying notes to the required supplementary information

Ohio Police & Fire Pension Fund
Last Ten Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	$ 48,174	$ 44,909	$ 44,984	$ 43,170	$ 41,489	$ 40,342	$ 38,970	$ 38,719	$ 37,551	$ 36,277
Contributions in Relation to the Contractually Required Contribution	(48,174)	(44,909)	(44,984)	(43,170)	(41,489)	(40,342)	(38,970)	(38,719)	(37,551)	(36,277)
Contribution Deficiency (Excess)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
City Covered Payroll	$ 9,634,860	$ 8,981,726	$ 8,996,795	$ 8,634,002	$8,297,885	$ 8,068,279	$ 7,793,979	$7,743,872	$7,510,131	$7,208,631
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

See accompanying notes to the required supplementary information

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 2014-2025.

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. For 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected long-term average wage inflation rate was reduced from 3.25% to 2.75% (b) the cost-of-living adjustments for post-1/7/2013 retirees were increased from 0.50% simple through 2021 to 3.00% simple through 2022, then 2.05% simple (c) the expected investment return was reduced from 7.20% to 6.90%. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2023. For 2024, 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 decreased from 3.00% simple through 2023 then 2.05% simple, to 2.30% simple through 2024 then 2.05% simple. For 2025, 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 increased from 2.30% simple through 2024 then 2.05% simple, to 2.90% simple through 2025 then 2.05% simple.

Net OPEB Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2018-2025.

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. For 2022, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the expected long-term average wage inflation rate was reduced from 3.25% to 2.75%. (b) the municipal bond rate changed from 2.00% to 1.84% (c) the health care cost trend rate changed from 8.50% initial and 3.50% ultimate in 2035 to 5.50% initial and 3.50% ultimate in 2034. For 2023, the following changes in assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 6.00% to 5.22% (b) the municipal bond rate changed from 1.84% to 4.05% (c) the health care cost trend rate changed from 5.50% initial and 3.50% ultimate in 2034 to 5.50% initial and 3.50% ultimate in 2036. For 2024, the following changes in assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 5.22% to 5.70% (b) the municipal bond rate changed from 4.05% to 3.77% (c) the health care cost trend rate changed from 5.50% initial and 3.50% ultimate in 2036 to 5.50% initial and 3.50% ultimate in 2038. For 2025, the following changes in assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 5.70% to 6.00% (b) the municipal bond rate changed from 3.77% to 4.08% (c) the health care cost trend rate changed from 5.50% initial and 3.50% ultimate in 2038 to 5.50% initial and 3.50% ultimate in 2039.

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 2014-2025.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2017 and 2024-2025. 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. For 2022, the investment rate of return was reduced from 8.00 percent to 7.50 percent. For 2023, Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. Mortality for contingent annuitants is based on the Pub-2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates 68 adjusted by 108.9% for males and 131% for females. Mortality for active members is based on the Pub-2010 Below Medium Safety Amount-Weighted Employee mortality table. All rates are projected using the MP-2021 Improvement Scale.

Net OPEB Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2018 and 2020-2025. 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. For 2022, the single discount rate changed from 2.96 to 2.84. For 2023, the changes of assumptions were: (a) the single discount rate changed from 2.84 percent to 4.27 percent (b) the depletion year of OPEB assets is projected in year 2036 (c) mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. Mortality for contingent annuitants is based on the Pub-2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9% for males and 131% for females. Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP-2021 Improvement Scale. For 2024, the changes of assumptions were: (a) the single discount rate changed from 4.27 to 4.07 (b) the Municipal Bond Index Rate decreased from 3.65 percent to 3.38 percent (c) the depletion year of OPEB assets is projected in year 2038. For 2025, the changes in assumptions were: (a) the discount rate increased from 4.07 percent to 4.69 percent (b) the Municipal Bond Index increased from 3.38 percent to 4.04 percent.

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, 2025

	BUDGETED AMOUNTS			
	ORIGINAL	**FINAL**	**ACTUAL**	**VARIANCE WITH FINAL BUDGET**
REVENUES:				
Municipal Income Taxes	$ 21,500,000	$ 22,500,000	$23,849,661	$ 1,349,661
Property and Other Local Taxes	1,751,700	1,751,700	1,991,572	239,872
Intergovernmental	1,797,500	1,797,500	1,772,349	(25,151)
Charges for Services	1,877,550	1,877,550	2,094,519	216,969
Fines and Forfeitures	1,960,000	1,960,000	2,166,711	206,711
Licenses and Permits	325,000	515,000	504,169	(10,831)
Interest	500,000	500,000	1,056,822	556,822
Miscellaneous	112,500	112,500	112,500	0
Total Revenues	29,824,250	31,014,250	33,548,302	2,534,052
EXPENDITURES:				
Government:				
Legislative -Council				
Personal Services	146,307	147,837	146,254	1,583
Services and Supplies	31,200	51,200	32,822	18,378
Total Legislative -Council	177,507	199,037	179,076	19,961
Judicial -Municipal Court				
Personal Services	2,679,141	2,659,141	2,224,248	434,893
Services and Supplies	183,000	223,000	198,714	24,286
Other	20,000	0	0	0
Total Judicial-Municipal Court	2,882,141	2,882,141	2,422,962	459,179
Executive-Mayor				
Personal Services	21,900,593	22,491,697	21,401,434	1,090,263
Services and Supplies	5,843,730	6,200,980	5,292,547	908,433
Other	205,000	205,000	201,740	3,260
Total Executive-Mayor	27,949,323	28,897,677	26,895,721	2,001,956
Total Expenditures	31,008,971	31,978,855	29,497,759	2,481,096
Excess of Revenues Over (Under) Expenditures	(1,184,721)	(964,605)	4,050,543	5,015,148
OTHER FINANCING SOURCES (USES):				
Transfers Out	(3,845,000)	(4,595,000)	(4,595,000)	0
Transfers In	500,000	500,000	500,000	0
Other	408,000	408,000	984,874	576,874
Total Other Financing Sources (Uses)	(2,937,000)	(3,687,000)	(3,110,126)	576,874
NET CHANGE IN FUND BALANCE	(4,121,721)	(4,651,605)	940,417	5,592,022
FUND BALANCE BEGINNING OF YEAR	9,763,300	9,763,300	9,763,300	0
Prior Year Encumbrances Appropriated	85,582	85,582	85,582	0
FUND BALANCE END OF YEAR	$ 5,727,161	$ 5,197,277	$ 10,789,299	$ 5,592,022

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, 2025

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Municipal Income Taxes	$1,600,000	$3,300,000	$3,300,000	$0
Property and Other Local Taxes	120,000	120,000	118,880	(1,120)
Intergovernmental	13,140,225	14,690,175	2,237,686	(12,452,489)
Charges for Services	1,007,000	1,007,000	22,342	(984,658)
Interest Income	650,000	650,000	673,083	23,083
Other	76,648	76,648	154,328	77,680
Total Revenues	16,593,873	19,843,823	6,506,319	(13,337,504)
EXPENDITURES:				
Executive-Mayor				
Capital Outlay	26,617,395	28,502,335	21,534,562	6,967,773
Total Expenditures	26,617,395	28,502,335	21,534,562	6,967,773
Excess of Revenues Over (Under) Expenditures	(10,023,522)	(8,658,512)	(15,028,243)	(6,369,731)
OTHER FINANCING SOURCES (USES):				
Debt Proceeds	400,000	400,000	6,387	(393,613)
Other	500	500	213,609	213,109
Transfers In	500,000	500,000	500,000	0
Total Other Financing Sources (Uses)	900,500	900,500	719,996	(180,504)
NET CHANGE IN FUND BALANCE	(9,123,022)	(7,758,012)	(14,308,247)	(6,550,235)
FUND BALANCE BEGINNING OF YEAR	17,871,218	17,871,218	17,871,218	0
Prior Year Encumbrances Appropriated	75,954	75,954	75,954	0
FUND BALANCE END OF YEAR	$8,824,150	$10,189,160	$3,638,925	($6,550,235)

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, 2025

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Property and Other Local Taxes	$951,000	$951,000	$1,171,099	$220,099
Intergovernmental	599,531	599,531	598,086	(1,445)
Total Revenues	1,550,531	1,550,531	1,769,185	218,654
EXPENDITURES:				
Executive-Mayor				
Personal Services	13,000	13,000	13,000	0
Services and Supplies	15,500	15,500	12,544	2,956
Debt Service				
Principal Retirement	1,567,930	1,569,599	1,559,597	10,002
Interest	1,039,866	1,040,448	1,038,116	2,332
Total Expenditures	2,636,296	2,638,547	2,623,257	15,290
Excess of Revenues Over (Under) Expenditures	(1,085,765)	(1,088,016)	(854,072)	233,944
OTHER FINANCING SOURCES (USES):				
Transfer In	1,075,200	1,075,200	1,075,200	0
Total Other Financing Sources (Uses)	1,075,200	1,075,200	1,075,200	0
NET CHANGE IN FUND BALANCE	(10,565)	(12,816)	221,128	233,944
FUND BALANCE BEGINNING OF YEAR	705,522	705,522	705,522	0
FUND BALANCE END OF YEAR	$694,957	$692,706	$926,650	$233,944

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, 2025

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Intergovernmental	$300,000	$300,000	$300,000	$0
Total Revenues	300,000	300,000	300,000	0
EXPENDITURES:				
Capital	300,000	300,000	300,000	0
Total Expenditures	300,000	300,000	300,000	0
NET CHANGE IN FUND BALANCE	0	0	0	0
FUND BALANCE BEGINNING OF YEAR	0	0	0	0
FUND BALANCE END OF YEAR	$0	$0	$0	$0

See accompanying notes to the basic financial statements.

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, 2025

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Charges for Services	$1,277,000	$1,277,000	$1,199,553	($77,447)
Other	0	0	13,099	13,099
Total Revenues	1,277,000	1,277,000	1,212,652	(64,348)
EXPENSES:				
Executive-Mayor				
Leisure Time Activities				
Personal Services	644,075	655,526	628,075	27,451
Services and Supplies	510,550	525,325	493,483	31,842
Capital Outlay	40,000	40,000	36,882	3,118
Debt Service				
Principal Retirement	90,000	90,000	90,000	0
Interest	17,888	17,888	17,888	0
Total Expenses	1,302,513	1,328,739	1,266,328	62,411
Excess of Revenues Over (Under) Expenses	(25,513)	(51,739)	(53,676)	(1,937)
OTHER FINANCING SOURCES (USES):				
Transfer In	50,000	50,000	50,000	0
Total Other Financing Sources (Uses)	50,000	50,000	50,000	(0)
NET CHANGE IN FUND EQUITY	24,487	(1,739)	(3,676)	(1,937)
FUND EQUITY BEGINNING OF YEAR	91,590	91,590	91,590	0
Prior Year Encumbrances Appropriated	1,917	1,917	1,917	0
FUND EQUITY END OF YEAR	$117,994	$91,768	$89,831	($1,937)

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, 2025

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Charges for Services	$6,678,000	$7,178,000	$7,622,707	$444,707
Intergovernmental	3,700,000	3,700,000	200,000	(3,500,000)
Interest Income	0	0	241,458	241,458
Other	450,000	450,000	509,922	59,922
Total Revenues	10,828,000	11,328,000	8,574,087	(2,753,913)
EXPENSES:				
Executive-Mayor				
Basic Utility Service				
Personal Services	3,031,121	3,120,102	2,884,199	235,903
Services and Supplies	1,456,350	1,506,750	1,392,964	113,786
Other	450,000	450,000	450,000	0
Capital Outlay	12,283,000	13,628,000	2,458,255	11,169,745
Debt Service				
Principal Retirement	956,529	959,632	934,224	25,408
Interest	214,293	214,293	210,125	4,168
Total Expenses	18,391,293	19,878,777	8,329,767	11,549,010
Excess of Revenues Over (Under) Expenses	(7,563,293)	(8,550,777)	244,320	8,795,097
OTHER FINANCING SOURCES (USES):				
Issuance of Debt	10,800,000	10,800,000	99,670	(10,700,330)
Total Other Financing Sources (Uses)	10,800,000	10,800,000	99,670	(10,700,330)
NET CHANGE IN FUND EQUITY	3,236,707	2,249,223	343,990	(1,905,233)
FUND EQUITY BEGINNING OF YEAR	7,918,750	7,918,750	7,918,750	0
Prior Year Encumbrances Appropriated	98,900	98,900	98,900	0
FUND EQUITY END OF YEAR	$11,254,357	$10,266,873	$8,361,640	($1,905,233)

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.

SOM Center I TIF **–** to account for revenue received from payments in lieu of taxes for public infrastructure improvements for certain parcels.

SOM Center II TIF **–** to account for revenue received from payments in lieu of taxes for public infrastructure improvements for certain parcels.

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.

Safety Tax Levy Fund – to account for revenue received from taxes and other sources of revenue to pay the cost of providing & maintaining fire equipment, buildings & vehicles, as well as vehicles, equipment & buildings for the Police Department.

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.

One Ohio Opioid Fund **–** to receive settlement from opioid distributors and combat the opioid epidemic in the community.

NONMAJOR DEBT SERVICE FUND

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

PERMANENT FUND

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

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

CITY OF WILLOUGHBY, OHIO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2025

	NONMAJOR SPECIAL REVENUE FUNDS	SPECIAL ASSESSMENTS DEBT SERVICE FUND	CEMETERY CARE PERMANENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Assets:				
Equity in City Treasury Cash and Investments	$9,420,808	$0	$460,352	$9,881,160
Inventory - Supplies	70,217	0	0	70,217
Accounts Receivable	9,163	0	0	9,163
Intergovernmental Receivable	969,638	0	0	969,638
Taxes Receivable	3,633,103	0	0	3,633,103
Special Assessments Receivable	921,489	0	0	921,489
Total Assets	15,024,418	0	460,352	15,484,770
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$15,024,418	$0	$460,352	$15,484,770
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	$298,603	$0	$0	$298,603
Financed Purchase Payable	0	0	0	0
Salaries, Wages & Benefits Payable	191,682	0	0	191,682
Total Liabilities	490,285	0	0	490,285
Deferred Inflows of Resources:				
Property Taxes	3,442,551	0	0	3,442,551
Unavailable Revenue- Grants and Entitlements	720,070	0	0	720,070
Unavailable Revenue-Special Assessments	921,489	0	0	921,489
Unavailable Revenue- Delinquent Property Taxes	190,552	0	0	190,552
Total Deferred Inflows of Resources	5,274,662	0	0	5,274,662
Fund Balances:				
Nonspendable	70,217	0	460,352	530,569
Committed	793,945	0	0	793,945
Restricted	8,395,309	0	0	8,395,309
Total Fund Balances	9,259,471	0	460,352	9,719,823
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$15,024,418	$0	$460,352	$15,484,770

CITY OF WILLOUGHBY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	NONMAJOR SPECIAL REVENUE FUNDS	SPECIAL ASSESSMENTS DEBT SERVICE FUND	CEMETERY CARE PERMANENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES:				
Property and Other Local Taxes	$3,626,557	$0	$0	$3,626,557
Payments in Lieu of Taxes	211,203	0	0	211,203
Intergovernmental	4,057,708	0	0	4,057,708
Charges for Services	796,458	0	21,200	817,658
Special Assessments	813,560	23,852	0	837,412
Fines and Forfeitures	753,482	0	0	753,482
Miscellaneous	945	0	0	945
Total Revenues	10,259,913	23,852	21,200	10,304,965
EXPENDITURES:				
Current:				
General Government	1,699,949	23,852	0	1,723,801
Security of Persons and Property	3,155,168	0	0	3,155,168
Community Environment	99,652	0	0	99,652
Leisure Time Activities	1,498,463	0	0	1,498,463
Transportation	2,068,028	0	0	2,068,028
Capital Outlay	1,764,587	0	0	1,764,587
Total Expenditures	10,285,847	23,852	0	10,309,699
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(25,934)	0	21,200	(4,734)
OTHER FINANCING SOURCES (USES):				
Transfers In	3,547,674	0	0	3,547,674
Transfers Out	(1,077,874)	0	0	(1,077,874)
Sale of Assets	11,147	0	0	11,147
TOTAL OTHER FINANCING SOURCES (USES)	2,480,947	0	0	2,480,947
NET CHANGE IN FUND BALANCES	2,455,013	0	21,200	2,476,213
FUND BALANCES BEGINNING OF YEAR	6,952,755	0	439,152	7,391,907
CHANGE IN INVENTORY	(148,297)	0	0	(148,297)
FUND BALANCES END OF YEAR	$9,259,471	$0	$460,352	$9,719,823

CITY OF WILLOUGHBY, OHIO

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

AS OF DECEMBER 31, 2025

	FIRE PENSION	POLICE PENSION	LAW ENFORCEMENT	RECREATION	STREET CONSTRUCTION MAINTENANCE AND REPAIR	STATE HIGHWAY	ROAD & BRIDGE	SOM CENTER I	SOM CENTER II	CORPORATE MAINTENANCE	ENFORCEMENT & EDUCATION
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES											
Assets:											
Equity in City Treasury Cash and Investments	$312,168	$345,355	$154,408	$555,297	$513,379	$264,054	$3,088,930	$190,961	$180,625	$157,671	$43,507
Inventory - Supplies	0	0	0	548	69,669	0	0	0	0	0	0
Accounts Receivable	0	0	0	1,460	741	0	0	0	0	6,962	0
Intergovernmental Receivable	12,500	12,500	0	2,250	692,890	56,399	55,000	0	0	0	92
Taxes Receivable	256,564	256,564	0	81,898	0	0	1,144,025	0	0	0	0
Special Assessments Receivable	0	0	0	0	0	0	0	0	0	47,906	0
Total Assets	581,232	614,419	154,408	641,453	1,276,679	320,453	4,287,955	190,961	180,625	212,539	43,599
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$581,232	$614,419	$154,408	$641,453	$1,276,679	$320,453	$4,287,955	$190,961	$180,625	$212,539	$43,599
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES											
Liabilities:											
Accounts Payable	$0	$0	$0	$11,374	$12,280	$31,359	$178,375	$0	$0	$1,857	$0
Financed Purchase Payable	0	0	0	0	0	0	0	0	0	0	0
Salaries, Wages & Benefits Payable	56,729	45,255	0	32,696	55,618	0	0	0	0	0	0
Total Liabilities	56,729	45,255	0	44,070	67,898	31,359	178,375	0	0	1,857	0
Deferred Inflows of Resources:											
Property Taxes	242,510	242,510	0	77,586	0	0	1,081,431	0	0	0	0
Unavailable Revenue- Grants and Entitlements	12,500	12,500	0	2,250	580,211	47,609	55,000	0	0	0	0
Unavailable Revenue-Special Assessments	0	0	0	0	0	0	0	0	0	47,906	0
Unavailable Revenue- Delinquent Property Taxes	14,054	14,054	0	4,312	0	0	62,594	0	0	0	0
Total Deferred Inflows of Resources	269,064	269,064	0	84,148	580,211	47,609	1,199,025	0	0	47,906	0
Fund Balances:											
FUND BALANCES- HIDDEN											
Reserved for Encumbrances	0	0	11,125	58,319	100,776	113,673	1,445,643	0	0	23,923	0
Reserved for Inventory	0	0	0	548	69,669	0	0	0	0	0	0
Unreserved, Undesignated Reported in:											
Special Revenue Funds	255,439	300,100	143,283	454,368	458,125	127,812	1,464,912	190,961	180,625	138,853	43,599
TOTAL FUND BALANCES	255,439	300,100	154,408	513,235	628,570	241,485	2,910,555	190,961	180,625	162,776	43,599
Nonspendable	0	0	0	548	69,669	0	0	0	0	0	0
Committed	0	0	0	512,687	0	0	0	0	0	0	0
Restricted	255,439	300,100	154,408	0	558,901	241,485	2,910,555	190,961	180,625	162,776	43,599
Total Fund Balances	255,439	300,100	154,408	513,235	628,570	241,485	2,910,555	190,961	180,625	162,776	43,599
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$581,232	$614,419	$154,408	$641,453	$1,276,679	$320,453	$4,287,955	$190,961	$180,625	$212,539	$43,599

INDIGENT DRIVERS TREATMENT	COURT COMPUTER	GENERAL SPECIAL PROJECTS	SPECIAL PROJECTS DUI	MUNICIPAL PROBATION SERVICES	URBAN FOREST MANAGEMENT	VICTIMS ASSISTANCE	POLICE CONTINUING PROFESSIONAL TRAINING	SAFETY TAX LEVY	VETERANS TREATMENT COURT	STREET LIGHTING	PUBLIC ART	ONE OHIO OPIOID	TOTAL 2025
$857	$200,228	$331,345	$107,714	$125,215	$47,309	$16,670	$144,391	$1,170,420	$119,868	$886,699	$233,949	$229,788	$9,420,808
0	0	0	0	0	0	0	0	0	0	0	0	0	70,217
0	0	0	0	0	0	0	0	0	0	0	0	0	9,163
7,029	22,700	16,854	1,780	8,816	0	1,940	68,888	10,000	0	0	0	0	969,638
0	0	0	0	0	0	0	0	1,894,052	0	0	0	0	3,633,103
0	0	0	0	0	0	0	0	0	0	873,583	0	0	921,489
7,886	222,928	348,199	109,494	134,031	47,309	18,610	213,279	3,074,472	119,868	1,760,282	233,949	229,788	15,024,418
$7,886	$222,928	$348,199	$109,494	$134,031	$47,309	$18,610	$213,279	$3,074,472	$119,868	$1,760,282	$233,949	$229,788	$15,024,418
$0	$1,084	$3,355	$4,875	$554	$0	$0	$0	$0	$6,380	$47,110	$0	$0	$298,603
0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	711	0	0	673	0	0	0	191,682
0	1,084	3,355	4,875	554	0	711	0	0	7,053	47,110	0	0	490,285
0	0	0	0	0	0	0	0	1,798,514	0	0	0	0	3,442,551
0	0	0	0	0	0	0	0	10,000	0	0	0	0	720,070
0	0	0	0	0	0	0	0	0	0	873,583	0	0	921,489
0	0	0	0	0	0	0	0	95,538	0	0	0	0	190,552
0	0	0	0	0	0	0	0	1,904,052	0	873,583	0	0	5,274,662
0	23,787	224	15,125	530	2,015	0	0	98,026	5,192	23,444	1,407	0	1,923,209
0	0	0	0	0	0	0	0	0	0	0	0	0	70,217
7,886	198,057	344,620	89,494	132,947	45,294	17,899	213,279	1,072,394	107,623	816,145	232,542	229,788	7,266,045
7,886	221,844	344,844	104,619	133,477	47,309	17,899	213,279	1,170,420	112,815	839,589	233,949	229,788	9,259,471
0	0	0	0	0	0	0	0	0	0	0	0	0	70,217
0	0	0	0	0	47,309	0	0	0	0	0	233,949	0	793,945
7,886	221,844	344,844	104,619	133,477	0	17,899	213,279	1,170,420	112,815	839,589	0	229,788	8,395,309
7,886	221,844	344,844	104,619	133,477	47,309	17,899	213,279	1,170,420	112,815	839,589	233,949	229,788	9,259,471
$7,886	$222,928	$348,199	$109,494	$134,031	$47,309	$18,610	$213,279	$3,074,472	$119,868	$1,760,282	$233,949	$229,788	$15,024,418

CITY OF WILLOUGHBY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	FIRE PENSION	POLICE PENSION	LAW ENFORCEMENT	RECREATION	STREET CONSTRUCTION MAINTENANCE AND REPAIR	STATE HIGHWAY	ROAD & BRIDGE	SOM CENTER I	SOM CENTER II	CORPORATE MAINTENANCE	ENFORCEMENT & EDUCATION
REVENUES:											
Property and Other Local Taxes	$250,950	$250,950	$0	$79,021	$59,330	$0	$1,124,999	$0	$0	$0	$0
Payments in Lieu of Taxes	0	0	0	0	0	0	0	93,783	117,420	0	0
Intergovernmental	27,065	27,065	0	240,887	1,428,530	116,908	2,009,834	0	0	0	0
Charges for Services	0	0	0	746,651	426	0	0	0	0	0	0
Special Assessments	0	0	0	0	0	0	0	0	0	80,098	0
Fines and Forfeitures	0	0	15,379	0	0	0	0	0	0	0	1,726
Miscellaneous	0	0	0	252	693	0	0	0	0	0	0
Total Revenues	278,015	278,015	15,379	1,066,811	1,488,979	116,908	3,134,833	93,783	117,420	80,098	1,726
EXPENDITURES:											
Current:											
General Government	2,688	2,688	0	0	0	0	1,004,118	675	769	416	0
Security of Persons and Property	1,137,652	947,165	3,535	0	0	0	0	0	0	0	0
Community Environment	0	0	0	0	0	0	0	0	0	76,149	0
Leisure Time Activities	0	0	0	1,498,463	0	0	0	0	0	0	0
Transportation	0	0	0	0	1,963,538	104,490	0	0	0	0	0
Capital Outlay	0	0	0	23,063	22,117	0	1,672,402	0	0	0	0
Total Expenditures	1,140,340	949,853	3,535	1,521,526	1,985,655	104,490	2,676,520	675	769	76,565	0
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(862,325)	(671,838)	11,844	(454,715)	(496,676)	12,418	458,313	93,108	116,651	3,533	1,726
OTHER FINANCING SOURCES (USES):											
Transfers In	1,000,000	800,000	0	560,000	650,000	0	500,000	0	0	0	0
Transfers Out	0	0	0	0	0	0	0	0	0	0	0
Sale of Assets	0	0	11,147	0	0	0	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES (USES	1,000,000	800,000	11,147	560,000	650,000	0	500,000	0	0	0	0
NET CHANGE IN FUND BALANCES	137,675	128,162	22,991	105,285	153,324	12,418	958,313	93,108	116,651	3,533	1,726
FUND BALANCES BEGINNING OF YEAR	117,764	171,938	131,417	407,402	624,091	229,067	1,952,242	97,853	63,974	159,243	41,873
CHANGE IN INVENTORY	0	0	0	548	(148,845)	0	0			0	0
FUND BALANCES END OF YEAR	$255,439	$300,100	$154,408	$513,235	$628,570	$241,485	$2,910,555	$190,961	$180,625	$162,776	$43,599

INDIGENT DRIVERS TREATMENT	COURT COMPUTER	GENERAL SPECIAL PROJECTS	SPECIAL PROJECTS DUI	MUNICIPAL PROBATION SERVICES	URBAN FOREST MANAGEMENT	VICTIMS ASSISTANCE	POLICE CONTINUING PROFESSIONAL TRAINING	SAFETY TAX LEVY	VETERANS TREATMENT COURT	STREET LIGHTING	PUBLIC ART	ONE OHIO OPIOID	TOTAL 2025
$0	$0	$0	$0	$0	$0	$0	$0	$1,861,307	$0	$0	$0	$0	$3,626,557
0	0	0	0	0	0	0	0	0	0	0	0	0	211,203
0	0	0	0	0	0	27,998	68,888	23,409	22,791	0	0	64,333	4,057,708
0	0	0	0	0	12,800	0	0	0	0	0	36,581	0	796,458
0	0	0	0	0	0	0	0	0	0	733,462	0	0	813,560
27,025	313,461	239,436	25,492	130,963	0	0	0	0	0	0	0	0	753,482
0	0	0	0	0	0	0	0	0	0	0	0	0	945
27,025	313,461	239,436	25,492	130,963	12,800	27,998	68,888	1,884,716	22,791	733,462	36,581	64,333	10,259,913
59,742	246,302	175,970	10,481	89,084	0	0	0	18,238	45,364	22,518	13,396	7,500	1,699,949
0	0	0	0	0	0	61,509	3,875	423,481	0	577,951	0	0	3,155,168
0	0	0	0	0	23,503	0	0	0	0	0	0	0	99,652
0	0	0	0	0	0	0	0	0	0	0	0	0	1,498,463
0	0	0	0	0	0	0	0	0	0	0	0	0	2,068,028
0	0	44,566	0	0	0	0	0	2,439	0	0	0	0	1,764,587
59,742	246,302	220,536	10,481	89,084	23,503	61,509	3,875	444,158	45,364	600,469	13,396	7,500	10,285,847
(32,717)	67,159	18,900	15,011	41,879	(10,703)	(33,511)	65,013	1,440,558	(22,573)	132,993	23,185	56,833	(25,934)
0	0	0	0	0	0	35,000	0	0	2,674	0	0	0	3,547,674
0	0	(2,674)	0	0	0	0	0	(1,075,200)	0	0	0	0	(1,077,874)
0	0	0	0	0	0	0	0	0	0	0	0	0	11,147
0	0	(2,674)	0	0	0	35,000	0	(1,075,200)	2,674	0	0	0	2,480,947
(32,717)	67,159	16,226	15,011	41,879	(10,703)	1,489	65,013	365,358	(19,899)	132,993	23,185	56,833	2,455,013
40,603	154,685	328,618	89,608	91,598	58,012	16,410	148,266	805,062	132,714	706,596	210,764	172,955	6,952,755
0	0	0	0	0	0	0	0	0	0	0	0	0	(148,297)
$7,886	$221,844	$344,844	$104,619	$133,477	$47,309	$17,899	$213,279	$1,170,420	$112,815	$839,589	$233,949	$229,788	$9,259,471

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, 2025

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Property and Other Local Taxes	$200,200	$200,200	$250,950	$50,750
Intergovernmental	20,000	20,000	27,065	7,065
Total Revenues	220,200	220,200	278,015	57,815
EXPENDITURES:				
Executive-Mayor				
Security of Persons and Property				
Personal Services	1,149,642	1,188,067	1,128,548	59,519
Services and Supplies	3,000	3,000	2,688	312
Total Expenditures	1,152,642	1,191,067	1,131,236	59,831
Excess of Revenues Over (Under) Expenditures	(932,442)	(970,867)	(853,221)	117,646
OTHER FINANCING SOURCES (USES):				
Transfers In	850,000	1,000,000	1,000,000	0
Total Other Financing Sources (Uses)	850,000	1,000,000	1,000,000	0
NET CHANGE IN FUND BALANCE	(82,442)	29,133	146,779	117,646
FUND BALANCE BEGINNING OF YEAR	165,389	165,389	165,389	0
FUND BALANCE END OF YEAR	$82,947	$194,522	$312,168	$117,646

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, 2025

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Property and Other Local Taxes	$200,200	$200,200	$250,950	$50,750
Intergovernmental	20,000	20,000	27,065	7,065
Total Revenues	220,200	220,200	278,015	57,815
EXPENDITURES:				
Executive-Mayor				
Security of Persons and Property				
Personal Services	1,057,229	1,092,122	945,000	147,122
Services and Supplies	3,000	3,000	2,688	312
Total Expenditures	1,060,229	1,095,122	947,688	147,434
Excess of Revenues Over (Under) Expenditures	(840,029)	(874,922)	(669,673)	205,249
OTHER FINANCING SOURCES (USES):				
Transfers In	700,000	800,000	800,000	0
Total Other Financing Sources (Uses)	700,000	800,000	800,000	0
NET CHANGE IN FUND BALANCE	(140,029)	(74,922)	130,327	205,249
FUND BALANCE BEGINNING OF YEAR	215,028	215,028	215,028	0
FUND BALANCE END OF YEAR	$74,999	$140,106	$345,355	$205,249

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, 2025

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Fines and Forfeitures	$15,379	$15,379	$15,379	$0
Total Revenues	15,379	15,379	15,379	0
EXPENDITURES:				
Executive-Mayor				
Security of Persons and Property				
Services and Supplies	50,000	50,000	14,660	35,340
Total Expenditures	50,000	50,000	14,660	35,340
Excess of Revenues Over (Under) Expenditures	(34,621)	(34,621)	719	35,340
OTHER FINANCING SOURCES (USES):				
Sale of Assets	0	0	11,147	11,147
Total Other Financing Sources (Uses)	0	0	11,147	11,147
NET CHANGE IN FUND BALANCE	(34,621)	(34,621)	11,866	46,487
FUND BALANCE BEGINNING OF YEAR	131,417	131,417	131,417	0
FUND BALANCE END OF YEAR	$96,796	$96,796	$143,283	$46,487

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, 2025

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Property and Other Local Taxes	$75,050	$75,050	$79,021	$3,971
Intergovernmental	218,000	218,000	271,930	53,930
Charges for Services	655,000	655,000	745,713	90,713
Other	0	0	16,043	16,043
Total Revenues	948,050	948,050	1,112,707	164,657
EXPENDITURES:				
Executive-Mayor				
Leisure Time Activities				
Personal Services	1,138,802	1,159,612	972,210	187,402
Services and Supplies	597,125	617,125	565,303	51,822
Total Expenditures	1,735,927	1,776,737	1,537,513	239,224
Excess of Revenues Over (Under) Expenditures	(787,877)	(828,687)	(424,806)	403,881
OTHER FINANCING SOURCES (USES):				
Transfers In	560,000	560,000	560,000	0
Total Other Financing Sources (Uses)	560,000	560,000	560,000	0
NET CHANGE IN FUND BALANCE	(227,877)	(268,687)	135,194	403,881
FUND BALANCE BEGINNING OF YEAR	349,666	349,666	349,666	0
Prior Year Encumbrances Appropriated	7,393	7,393	7,393	0
FUND BALANCE END OF YEAR	$129,182	$88,372	$492,253	$403,881

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, 2025

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Property and Other Local Taxes	$60,000	$60,000	$59,439	($561)
Intergovernmental	1,290,000	1,290,000	1,429,611	139,611
Charges for Services	500	500	427	(73)
Total Revenues	1,350,500	1,350,500	1,489,477	138,977
EXPENDITURES:				
Executive-Mayor				
Transportation				
Personal Services	1,362,654	1,399,978	1,337,347	62,631
Services and Supplies	776,675	786,675	699,619	87,056
Total Expenditures	2,139,329	2,186,653	2,036,966	149,687
Excess of Revenues Over (Under) Expenditures	(788,829)	(836,153)	(547,489)	288,664
OTHER FINANCING SOURCES (USES):				
Transfers In	650,000	650,000	650,000	0
Other	1,000	1,000	7,560	6,560
Total Other Financing Sources (Uses)	651,000	651,000	657,560	6,560
NET CHANGE IN FUND BALANCE	(137,829)	(185,153)	110,071	295,224
FUND BALANCE BEGINNING OF YEAR	281,388	281,388	281,388	0
Prior Year Encumbrances Appropriated	21,045	21,045	21,045	0
FUND BALANCE END OF YEAR	$164,604	$117,280	$412,504	$295,224

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, 2025

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Intergovernmental	$102,500	$102,500	$116,995	$14,495
Total Revenues	102,500	102,500	116,995	14,495
EXPENDITURES:				
Executive-Mayor				
Transportation				
Services and Supplies	170,000	170,000	170,000	0
Total Expenditures	170,000	170,000	170,000	0
NET CHANGE IN FUND BALANCE	(67,500)	(67,500)	(53,005)	14,495
FUND BALANCE BEGINNING OF YEAR	172,026	172,026	172,026	0
FUND BALANCE END OF YEAR	$104,526	$104,526	$119,021	$14,495

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, 2025

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Property and Other Local Taxes	$1,100,800	$1,100,800	$1,124,998	$24,198
Intergovernmental	3,317,014	3,317,014	2,009,834	(1,307,180)
Total Revenues	4,417,814	4,417,814	3,134,832	(1,282,982)
EXPENDITURES:				
Executive-Mayor				
Transportation				
Services and Supplies	15,000	15,000	11,930	3,070
Capital Outlay	1,500,000	2,500,000	1,724,437	775,563
Total Expenditures	1,515,000	2,515,000	1,736,367	778,633
Excess of Revenues Over (Under) Expenditures	2,902,814	1,902,814	1,398,465	(504,349)
OTHER FINANCING SOURCES (USES):				
Debt Proceeds	50,000	50,000	0	($50,000)
Transfers In	0	500,000	500,000	0
Total Other Financing Sources (Uses)	50,000	550,000	500,000	(50,000)
NET CHANGE IN FUND BALANCE	2,952,814	2,452,814	1,898,465	(554,349)
FUND BALANCE BEGINNING OF YEAR	(455,105)	(455,105)	(455,105)	0
Prior Year Encumbrances Appropriated	21,553	21,553	21,553	0
FUND BALANCE END OF YEAR	$2,519,262	$2,019,262	$1,464,913	($554,349)

CITY OF WILLOUGHBY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL SOM CENTER I FOR THE YEAR ENDED DECEMBER 31, 2025

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Payments in Lieu of Taxes	$95,000	$95,000	$93,783	($1,217)
Total Revenues	95,000	95,000	93,783	(1,217)
EXPENDITURES:				
Executive-Mayor				
Transportation				
Services and Supplies	1,000	1,000	675	325
Capital Outlay	90,000	90,000	0	90,000
Total Expenditures	91,000	91,000	675	90,325
NET CHANGE IN FUND BALANCE	4,000	4,000	93,108	89,108
FUND BALANCE BEGINNING OF YEAR	97,853	97,853	97,853	0
FUND BALANCE END OF YEAR	$101,853	$101,853	$190,961	$89,108

CITY OF WILLOUGHBY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL

SOM CENTER II

FOR THE YEAR ENDED DECEMBER 31, 2025

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Payments in Lieu of Taxes	$60,000	$60,000	$117,420	$57,420
Total Revenues	60,000	60,000	117,420	57,420
EXPENDITURES:				
Executive-Mayor				
Transportation				
Services and Supplies	1,000	1,000	769	231
Capital Outlay	60,000	60,000	0	60,000
Total Expenditures	61,000	61,000	769	60,231
NET CHANGE IN FUND BALANCE	(1,000)	(1,000)	116,651	117,651
FUND BALANCE BEGINNING OF YEAR	63,974	63,974	63,974	0
FUND BALANCE END OF YEAR	$62,974	$62,974	$180,625	$117,651

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, 2025

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Special Assessments	$80,000	$80,000	$73,136	($6,864)
Total Revenues	80,000	80,000	73,136	(6,864)
EXPENDITURES:				
Executive-Mayor				
Community Environment				
Services and Supplies	127,000	127,000	86,431	40,569
Total Expenditures	127,000	127,000	86,431	40,569
NET CHANGE IN FUND BALANCE	(47,000)	(47,000)	(13,295)	33,705
FUND BALANCE BEGINNING OF YEAR	141,390	141,390	141,390	0
Prior Year Encumbrances Appropriated	3,795	3,795	3,795	0
FUND BALANCE END OF YEAR	$98,185	$98,185	$131,890	$33,705

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, 2025

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Fines and Forfeitures	$1,000	$1,000	$1,717	$717
Total Revenues	1,000	1,000	1,717	717
EXPENDITURES:				
Executive-Mayor				
Security of Persons and Property				
Capital Outlay	35,000	35,000	0	35,000
Total Expenditures	35,000	35,000	0	35,000
NET CHANGE IN FUND BALANCE	(34,000)	(34,000)	1,717	35,717
FUND BALANCE BEGINNING OF YEAR	41,790	41,790	41,790	0
FUND BALANCE END OF YEAR	$7,790	$7,790	$43,507	$35,717

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, 2025

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Fines and Forfeitures	$25,000	$25,000	$20,996	($4,004)
Total Revenues	25,000	25,000	20,996	(4,004)
EXPENDITURES:				
Judicial -Municipal Court				
General Government				
Services and Supplies	60,000	60,000	59,742	258
Total Expenditures	60,000	60,000	59,742	258
NET CHANGE IN FUND BALANCE	(35,000)	(35,000)	(38,746)	(3,746)
FUND BALANCE BEGINNING OF YEAR	39,603	39,603	39,603	0
FUND BALANCE END OF YEAR	$4,603	$4,603	$857	($3,746)

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, 2025

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Fines and Forfeitures	$190,000	$265,000	$309,707	$44,707
Total Revenues	190,000	265,000	309,707	44,707
EXPENDITURES:				
Judicial -Municipal Court				
General Government				
Personal Services	55,000	55,000	0	0
Services and Supplies	220,000	295,000	221,522	73,478
Total Expenditures	275,000	350,000	221,522	73,478
NET CHANGE IN FUND BALANCE	(85,000)	(85,000)	88,185	118,185
FUND BALANCE BEGINNING OF YEAR	85,704	85,704	85,704	0
Prior Year Encumbrances Appropriated	1,468	1,468	1,468	0
FUND BALANCE END OF YEAR	$2,172	$2,172	$175,357	$118,185

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, 2025

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Fines and Forfeitures	$240,000	$240,000	$238,160	($1,840)
Total Revenues	240,000	240,000	238,160	(1,840)
EXPENDITURES:				
Judicial -Municipal Court				
General Government				
Personal Services	120,000	130,000	130,000	0
Services and Supplies	400,000	385,000	58,129	326,871
Total Expenditures	520,000	515,000	188,129	326,871
Excess of Revenues Over (Under) Expenditures	(280,000)	(275,000)	50,031	325,031
OTHER FINANCING SOURCES (USES):				
Transfers Out	0	(5,000)	(2,674)	2,326
Total Other Financing Sources (Uses)	0	(5,000)	(2,674)	2,326
NET CHANGE IN FUND BALANCE	(280,000)	(280,000)	47,357	327,357
FUND BALANCE BEGINNING OF YEAR	280,845	280,845	280,845	0
Prior Year Encumbrances Appropriated	81	81	81	0
FUND BALANCE END OF YEAR	$926	$926	$328,283	$327,357

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, 2025

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Fines and Forfeitures	$20,000	$20,000	$25,218	$5,218
Total Revenues	20,000	20,000	25,218	5,218
EXPENDITURES:				
Judicial -Municipal Court				
General Government				
Services and Supplies	108,000	108,000	25,606	82,394
Total Expenditures	108,000	108,000	25,606	82,394
NET CHANGE IN FUND BALANCE	(88,000)	(88,000)	(388)	87,612
FUND BALANCE BEGINNING OF YEAR	88,101	88,101	88,101	0
FUND BALANCE END OF YEAR	$101	$101	$87,713	$87,612

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, 2025

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Fines and Forfeitures	$110,000	$110,000	$130,045	$20,045
Total Revenues	110,000	110,000	130,045	20,045
EXPENDITURES:				
Judicial -Municipal Court				
General Government				
Personal Services	60,000	60,000	52,500	7,500
Services and Supplies	128,000	128,000	32,836	95,164
Total Expenditures	188,000	188,000	85,336	95,164
NET CHANGE IN FUND BALANCE	(78,000)	(78,000)	44,709	115,209
FUND BALANCE BEGINNING OF YEAR	78,040	78,040	78,040	0
Prior Year Encumbrances Appropriated	1,935	1,935	1,935	0
FUND BALANCE END OF YEAR	$1,975	$1,975	$124,684	$115,209

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, 2025

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Charges for Services	$10,000	$10,000	$12,800	$2,800
Total Revenues	10,000	10,000	12,800	2,800
EXPENDITURES:				
Executive-Mayor				
Community Environment				
Services and Supplies	25,000	25,000	20,545	4,455
Total Expenditures	25,000	25,000	20,545	4,455
NET CHANGE IN FUND BALANCE	(15,000)	(15,000)	(7,745)	7,255
FUND BALANCE BEGINNING OF YEAR	50,410	50,410	50,410	0
Prior Year Encumbrances Appropriated	2,629	2,629	2,629	0
FUND BALANCE END OF YEAR	$38,039	$38,039	$45,294	$7,255

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, 2025

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Intergovernmental	$25,000	$25,000	$27,998	$2,998
Total Revenues	25,000	25,000	27,998	2,998
EXPENDITURES:				
Executive-Mayor				
Security of Persons and Property				
Personal Services	62,500	65,000	61,015	3,985
Services and Supplies	3,000	3,000	1,791	1,209
Total Expenditures	65,500	68,000	62,806	5,194
Excess of Revenues Over (Under) Expenditures	(40,500)	(43,000)	(34,808)	8,192
OTHER FINANCING SOURCES (USES):				
Transfers In	35,000	35,000	35,000	0
Total Other Financing Sources (Uses)	35,000	35,000	35,000	0
NET CHANGE IN FUND BALANCE	(5,500)	(8,000)	192	8,192
FUND BALANCE BEGINNING OF YEAR	16,478	16,478	16,478	0
FUND BALANCE END OF YEAR	$10,978	$8,478	$16,670	$8,192

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, 2025

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Intergovernmental	$57,150	$57,150	$57,150	$0
Total Revenues	57,150	57,150	57,150	0
EXPENDITURES:				
Executive-Mayor				
Security of Persons and Property				
Services and Supplies	75,000	75,000	3,875	71,125
Total Expenditures	75,000	75,000	3,875	71,125
NET CHANGE IN FUND BALANCE	(17,850)	(17,850)	53,275	71,125
FUND BALANCE BEGINNING OF YEAR	91,116	91,116	91,116	0
Prior Year Encumbrances Appropriated				0
FUND BALANCE END OF YEAR	$73,266	$73,266	$144,391	$71,125

CITY OF WILLOUGHBY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL SAFETY TAX LEVY FUND FOR THE YEAR ENDED DECEMBER 31, 2025

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Property and Other Local Taxes	$1,852,500	$1,852,500	$1,861,307	$8,807
Intergovernmental	25,000	25,000	23,409	(1,591)
Total Revenues	1,877,500	1,877,500	1,884,716	7,216
EXPENDITURES:				
Executive-Mayor				
Transportation				
Services and Supplies	20,000	20,000	18,238	1,762
Capital Outlay	1,000,000	1,000,000	847,927	152,073
Total Expenditures	1,020,000	1,020,000	866,165	153,835
Excess of Revenues Over (Under) Expenditures	857,500	857,500	1,018,551	161,051
OTHER FINANCING SOURCES (USES):				
Transfers Out	(1,075,200)	(1,075,200)	(1,075,200)	0
Total Other Financing Sources (Uses)	(1,075,200)	(1,075,200)	(1,075,200)	0
NET CHANGE IN FUND BALANCE	(217,700)	(217,700)	(56,649)	161,051
FUND BALANCE BEGINNING OF YEAR	247,043	247,043	247,043	0
FUND BALANCE END OF YEAR	$29,343	$29,343	$190,394	$161,051

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, 2025

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Intergovernmental	$75,000	$75,000	$22,791	($52,209)
Total Revenues	75,000	75,000	22,791	(52,209)
EXPENDITURES:				
Personal Services	20,000	37,500	30,956	6,544
Services and Supplies	150,000	132,500	8,152	124,348
Total Expenditures	170,000	170,000	39,108	130,892
Excess of Revenues Over (Under) Expenditures	(95,000)	(95,000)	(16,317)	78,683
OTHER FINANCING SOURCES (USES):				
Transfers In	0	2,674	2,674	0
Total Other Financing Sources (Uses)	0	2,674	2,674	0
NET CHANGE IN FUND BALANCE	(95,000)	(92,326)	(13,643)	78,683
FUND BALANCE BEGINNING OF YEAR	130,643	130,643	130,643	0
Prior Year Encumbrances Appropriated	2,674	2,674	2,674	0
FUND BALANCE END OF YEAR	$38,317	$40,991	$119,674	$78,683

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, 2025

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Special Assessments	$697,520	$697,520	$733,462	$35,942
Total Revenues	697,520	697,520	733,462	35,942
EXPENDITURES:				
Executive-Mayor				
Security of Persons and Property				
Services and Supplies	715,000	715,000	623,023	91,977
Total Expenditures	715,000	715,000	623,023	91,977
NET CHANGE IN FUND BALANCE	(17,480)	(17,480)	110,439	127,919
FUND BALANCE BEGINNING OF YEAR	752,816	752,816	752,816	0
FUND BALANCE END OF YEAR	$735,336	$735,336	$863,255	$127,919

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, 2025

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Charges for Services	$50,000	$50,000	$36,581	($13,419)
Total Revenues	50,000	50,000	36,581	(13,419)
EXPENDITURES:				
Services and Supplies	100,000	100,000	14,803	85,197
Total Expenditures	100,000	100,000	14,803	85,197
NET CHANGE IN FUND BALANCE	(50,000)	(50,000)	21,778	71,778
FUND BALANCE BEGINNING OF YEAR	210,764	210,764	210,764	0
FUND BALANCE END OF YEAR	$160,764	$160,764	$232,542	$71,778

CITY OF WILLOUGHBY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL
ONE OHIO OPIOID
FOR THE YEAR ENDED DECEMBER 31, 2025

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
State Settlement Share	$100,000	$100,000	$64,333	($35,667)
Total Revenues	100,000	100,000	64,333	(35,667)
EXPENDITURES:				
Security of Persons and Property				
Services and Supplies	50,000	115,000	7,500	107,500
Total Expenditures	50,000	115,000	7,500	107,500
NET CHANGE IN FUND BALANCE	50,000	(15,000)	56,833	71,833
FUND BALANCE BEGINNING OF YEAR	172,956	172,956	172,956	0
FUND BALANCE END OF YEAR	$222,956	$157,956	$229,789	$71,833

CITY OF WILLOUGHBY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET(Non-GAAP Basis) AND ACTUAL SPECIAL ASSESSMENTS FUND FOR THE YEAR ENDED DECEMBER 31, 2025

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES:				
Special Assessments	$30,000	$30,000	$23,852	($6,148)
Total Revenues	30,000	30,000	23,852	(6,148)
EXPENDITURES:				
Executive-Mayor				
General Government	30,000	30,000	23,852	6,148
Total Expenditures	30,000	30,000	23,852	0
FUND BALANCE BEGINNING OF YEAR	0	0	0	0
FUND BALANCE END OF YEAR	$0	$0	$0	$0

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, 2025

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Miscellaneous	$0	$0	$21,200	$21,200
Total Revenues	0	0	21,200	21,200
FUND BALANCE BEGINNING OF YEAR	439,152	439,152	439,152	0
FUND BALANCE END OF YEAR	$439,152	$439,152	$460,352	$21,200

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

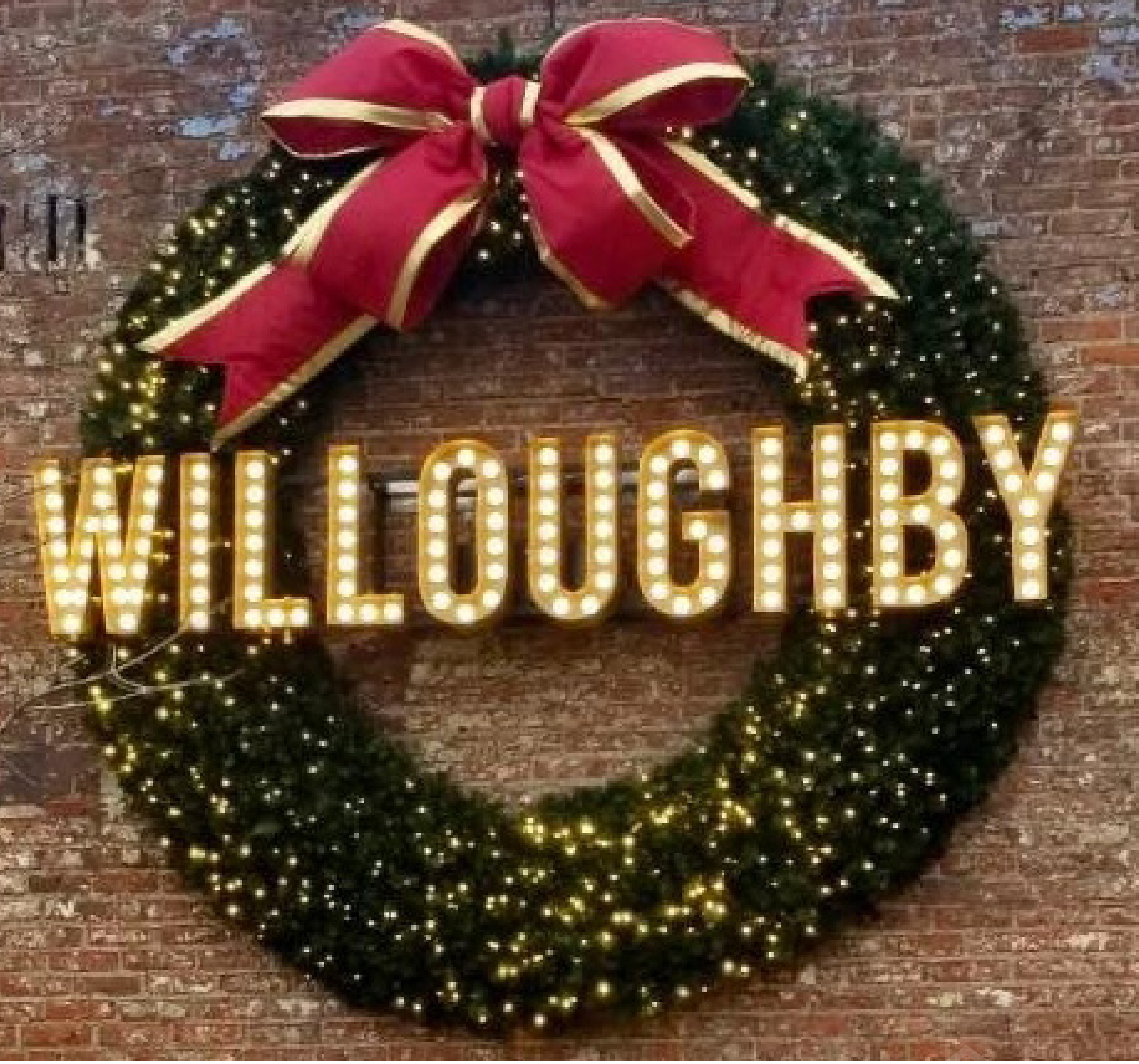
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
AS OF DECEMBER 31, 2025

	MUNICIPAL COURT	OHIO GOVT BENEFIT COOP	DEPOSITS	TOTALS
ASSETS				
Equity in City Treasury Cash and Investments	$ 0	$0	$143,696	$143,696
Cash and Cash Equivalents in Segregated Accounts	719,032	1,805,479	0	2,524,511
TOTAL ASSETS	719,032	1,805,479	143,696	2,668,207
LIABILITIES				
Due to External Parties	719,032	2,587,842	0	3,306,874
TOTAL LIABILITIES	719,032	2,587,842	0	3,306,874
NET POSITION				
Restricted for:				
Individuals, Organizations and Other Governments	0	(782,363)	143,696	(638,667)
TOTAL NET POSITION	$ 0	($782,363)	$143,696	($638,667)

CITY OF WILLOUGHBY, OHIO

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	MUNICIPAL COURT	OHIO GOVT BENEFIT COOP	DEPOSITS	TOTAL
ADDITIONS				
Municipal Court Receipts	$6,885,956	$0	$ 0	$6,885,956
Payments Collected for Other Governments	0	19,037,800	36,290	19,074,090
Moneys Held for Others	0	0	50,386	50,386
TOTAL ADDITIONS	6,885,956	19,037,800	86,676	26,010,432
DEDUCTIONS				
Municipal Court Disbursements	6,885,956	0	0	6,885,956
Payments for Other Governments	0	0	15,631	15,631
Medical and Dental for Cobra and Other Plans	0	18,939,445	13,740	18,953,185
Distributions to Individuals and Organizations	0	0	39,527	39,527
TOTAL DEDUCTIONS	6,885,956	18,939,445	68,898	25,894,299
NET INCREASE IN FIDUCIARY NET POSITION	0	98,355	17,778	116,133
NET POSITION - BEGINNING OF YEAR	0	(880,718)	125,918	(754,800)
NET POSITION - END OF YEAR	$ 0	$ (782,363)	$ 143,696	$ (638,667)



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 #**

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)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
GOVERNMENTAL ACTIVITIES										
Net Investment in Capital Assets	$ 42,414,005	$ 39,878,972	$ 42,218,153	$ 41,631,891	$ 41,802,936	$ 40,861,457	$ 44,811,713	$ 46,367,575	$ 48,601,174	$ 56,448,316
Restricted For:										
Net Pension Asset	0	0	0	0	0	0	0	95,761	82,765	0
Net OPEB Asset	0	0	0	0	0	0	0	0	421,006	1,084,551
Capital Projects	3,975,206	8,444,025	5,373,603	2,243,989	1,855,544	3,177,055	2,205,218	8,163,356	11,421,467	12,537,615
Debt Service	1,429,996	1,234,186	1,127,774	1,142,831	1,135,695	1,158,761	310,615	567,004	776,021	1,018,029
Street Construction Maintenance and Repair	1,239,018	1,142,318	1,763,066	2,284,659	2,277,666	3,417,464	3,118,820	3,543,212	3,355,757	4,585,237
Security of Persons	860,345	905,501	678,980	1,057,677	1,628,141	1,287,720	1,427,692	1,981,810	3,113,407	3,259,414
Municipal Court	810,947	787,252	1,005,169	1,106,180	913,718	775,354	793,497	943,291	837,826	925,485
Other Purposes	201,139	150,780	169,557	199,634	469,856	301,212	380,310	527,141	683,261	846,254
Permanent Fund Purpose	308,592	323,872	338,262	352,372	367,632	385,472	404,372	424,952	439,152	460,352
Unrestricted (Deficit)	(15,406,677)	(39,137,558)	(44,017,035)	(31,475,906)	(31,127,774)	(25,222,487)	(19,055,192)	(20,886,384)	(22,119,496)	(21,603,796)
Total Governmental Activities Net Position	35,832,571	13,729,348	8,657,529	18,543,327	19,323,414	26,142,008	34,397,045	41,727,718	47,612,340	59,561,457
BUSINESS-TYPE ACTIVITIES:										
Net Investment in Capital Assets	26,403,085	26,048,001	25,519,061	25,451,992	25,121,734	24,248,491	24,208,801	23,757,285	24,762,042	24,513,629
Restricted For:										
Net Pension Asset	0	0	0	0	0	0	0	26,033	22,446	0
Net OPEB Asset	0	0	0	0	0	0	0	0	114,173	274,894
Equipment Replacement	364,687	585,667	790,308	656,174	880,177	1,144,742	1,254,865	1,486,868	1,272,081	1,422,517
Unrestricted (Deficit)	(804,820)	(2,033,919)	(1,251,030)	(1,822,428)	(1,836,767)	851,175	2,961,521	4,215,976	5,103,720	6,569,812
Total Business-type Activities Net Position	25,962,952	24,599,749	25,058,339	24,285,738	24,165,144	26,244,408	28,425,187	29,486,162	31,274,462	32,780,852
PRIMARY GOVERNMENT										
Net Investment in Capital Assets	68,817,090	65,926,973	67,737,214	67,083,883	66,924,670	65,109,948	69,020,514	70,124,860	73,363,216	80,961,945
Restricted For:										
Net Pension Asset	0	0	0	0	0	0	0	121,794	105,211	0
Net OPEB Asset	0	0	0	0	0	0	0	0	535,179	1,359,445
Capital Projects	3,975,206	8,444,025	5,373,603	2,243,989	1,855,544	3,177,055	2,205,218	8,163,356	11,421,467	12,537,615
Debt Service	1,429,996	1,234,186	1,127,774	1,142,831	1,135,695	1,158,761	310,615	567,004	776,021	1,018,029
Equipment Replacement	364,687	585,667	790,308	656,174	880,177	1,144,742	1,254,865	1,486,868	1,272,081	1,422,517
Street Construction Maintenance and Repair	1,239,018	1,142,318	1,763,066	2,284,659	2,277,666	3,417,464	3,118,820	3,543,212	3,355,757	4,585,237
Security of Persons	860,345	905,501	678,980	1,057,677	1,628,141	1,287,720	1,427,692	1,981,810	3,113,407	3,259,414
Municipal Court	810,947	787,252	1,005,169	1,106,180	913,718	775,354	793,497	943,291	837,826	925,485
Other Purposes	201,139	150,780	169,557	199,634	469,856	301,212	380,310	527,141	683,261	846,254
Permanent Fund Purpose	308,592	323,872	338,262	352,372	367,632	385,472	404,372	424,952	439,152	460,352
Unrestricted (Deficit)	(16,211,497)	(41,171,477)	(45,268,065)	(33,298,334)	(32,964,541)	(24,371,312)	(16,093,671)	(16,670,408)	(17,015,776)	(15,033,984)
Total Primary Government Net Position	$ 61,795,523	$ 38,329,097	$ 33,715,868	$ 42,829,065	$ 43,488,558	$ 52,386,416	$ 62,822,232	$ 71,213,880	$ 78,886,802	$ 92,342,309

CITY OF WILLOUGHBY, OHIO

CHANGES IN NET POSITION

LAST TEN YEARS

(Accrual Basis of Accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
PROGRAM REVENUES										
Governmental Activities										
Charges for Services:										
General Government	$ 2,335,620	$ 2,347,217	$ 2,685,067	$ 2,618,104	$ 2,158,175	$ 2,318,891	$ 2,526,460	$ 2,530,564	$ 2,639,575	$ 3,008,767
Security of Persons and Property	1,694,934	1,610,882	1,657,602	1,809,928	1,675,150	1,999,174	2,033,085	2,157,398	2,444,906	2,580,545
Public Health and Welfare	82,768	95,195	95,355	92,315	101,805	108,898	120,657	127,746	114,619	149,445
Community Environment	309,840	312,957	364,262	440,462	417,930	409,597	826,604	740,684	712,896	689,347
Leisure Time Activities	696,126	637,174	722,853	706,069	124,737	648,952	817,310	934,111	949,032	1,035,958
Transportation	500	900	2,251	2,466	550	805	1,629	510	1,487	426
Basic Utility Services	75	9	4	0	0	16	0	216	16	107
Operating Grants, Contributions and Interest	196,618	162,052	208,667	196,917	4,147,605	1,913,966	1,902,415	2,391,070	2,618,296	3,072,793
Capital Grants and Contributions	2,149,507	4,507,839	849,776	550,505	2,163,520	561,571	1,380,480	5,029,984	2,973,921	5,440,278
Total Governmental Activities Program Revenues	7,465,988	9,674,225	6,585,837	6,416,766	10,789,472	7,961,870	9,608,640	13,912,283	12,454,748	15,977,666
Business-type Activities:										
Charges for Services:										
Golf Course	903,021	865,255	798,371	801,432	801,496	1,003,650	1,029,388	1,112,394	1,175,608	1,199,887
Sewer	5,449,502	5,513,633	5,860,235	5,285,831	5,296,076	5,839,791	6,129,858	6,574,006	6,713,563	7,126,066
Capital Grants and Contributions	625,078	492,090	307,158	273,332	229,491	225,660	239,310	286,556	1,308,327	286,687
Total Business-type Activities Program Revenues	6,977,601	6,870,978	6,965,764	6,360,595	6,327,063	7,069,101	7,398,556	7,972,956	9,197,498	8,612,640
Total Primary Government Program Revenues	14,443,589	16,545,203	13,551,601	12,777,361	17,116,535	15,030,971	17,007,196	21,885,239	21,652,246	24,590,306
EXPENSES										
Governmental Activities										
General Government	7,502,423	7,615,451	8,821,326	10,186,960	7,873,378	4,881,043	6,778,800	8,541,115	11,139,121	11,009,105
Security of Persons and Property	16,929,668	17,114,368	18,748,837	3,974,889	17,907,356	16,102,868	16,708,545	21,418,445	20,532,458	21,617,653
Public Health and Welfare	472,575	450,245	497,933	554,134	540,277	421,409	500,166	641,004	621,224	617,473
Community Environment	960,453	1,138,817	1,111,839	1,316,403	1,326,173	659,318	1,034,105	1,225,611	1,296,684	1,395,037
Leisure Time Activities	2,303,814	2,469,539	2,518,170	2,862,610	1,851,880	1,410,709	2,151,034	2,936,724	2,833,200	2,890,443
Transportation	4,568,262	5,075,949	4,603,627	4,945,741	4,921,963	2,974,287	3,624,845	3,820,597	4,040,110	4,259,541
Basic Utility Services	685,382	575,820	626,253	581,467	674,193	524,508	558,003	563,200	613,298	669,389
Interest and Fiscal Charges	288,750	388,916	446,419	377,763	524,154	556,254	383,518	873,335	1,209,039	985,405
Total Governmental Activities Expenses	33,711,327	34,829,105	37,374,404	24,799,967	35,619,374	27,530,396	31,739,016	40,020,031	42,285,134	43,444,046
Business-type Activities:										
Golf Course	990,974	1,069,914	1,017,504	1,084,040	860,314	669,186	934,025	1,185,536	1,217,451	1,224,609
Sewer	5,493,683	5,757,642	5,625,699	6,283,417	5,788,260	4,322,710	5,109,548	6,081,426	6,351,747	6,364,356
Total Business-type Activities Expenses	6,484,657	6,827,556	6,643,203	7,367,457	6,648,574	4,991,896	6,043,573	7,266,962	7,569,198	7,588,965
Total Primary Government Expenses	40,195,984	41,656,661	44,017,607	32,167,424	42,267,948	32,522,292	37,782,589	47,286,993	49,854,332	51,033,011
NET (EXPENSE)/REVENUE										
Governmental Activities										
Governmental Activities	(26,245,339)	(25,154,880)	(30,788,567)	(18,383,201)	(24,829,902)	(19,568,526)	(22,130,376)	(26,107,748)	(29,830,386)	(27,466,380)
Business-Type Activities:										
Business-type Activities	492,944	43,422	322,561	(1,006,862)	(321,511)	2,077,205	1,354,983	705,994	1,628,300	1,023,675
Total Primary Government	$ (25,752,395)	$ (25,111,458)	$ (30,466,006)	$ (19,390,063)	$ (25,151,413)	$ (17,491,321)	$ (20,775,393)	$ (25,401,754)	$ (28,202,086)	$ (26,442,705)

CITY OF WILLOUGHBY, OHIO

CHANGES IN NET POSITION

LAST TEN YEARS

(Accrual Basis of Accounting) (continued)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities:										
Property Taxes	$ 3,397,560	$ 3,376,083	$ 3,487,016	$ 3,703,708	$ 3,604,761	$ 3,730,890	$ 3,863,110	$ 4,077,543	$ 6,064,830	$ 6,314,820
Income Taxes	17,483,183	16,591,378	18,399,404	19,733,618	17,810,021	19,734,824	24,229,345	24,342,990	25,700,150	27,434,900
Other Taxes	836,780	895,671	902,640	875,187	673,312	736,484	859,993	833,339	882,465	921,074
Unrestricted Grants, Entitlements and Contributions	2,754,687	2,513,138	2,524,103	2,893,444	1,672,414	2,009,678	2,251,330	2,107,441	2,258,663	2,249,308
Gain on Sale of Capital Assets	0	0	0	0	0	0	0	479,963	25,001	179,862
Insurance- BWC Dividend	0	0	0	0	1,425,430	0	0	0	0	0
Investment Earnings	287,566	310,307	463,076	645,496	490,954	16,056	(404,964)	1,260,752	1,729,677	2,094,655
Miscellaneous	218,199	38,625	40,509	35,143	51,677	159,188	645,502	361,393	636,053	270,878
Transfers	0	0	(100,000)	(150,000)	(118,580)	0	(1,058,903)	(25,000)	(50,000)	(50,000)
Total Governmental Activities	24,977,975	23,725,202	25,716,748	27,736,596	25,609,989	26,387,120	30,385,413	33,438,421	37,246,839	39,415,497
Business-type Activities:										
Gain on Sale of Capital Assets	0	0	0	0	0	0	0	0	37,600	2,325
Investment Earnings	9,347	4,719	36,029	75,147	75,093	1,299	(243,504)	315,426	268,156	426,033
Miscellaneous	21,881	0	0	9,114	7,244	760	10,397	14,555	2,774	4,357
Transfers	0	0	100,000	150,000	118,580	0	1,058,903	25,000	50,000	50,000
Total Business-type Activities	31,228	4,719	136,029	234,261	200,917	2,059	825,796	354,981	358,530	482,715
Total Primary Government	25,009,203	23,729,921	25,852,777	27,970,857	25,810,906	26,389,179	31,211,209	33,793,402	37,605,369	39,898,212
CHANGE IN NET POSITION										
Governmental Activities	(1,267,364)	(1,429,678)	(5,071,819)	9,353,395	780,087	6,818,594	8,255,037	7,330,673	7,416,453	11,949,117
Business-type Activities	524,172	48,141	458,590	(772,601)	(120,594)	2,079,264	2,180,779	1,060,975	1,986,830	1,506,390
Total Primary Government	$ (743,192)	$ (1,381,537)	$ (4,613,229)	$ 8,580,794	$ 659,493	$ 8,897,858	$ 10,435,816	$ 8,391,648	$ 9,403,283	$ 13,455,507

CITY OF WILLOUGHBY, OHIO

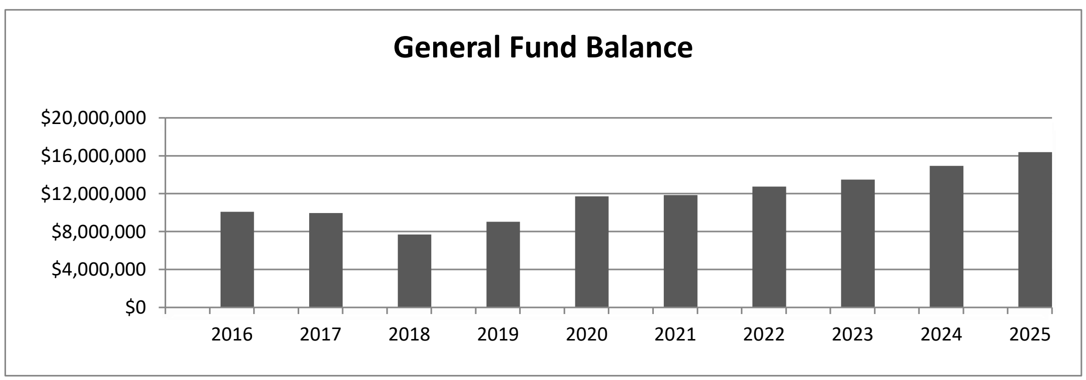
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN YEARS
(Accrual Basis of Accounting)

Year	Municipal Income Taxes	Property and Other Local Taxes	Total
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
2022	$24,229,345	$4,599,594	$28,828,939
2023	$24,342,990	$4,910,882	$29,253,872
2024	$25,700,150	$6,947,295	$32,647,445
2025	$27,434,900	$7,235,894	$34,670,794

CITY OF WILLOUGHBY, OHIO

FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS
(Modified Accrual Basis of Accounting)

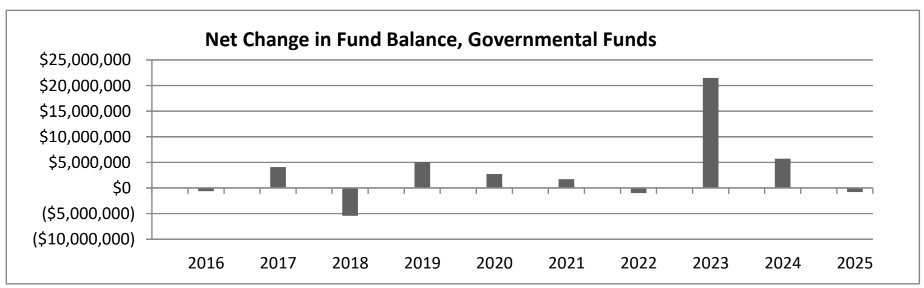
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
GENERAL FUND										
Nonspendable	$ 129,890	$ 233,077	$ 243,208	$ 223,265	$ 241,867	$ 245,418	$ 111,869	$ 88,576	$ 110,799	$ 118,593
Restricted	0	0	0	0	0	0	0	95,761	503,771	663,545
Committed	957,426	764,290	662,227	533,657	244,033	836,188	1,062,048	965,664	938,900	804,799
Assigned	568,753	624,390	554,918	504,154	577,282	638,961	670,383	662,438	633,351	674,781
Unassigned	8,447,098	8,343,658	6,223,001	7,763,292	10,669,074	10,138,852	10,913,281	11,665,380	12,747,554	14,120,086
Total General Fund	10,103,167	9,965,415	7,683,354	9,024,368	11,732,256	11,859,419	12,757,581	13,477,819	14,934,375	16,381,804
CAPITAL PROJECTS FUND										
Restricted	365,143	8,965	8,594	9,638	8,184	0	0	0	0	0
Committed	824,232	6,842,900	3,912,001	3,121,899	1,916,217	3,177,055	4,660,214	21,373,015	24,409,093	19,487,798
Unassigned(Deficit)	(2,835,657)	(4,050,375)	(4,783,130)	(731,026)	0	0	(2,440,376)	0	0	0
Total Capital Projects Fund	(1,646,282)	2,801,490	(862,535)	2,400,511	1,924,401	3,177,055	2,219,838	21,373,015	24,409,093	19,487,798
GENERAL BOND RETIREMENT FUND										
Restricted	1,139,973	1,060,018	1,046,328	1,042,565	1,039,085	1,068,721	1,068,721	575,161	796,630	1,007,756
Unassigned(Deficit)	0	0	0	0	0	0	(826,936)	0	0	0
Total General Bond Retirement Fund	1,139,973	1,060,018	1,046,328	1,042,565	1,039,085	1,068,721	241,785	575,161	796,630	1,007,756
ALL OTHER GOVERNMENT FUNDS										
Nonspendable	480,199	353,971	438,905	457,360	446,478	574,651	633,388	701,534	657,666	530,569
Committed	0	0	0	0	0	0	370,743	517,040	676,178	793,945
Restricted	2,448,183	2,278,505	2,810,632	3,800,352	4,307,309	4,589,543	4,112,624	5,173,095	6,058,063	8,395,309
Total All Other Governmental Funds	2,928,382	2,632,476	3,249,537	4,257,712	4,753,787	5,164,194	5,116,755	6,391,669	7,391,907	9,719,823
Total Governmental Funds	$ 12,525,240	$ 16,459,399	$ 11,116,684	$ 16,725,156	$ 19,449,529	$ 21,269,389	$ 20,335,959	$ 41,817,664	$ 47,532,005	$ 46,597,181



CITY OF WILLOUGHBY, OHIO

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
REVENUES:										
Municipal Income Taxes	$ 17,181,979	$ 17,180,978	$ 17,959,082	$ 19,167,062	$ 18,079,276	$ 19,902,595	$ 23,154,770	$ 24,466,399	$ 25,462,634	$ 27,105,536
Property and Other Local Taxes	4,228,487	4,266,474	4,523,932	4,399,781	4,260,575	4,472,688	4,784,628	4,873,376	6,763,102	6,935,768
Payments in Lieu of Taxes	0	0	0	0	0	0	0	0	162,985	211,203
Intergovernmental	4,314,002	3,513,217	3,373,578	3,445,872	7,840,720	4,221,605	5,083,197	7,028,325	5,408,979	10,767,975
Charges for Services	1,836,471	1,730,880	1,950,811	2,025,497	1,175,306	2,030,762	2,404,877	2,546,530	2,934,550	3,061,722
Special Assessments	598,222	629,909	735,300	711,586	752,228	787,849	799,894	821,248	885,863	837,412
Fines and Forfeitures	2,430,897	2,378,768	2,666,376	2,610,410	2,092,155	2,396,569	2,551,008	2,565,530	2,639,369	3,005,738
Licenses & Permits	215,787	207,073	235,497	305,007	266,566	281,638	554,738	545,832	390,928	484,575
Interest Income	287,566	310,307	463,076	645,496	490,954	16,056	(404,964)	1,260,752	1,729,677	2,094,655
Miscellaneous	218,199	38,625	105,951	126,857	259,472	254,567	246,043	435,677	733,815	270,878
Total Revenues	31,311,610	30,256,231	32,013,603	33,437,568	35,217,252	34,364,329	39,174,191	44,543,669	47,111,902	54,775,462
EXPENDITURES:										
General Government	6,824,872	6,784,024	8,211,149	6,992,697	7,122,008	7,384,324	8,127,800	7,923,494	8,729,880	10,851,934
Security of Persons and Property	15,050,954	15,117,698	15,733,227	15,916,551	15,967,766	16,658,873	17,216,292	18,647,100	18,887,262	19,995,310
Public Health and Welfare	473,152	452,561	466,016	496,041	499,832	518,265	548,654	582,636	582,018	616,522
Community Environment	943,207	1,040,727	1,018,334	1,100,098	1,159,345	1,200,452	1,346,830	1,239,397	1,263,423	1,384,575
Leisure Time Activities	1,921,982	1,976,147	2,053,276	2,087,132	1,377,913	1,926,397	2,269,334	2,518,839	2,455,901	2,486,308
Transportation	1,729,324	1,847,926	1,631,927	1,766,450	1,860,941	1,549,747	1,949,743	1,904,263	2,016,969	2,068,028
Basic Utility Services	196,657	73,251	116,085	68,095	184,850	65,241	89,887	64,941	94,310	152,663
Capital Outlay	3,378,882	2,982,131	6,873,002	4,978,756	5,808,820	2,010,080	7,069,520	9,591,951	5,811,381	15,520,477
Debt Service:										
Principal	1,141,234	1,196,234	1,066,234	1,108,920	1,167,162	1,276,922	1,445,881	983,425	1,275,788	1,569,597
Interest	288,915	331,691	437,075	397,071	511,942	464,023	392,796	453,199	1,252,984	1,038,117
Bond Issuance Costs	0	0	0	0	115,500	182,894	0	397,340	0	0
Total Expenditures	31,949,179	31,802,390	37,606,325	34,911,811	35,776,079	33,237,218	40,456,737	44,306,585	42,369,916	55,683,531
Excess of Revenues Over (Under) Expenditures	(637,569)	(1,546,159)	(5,592,722)	(1,474,243)	(558,827)	1,127,111	(1,282,546)	237,084	4,741,986	(908,069)
OTHER FINANCING SOURCES (USES)										
Transfers In	2,562,487	2,710,000	3,712,181	3,000,000	2,325,000	4,387,173	3,203,622	6,665,000	3,967,132	5,122,874
Transfers Out	(2,562,487)	(2,710,000)	(3,812,181)	(3,150,000)	(2,443,580)	(4,016,233)	(4,262,525)	(6,690,000)	(4,017,132)	(5,172,874)
General Obligation Bonds Premium	0	0	0	0	0	208,164	0	412,827	0	0
General Obligation Bonds Issued	0	0	0	0	6,665,000	5,610,000	0	16,500,000	0	0
Bond Anticipation Notes Issued	0	5,620,000	5,615,000	12,010,000	5,610,000	0	0	0	0	0
Bond Anticipation Notes Repaid	0	0	(5,620,000)	(5,615,000)	(12,010,000)	(5,610,000)	0	0	0	0
Proceeds of Other Debt	0	0	272,767	320,703	1,718,555	0	916,878	3,852,596	1,031,273	6,387
Insurance - BWC Dividend	0	0	0	0	1,425,430	0	0	0	0	0
Sale of Capital Assets	0	0	0	0	0	0	451,407	479,963	25,001	179,862
Total Other Financing Sources (Uses)	0	5,620,000	167,767	6,565,703	3,290,405	579,104	309,382	21,220,386	1,006,274	136,249
Net Change in Fund Balances	$ (637,569)	$ 4,073,841	$ (5,424,955)	$ 5,091,460	$ 2,731,578	$ 1,706,215	$ (973,164)	$ 21,457,470	$ 5,748,260	$ (771,820)
Debt Service as a Percentage of Noncapital Expenditures	5.01%	5.30%	4.89%	5.03%	5.60%	5.58%	5.51%	4.14%	6.92%	6.49%



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
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
2022	$23,154,770	$4,784,628	$27,939,398
2023	$24,466,399	$4,873,376	$29,339,775
2024	$25,462,634	$6,926,087	$32,388,721

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
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%
2022	$22,678,538	$16,430,200	$3,965,494	$1,974,669	$308,175	2.00%
2023	$24,199,435	$17,867,099	$3,932,794	$2,061,947	$337,595	2.00%
2024	$25,423,265	$18,782,758	$4,186,798	$2,044,872	$408,837	2.00%
2025	$27,149,660	$19,501,995	$5,200,197	$2,085,702	$361,766	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

2025 Rank	2025 Name	2016 Rank	2016 Name
1	University Hospitals Health System	1	Lake Health (now University Hospitals)
2	Progressive Casualty Ins Co	2	Willoughby-Eastlake City Schools
3	Group Management Services Inc	3	City of Willoughby
4	Willoughby-Eastlake City Schools	4	Ohio Presbyterian - Breckenridge
5	City of Willoughby	5	HHC Ohio Inc
6	Marous Brothers Construction	6	Marous Brothers Construction
7	HHC Ohio Inc	7	Bescast Inc
8	Bescast Inc	8	Signature Health Inc
9	ADP Totalsource Co XXI Inc	9	Bevcorp LLC
10	Ohio Living -Breckenridge	10	Primehealth Inc

Classification	2025	2016
Government	$ 972,280	$ 909,625
Commercial, Mfg, & Other	9,118,443	5,239,045
	$ 10,090,723	$ 6,148,670

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

	Assessed Value						
Tax Year/ Collection Year	**Real Property**	**Other Real Estate & Public Utility Property**	**Less: Tax Exempt Real Property**	**Total Taxable Assessed Value**	**Total Direct Tax Rate**	**Total Estimated Actual Taxable Value**	**Assessed Value as a Percentage of Actual Value**
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%
2021/2022	$570,766,690	$239,565,380	$64,259,750	$746,072,320	8.40	$2,089,572,263	35.70%
2022/2023	$583,901,930	$242,738,000	$72,280,320	$754,359,610	8.38	$2,110,636,841	35.74%
2023/2024	$586,496,370	$243,839,180	$72,310,320	$758,025,230	10.84	$2,120,466,758	35.75%
2024/2025	$733,363,170	$292,610,230	$84,450,960	$941,522,440	10.40	$2,640,969,956	35.65%

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

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

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

	City of Willoughby Direct Rates								Overlapping Rates		
Tax Year/ Collection Year	**General Fund**	**Debt Service Fund**	**Police Pension Fund**	**Fire Pension Fund**	**Recreation Fund**	**Road & Bridge Fund**	**Safety Tax Levy Fund**	**Total City Millage**	**Lake County**	**Willoughby/ Eastlake, Kirtland School Districts**	**Total Direct & Overlapping Rates**
2015/2016	3.55	1.84	0.30	0.30	0.50	2.00	0.00	8.49	15.70	66.57 (1)	90.76
2016/2017	3.55	1.89	0.30	0.30	0.50	2.00	0.00	8.54	15.70	66.78 (1)	91.02
2017/2018	3.55	1.89	0.30	0.30	0.50	2.00	0.00	8.54	16.00	66.63 (1)	91.17
2018/2019	3.55	1.81	0.30	0.30	0.50	2.00	0.00	8.46	16.78	64.42 (1)	89.66
2019/2020	3.55	1.83	0.30	0.30	0.50	2.00	0.00	8.48	16.78	65.19 (1)	90.45
2020/2021	3.55	1.83	0.30	0.30	0.50	2.00	0.00	8.48	16.77	70.29 (1)	95.54
2021/2022	3.55	1.75	0.30	0.30	0.50	2.00	0.00	8.40	17.13	67.18 (1)	92.71
2022/2023	3.40	1.88	0.30	0.30	0.50	2.00	0.00	8.38	17.10	66.93 (1)	92.41
2023/2024	3.40	1.84	0.30	0.30	0.50	2.00	2.50	10.84	17.10	66.72 (1)	94.66
2024/2025	3.40	1.40	0.30	0.30	0.50	2.00	2.50	10.40	17.05	61.69 (1)	89.14

(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
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%	$74,704	$4,020,404	99.8%
2021/2022	$4,311,262	$4,215,719	97.8%	$71,884	$4,287,603	99.5%
2022/2023	$4,341,758	$4,279,119	98.6%	$88,422	$4,367,541	100.6%
2023/2024	$6,222,004	$6,131,964	98.6%	$96,830	$6,228,794	100.1%
2024/2025	$6,377,201	$6,113,879	95.9%	$78,874	$6,192,753	97.1%

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

	GOVERNMENTAL ACTIVITIES					BUSINESS-TYPE ACTIVITIES						
Year	General Obligation Bonds	Special Assessment Bonds	Bond Anticipation Notes	OWDA & OPWC	Financed Purchases & Leases	Enterprise Bonds w/G.O. Commitment	OWDA & OPWC	Financed Purchases & Leases	Total Primary Government	Total Personal Income	Percentage of Personal Income (1)	Per Capita (1)
2016	$10,008,048	$0	$0	$6,503	$0	$2,595,000	$6,921,585	$0	$19,531,136	$673,584,732	2.90%	$877
2017	$8,783,976	$0	$5,620,000	$5,269	$0	$2,595,000	$10,647,250	$0	$27,651,495	$673,584,732	4.11%	$1,242
2018	$7,689,904	$0	$5,615,000	$276,802	$0	$2,450,000	$10,448,938	$0	$26,480,644	$673,584,732	3.93%	$1,189
2019	$6,565,832	$0	$12,010,000	$583,585	$0	$2,295,000	$9,973,649	$0	$31,428,066	$673,584,732	4.67%	$1,411
2020	$12,061,760	$0	$5,610,000	$2,274,978	$0	$2,140,000	$12,792,432	$0	$34,879,170	$673,584,732	5.18%	$1,566
2021	$16,657,178	$0	$0	$2,183,056	$0	$1,985,000	$14,487,300	$0	$35,312,534	$861,781,271	4.10%	$1,474
2022	$15,323,237	$0	$0	$2,944,053	$0	$1,820,000	$13,511,676	$228,633	$33,827,599	$861,781,271	3.93%	$1,412
2023	$31,270,241	$0	$0	$6,728,226	$0	$1,655,000	$12,637,923	$180,544	$52,471,934	$861,781,271	6.09%	$2,190
2024	$30,180,040	$0	$0	$6,550,365	$983,344	$1,490,000	$11,872,538	$130,997	$51,207,284	$861,781,271	5.94%	$2,137
2025	$28,942,758	$0	$0	$6,187,155	$939,728	$1,315,000	$11,066,511	$79,949	$48,531,101	$861,781,271	5.63%	$2,026

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)

Year	General Obligation Bonds(1)	Less: Amount of Assets Restricted for Repayment of Debt	Total	Population	Percent of Estimated Actual Taxable Value of Property (2)	Per Capita (3)
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
2022	$15,323,237	$1,068,680	$14,254,557	23,959	0.68%	$595
2023	$31,270,241	$567,004	$30,703,237	23,959	1.45%	$1,281
2024	$30,180,040	$776,021	$29,404,019	23,959	1.39%	$1,227
2025	$28,942,758	$1,018,029	$27,924,729	23,959	1.06%	$1,166

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, 2025
(UNAUDITED)

Jurisdiction	Assessed Valuation (1)	General Obligation Debt Outstanding (1)	Percent Overlapping (2)	Amount Applicable to City of Willoughby
Direct:				
City of Willoughby	$ 941,522,440			
General Obligation Bonds		$ 28,942,758	100.00%	$ 28,942,758
Ohio Water Development Loans		$ 5,618,201	100.00%	$ 5,618,201
Ohio Public Works Commission Loans		$ 568,954	100.00%	$ 568,954
Total Direct Debt		$ 35,129,913		$ 35,129,913
Overlapping:				
Willoughby-Eastlake City Schools	$ 2,482,067,760	$ 102,412,620	37.26%	$ 38,158,942
Kirtland Local School District	$ 519,535,230	$ 485,793	3.97%	$ 19,286
Auburn Joint Vocational S.D.	$ 3,754,299,010	$ 5,655,000	0.30%	$ 16,965
Lake County	$ 9,396,845,910	$ 65,054,000	10.05%	$ 6,537,927
Total Overlapping		$ 173,607,413		$ 44,733,120
Total Direct and Overlapping Debt		$ 208,737,326		$ 79,863,033

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 2025 collection year.

CITY OF WILLOUGHBY, OHIO

LEGAL DEBT MARGIN INFORMATION

LAST TEN YEARS

		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Overall Debt Limitation - 10.5% of Assessed Valuation		$ 61,349,696	$ 61,712,121	$ 62,517,223	$ 68,142,761	$ 68,353,641	$ 69,333,832	$ 78,337,594	$ 79,207,759	$ 79,592,649	$ 98,859,856
Gross Indebtedness		$ 24,953,088	$ 33,202,519	$ 32,685,740	$ 31,262,234	$ 34,737,410	$ 35,000,356	$ 33,330,729	$ 51,661,149	$ 49,502,903	$ 46,958,666
Less:	OWDA	(6,345,844)	(9,970,757)	(10,048,210)	(9,935,187)	(14,456,454)	(16,020,464)	(15,674,611)	(18,351,860)	(17,380,212)	(16,235,524)
	OPWC	(582,244)	(681,762)	(677,530)	(622,047)	(610,956)	(649,892)	(781,118)	(1,014,289)	(1,042,691)	(1,018,142)
	Special Assessment Bond & BAN	(5,680,000)	(11,400,000)	(12,020,000)	(12,015,000)	(5,610,000)	0	0	0	0	0
	Airport Debt	(135,000)	(130,000)	(125,000)	(120,000)	(115,000)	(110,000)	(100,000)	(90,000)	(80,000)	(70,000)
	Sewer Debt	(1,325,000)	(1,255,000)	(1,185,000)	(1,110,000)	(1,035,000)	(960,000)	(880,000)	(800,000)	(720,000)	(635,000)
	Golf Debt	(1,270,000)	(1,340,000)	(1,265,000)	(1,185,000)	(1,105,000)	(1,025,000)	(940,000)	(855,000)	(770,000)	(680,000)
		(15,338,088)	(24,777,519)	(25,320,740)	(24,987,234)	(22,932,410)	(18,765,356)	(18,375,729)	(21,111,149)	(19,992,903)	(18,638,666)
Net Debt Within 10.5% Limitations		9,615,000	8,425,000	7,365,000	6,275,000	11,805,000	16,235,000	14,955,000	30,550,000	29,510,000	28,320,000
Legal Debt Margin Within 10.5% Limitation*		$ 51,734,696	$ 53,287,121	$ 55,152,223	$ 61,867,761	$ 56,548,641	$ 53,098,832	$ 63,382,594	$ 48,657,759	$ 50,082,649	$ 70,539,856
Total Net Debt Applicable to the 10.5% Limit as a Percentage of the Debt Limit		15.67%	13.65%	11.78%	9.21%	17.27%	23.42%	19.09%	38.57%	37.08%	28.65%
Unvoted Debt Limitation - 5.5% of Assessed Valuation		$ 32,135,555	$ 32,325,397	$ 32,747,117	$ 35,693,827	$ 35,804,288	$ 36,317,722	$ 41,033,978	$ 41,489,779	$ 41,691,388	$ 51,783,734
Net Debt Within 10.5% Limitations		9,615,000	8,425,000	7,365,000	6,275,000	11,805,000	16,235,000	14,955,000	30,550,000	29,510,000	28,320,000
Less Debt Outside Limitations (Voted)		(2,590,000)	(2,305,000)	(2,010,000)	(1,705,000)	(1,390,000)	(1,060,000)	(720,000)	(365,000)	0	0
Debt Within 5.5% Limitations		7,025,000	6,120,000	5,355,000	4,570,000	10,415,000	15,175,000	14,235,000	30,185,000	29,510,000	28,320,000
Legal Debt Margin Within 5.5% Limitation*		$ 25,110,555	$ 26,205,397	$ 27,392,117	$ 31,123,827	$ 25,389,288	$ 21,142,722	$ 26,798,978	$ 11,304,779	$ 12,181,388	$ 23,463,734
Total Debt Applicable to the 5.5% Limit as a Percentage of the Debt Limit		21.86%	18.93%	16.35%	12.80%	29.09%	41.78%	34.69%	72.75%	70.78%	54.69%

LEGAL DEBT MARGIN CALCULATION FOR 2025

Assessed Valuation		$ 941,522,440
Overall Debt Limitation - (10.5% of Assessed Valuation)		$ 98,859,856
Gross Indebtedness		46,958,666
Less :	OWDA/OPWC	(17,253,666)
	Airport Debt	(70,000)
	Sewer Debt	(635,000)
	Recreation- Golf Debt	(680,000)
Net Debt Within 10.5% Limitations-General Obligation Bonds		28,320,000
*Legal Debt Margin Within 10.5% Limitation**		$ 70,539,856
Unvoted Debt Limitation - (5.5% of Assessed Valuation)		$ 51,783,734
Gross Indebtedness Authorized by Council		28,320,000
Less Debt Outside Limitations- Voted		0
Debt Within 5.5% Limitations		28,320,000
*Legal Debt Margin Within 5.5% Limitation**		$ 23,463,734

* Calculated without regard to balance in Debt Service funds.

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

SPECIAL ASSESSMENT BONDS

YEAR	SPECIAL ASSESSMENT COLLECTIONS	DEBT SERVICE PRINCIPAL	DEBT SERVICE INTEREST	COVERAGE
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
2022	$0	$0	$0	0.00
2023	$0	$0	$0	0.00
2024	$0	$0	$0	0.00
2025	$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)	Median Age (1)	Education Attainment: Bachelor's Degree or Higher (1)	School Enrollment (4)	Unemployment Rate (3)	Population in Group Quarters (1)	Total Dwelling Units (1)	Occupied Dwelling Units Households(1)	Persons Per/Owner Households	Owner Occupied Housing Units (%)	Occupied County Population (1)
2016	22,268	$673,584,732	$30,249	$50,611	43.6	28.3%	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	43.6	28.3%	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	43.6	28.3%	3,197	4.3%	200	11,387	10,413	2.30	61.1	230,041
2019	22,268	$673,584,732	$30,249	$50,611	43.6	28.3%	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	43.6	28.3%	3,042	8.4%	200	11,387	10,413	2.30	61.1	230,041
2021	23,959	$861,781,271	$35,969	$60,311	44.0	31.2%	2,905	5.0%	214	12,275	11,630	2.08	60.7	232,603
2022	23,959	$861,781,271	$35,969	$60,311	44.0	31.2%	2,976	4.3%	214	12,275	11,630	2.08	60.7	232,603
2023	23,959	$861,781,271	$35,969	$60,311	44.0	31.2%	2,824	3.7%	214	12,275	11,630	2.08	60.7	232,603
2024	23,959	$861,781,271	$35,969	$60,311	44.0	31.2%	2,862	3.7%	214	12,275	11,630	2.08	60.7	232,603
2025	23,959	$861,781,271	$35,969	$60,311	44.0	36.6%	2,733	3.4%	214	12,275	11,630	2.08	60.7	232,603

(1) Source: U.S. Bureau of the Census 2010 & 2020 and 2024 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: ODE Website

CITY OF WILLOUGHBY, OHIO

Income Tax Filers by Income Level

TAX YEARS 2024 and 2016

	2024 (1) (2)			
Income Range	**Number of Filers**	**Percent of Filers**	**Taxable Income**	**Percent of Taxable Income**
$ 150,000 and Over	1,034	12.54%	$269,642,567	39.8%
100,000-149,999	1,126	13.66%	$136,458,464	20.2%
75,000-99,999	1,078	13.07%	93,463,278	13.8%
50,000-74,999	1,549	18.78%	95,519,840	14.1%
25,000-49,999	1,605	19.46%	61,228,673	9.0%
Under 25,000	1,854	22.48%	20,446,164	3.0%
Total	8,246	99.99%	$676,758,986	100.0%

	2016 (2)			
Income Range	**Number of Filers**	**Percent of Filers**	**Taxable Income**	**Percent of Taxable Income**
$ 150,000 and Over	563	5.67%	$125,409,749	21.97%
100,000-149,999	1,006	10.14%	121,892,430	21.37%
75,000-99,999	1,028	10.36%	88,650,013	15.54%
50,000-74,999	1,679	16.92%	102,976,945	18.05%
25,000-49,999	2,592	26.12%	96,573,679	16.93%
Under 25,000	3,056	30.79%	35,019,537	6.14%
Total	9,924	100.00%	$570,522,353	100.00%

Source: Regional Income Tax Agency as of April 30, 2026

(1) Information for 2025 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

FUNCTION/PROGRAM	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental										
General Government										
Council	8	8	8	8	8	8	8	8	8	8
Mayor	1	1	1	1	1	1	1	1	1	1
Law	2	2	3	3	3	3	3	3	3	3
Personnel	1	1	1	1	1	1	1	1	1	1
Court	24	24	25	23	20	23	22	22	28	27
Building & Grounds	7	7	7	7	7	6	7	7	7	7
Finance	9	9	8	8	8	8	8	10	10	10
Service	4	5	5	5	4	5	5	5	5	5
Vehicle Maintenance	3	3	4	4	3	4	4	4	4	4
Security of Persons and Property										
Police	57	57	57	56	57	56	58	58	59	58
Fire	41	42	41	41	41	41	41	41	41	43
Public Health and Welfare										
Cemetery	2	2	2	2	2	2	2	2	2	2
Community Environment										
Building	7	7	7	7	7	7	7	6	6	7
Community Development	1	1	2	2	2	2	2	2	2	2
Leisure Time Activities										
Parks	4	4	4	4	4	4	4	4	4	4
Recreation	7	6	7	7	6	7	7	6	6	7
Transportation										
Street	9	9	9	9	8	9	9	9	9	9
Traffic	2	2	2	2	2	2	2	2	2	2
Total Governmental	189	190	193	190	184	189	191	191	198	200
Business-Type										
Sewer										
Sewer	7	6	6	6	5	6	6	6	6	6
WPCC	17	16	17	17	16	17	17	18	17	18
Golf Course	4	4	4	4	3	4	4	4	4	4
Total Business-Type	28	26	27	27	24	27	27	28	27	28
Totals	217	216	220	217	208	216	218	219	225	228

Source: City of Willoughby Finance Dept.

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

OPERATING INDICATORS BY FUNCTION/PROGRAM	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental										
General Government										
Council - Ordinances & Resolutions	135	135	162	119	128	129	168	153	143	150
Personnel - Civil Service Exams (taken)	111	11	195	182	82	91	91	13	146	107
Court - Number of cases	15,060	14,943	15,685	13,144	9,505	12,817	12,664	12,667	16,423	16,468
Finance										
Number of A/P checks processed	6,208	6,047	5,616	5,031	4,403	4,492	4,566	4,569	4,601	4,689
Number of purchase orders issued	904	941	939	997	828	872	988	1,009	1,106	1,181
Security of Persons and Property										
Police										
Total Arrests & other Citations	4,935	4,967	3,914	3,441	1,941	5554	3,761	4,131	4,317	3,928
Parking Citations	2,584	2,275	2,021	1,750	742	1,430	1,216	1,008	880	858
Fire										
Total Number of Calls	5,249	5,207	5,601	5,673	4,941	5,546	5,471	5,718	6,212	6,576
Public Health and Welfare										
Cemetery (plots sold)	74	93	88	84	84	97	105	96	55	86
Community Environment										
Building										
Building Permits Issued	695	700	754	794	783	834	860	839	889	829
Inspections - Residential	2,241	1,636	2,040	2,917	2,676	1,431	2,062	1,593	1,938	1,920
- Comm/Industrial	837	549	551	521	478	346	1,163	511	382	485
Leisure Time Activities										
Parks - Program Participants	546	463	460	551	0	335	380	336	345	335
Pools - Attendance	44,215	34,320	31,283	33,518	0	22,171	23,327	31,295	12,752	14,884
Senior Center - Membership	1,861	1,981	1,726	2,535	1,843	2,855	3,179	3,564	3,849	3,854
- Attendance	27,402	31,877	32,290	35,710	11,359	15,949	39,632	51,373	62,603	67,105
Business-Type										
Sewer										
Sewer - Point of Sale Inspections	325	378	402	372	185	408	398	289	344	322
WPCC										
Flow Data MG (millions of gallons)	2,121	2,354	2,427	2,220	2,382	2,157	2,279	2,387	2,180	2,243
Golf Course										
Rounds of golf	38,790	36,354	33,013	32,322	33,669	39,583	33,587	38,111	39,258	36,987

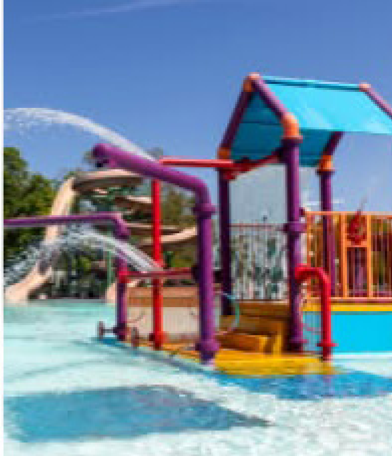
Source: Various Willoughby Departments

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

FUNCTION/PROGRAM	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Capital Assets										
General Government										
Other Departmental Vehicles	41	40	46	47	44	43	44	50	54	50
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	30	32	33	31	33	33	35	33	31	32
Square Footage of Building	28,924	28,924	28,924	28,924	28,924	28,924	28,924	28,924	28,924	28,924
Fire										
Number of Stations	2	2	2	2	2	2	2	2	2	2
Number of Vehicles	17	17	17	17	18	18	18	20	20	19
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	3	3	3	3	3	3
Community Environment										
Building & Zoning										
Number of Vehicles	4	4	5	4	4	4	4	4	4	4
Leisure Time Activities										
Number of Parks	14	14	14	14	14	14	14	14	15	15
Parks Acreage	153	153	153	153	153	153	153	153	258	258
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	1 large	1 large
Number of Ballfields	15	15	15	15	15	15	15	15	14	14
Recreation - Senior Center	1	1	1	1	1	1	1	1	1	1
Senior Center Square Footage	31,974	31,974	31,974	20,095	20,095	20,095	20,095	20,095	20,095	20,095
Number of Vehicles	11	12	12	12	12	12	12	13	13	12
Transportation										
Miles of Streets	96	96	96	96	96	96	96	96	97	97
Number of Street Lights	3,104	3,104	3,104	3,110	3,110	3,116	3,108	3,108	3,108	3,108
Number of Traffic Lights	354	354	354	354	354	354	354	354	354	354
Business-Type Capital Assets										
Sewers										
Miles of Sanitary Sewers	106	106	125	126	126	126	126	126	127	127
Miles of Storm Sewers	105	105	125	126	126	126	126	126	127	127
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	2	2	2	2	2	2	2	2	2	2

Sources: Various Willoughby Departments




HISTORY
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FAMILY

WILLOUGHBY
OHIO

FUN
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